

Company profile · first half of 2018

VP Bank Group introduction



Good reasons for VP Bank

An especially compelling investment

We are VP Bank Group: anchored in Liechtenstein, present across the globe.

In the German-speaking region of Europe, VP Bank stands out for its clearly defined two-pillar business strategy (private banking and intermediaries), listing on a public stock exchange (SIX Swiss Exchange) and ranking by a renowned rating agency (Standard & Poor's "A"). Your investment will enable you to participate in the success of VP Bank Group.

Our business model is sustainable, comprehensible and successful. And our strategic goal is to grow profitably as a Group whilst preserving our independence.

We are successful in our target markets because whatever we do, we do it excellently and with tremendous enthusiasm each and every day.

We offer our shareholders a secure investment alternative that offers an attractive return which is continuously adapted in order to master the challenges of an ever-changing market environment.

Convincing numbers and facts

- Solid shareholders' equity base and a tier 1 ratio of more than 22%¹
- Balanced shareholder structure - stable, industry-independent shareholders and a public free float of 52.41%²
- Sustained profitability and an attractive payout ratio of currently about 50%³
- Open, independent investment architecture to the best advantage of our clients
- Highly motivated, excellently skilled employees
- Moderate yet continuously profitable growth - organically as well as through targeted acquisitions

¹ Status as at 30 June 2018

² Status as at 31 May 2018

³ Status as at 31 December 2017


VP Bank at a glance

Facts & figures


- Founded in 1956
- Largest independent bank in Liechtenstein
- Client assets: CHF 46.8 billion *
- Assets under management: CHF 40.9 billion *
- Total assets: CHF 12.6 billion*
- Shareholders' equity ratio: 7.6% *
- Cost/income ratio: 70.3% *
- Tier 1 ratio: 22.6% *
- Leverage ratio: 7.1% *
- 828 employees (full-time equivalents) *
- Listed on SIX Swiss Exchange
- "A" rating (Stable) from Standard & Poor's (as of 17 May 2018), confirmed as at 9 August 2018
- Seven locations worldwide in key financial centres
- Focus on asset management for intermediaries and private individuals




Extremely healthy balance sheet and high level of liquid assets



Stable, substantial shareholders' equity and strong tier 1 ratio of 22.6%*



Excellent S&P "A" rating with stable outlook (A/Stable/A-1)*



Inflow of net new money from both Client Business segments (CHF 0.6 billion)*

* Status as at 30 June 2018

Locations and markets of VP Bank

Target markets Europe
Liechtenstein
Switzerland
Germany
Luxembourg
Russia
Ukraine

Target markets Asia
Singapore
Hong Kong
Indonesia
Malaysia
Thailand

The VP Bank Group locations



- Locations with banking license
- Wealth management companies and representative offices

VP Bank's clients

Direct client business

VP Bank is focusing on three defined client segments:

- High Net Worth Individuals (HNWI) Liechtenstein, Switzerland and International (from CHF 1 million)
- Affluent Liechtenstein and Switzerland (from CHF 100'000 up to CHF 1 million) as well as Affluent International (from CHF 250'000)
- Retail Liechtenstein and Switzerland (up to CHF 100'000) as well as Retail International (up to CHF 250'000)

Fiduciary business

- Focusing on large fiduciaries with an international orientation
- Strategic partnerships
- Key account management approach

External asset managers

- Focusing on medium-sized managers
- Positioning as top-service bank
- Personal relationship with our clients

VP Bank's vision

Clients are the focal point

We have prescribed for ourselves a clear vision:



Client proximity and client trust

For us, that means:

- uncompromising orientation towards client satisfaction and service quality;
- a holistic approach to advising clients and offering them the advantages of open architecture;
- professional client-feedback management;
- segmentation of our client base according to volumes, markets and investment profiles;
- resolute devotion to ethical values in all of our activities, this through the personal commitment of each and every employee.

The ambassadors of this vision are our employees, who benefit from ongoing professional training and a wide range of opportunities for personal development. We view motivated, skilled, service-oriented advisors as the decisive factor in our ability to engender and preserve the trust of all our clients.

Goals and orientation of VP Bank

Qualitative goals

- Continual improvement of profitability
- Strengthening our marketing clout by closely dovetailing our worldwide competencies and Group-wide coordination of our client acquisition efforts
- Heightening efficiency and increasing enterprise value through the pooling of competencies
- Value-oriented management (KPIs: return on equity and C/I ratio); fostering management's strong bond with the company (Long-Term Incentive Plan)

Quantitative goals for the end of 2020

- Assets under management of CHF 50 billion (currently 40.9 billion¹)
- Group net income of CHF 80 million (currently CHF 29.3 million¹)
- Cost/income ratio under 70% (currently: 70.3%¹)

Orientation

- Core business: clearly positioned in two segments: intermediaries business and private banking
- Growth: exploiting opportunities for growth through acquisitions, further increasing the client base, and striving for organic growth
- Organisation: client-oriented, leaner and more efficient management structure and short decision-making paths
- Market cultivation: focus on defined markets and segments
- Efficiency: enhanced cost efficiency (e.g. IT infrastructure, strategic partnerships and joint ventures)
- Synergies: optimisation of the structures, services and processes of VP Bank Group; fostering Group-wide collaboration
- Offering: optimisation of our range of products and services
- Dividend policy: constantly maintained distribution of 40 to 60% of the consolidated net income (given a Tier 1 ratio in excess of 16%)

¹ Status as at 30 June 2018

VP Bank's strengths

First-class solutions

- Our open architecture approach means our clients are sure to receive independent advice from us. Working with our partners around the globe, we recommend the investment instruments best suited to our clients' needs or in special situations come up with our own innovative solutions.
- For many years we have been earning the top industry awards for the quality of our advice and services.

High degree of security

- VP Bank Group's capital base is much stronger than required by international standards.
- Our principal shareholders take a long-term view and thus ensure continuity, independence and sustainability.
- Our well-diversified business model and prudent business policy mean that we act with responsibility and diligence. For that reason, VP Bank does not engage in investment banking.

Service professionalism

- For all their financial matters, our clients have a trustworthy contact person they can depend on at all times and who can draw on the expertise of carefully selected specialists.
- Our global presence gives us a wide range of competencies that can be combined to produce customised solutions. As a result, we can always take into account country-specific conditions.

VP Bank shares

Share capital

	31.12.2017 Number of shares	31.12.2017 Par value in CHF 1,000	31.12.2016 Number of shares	31.12.2016 Par value in CHF 1,000
Registered shares A ³ CHF 10 par value	6,015,000	60,150	6,015,000	60,150
Registered shares B CHF 1 par value	6,004,167	6,004	6,004,167	6,004
Total share capital	12,019,167	66,154	12'019'167	66,154

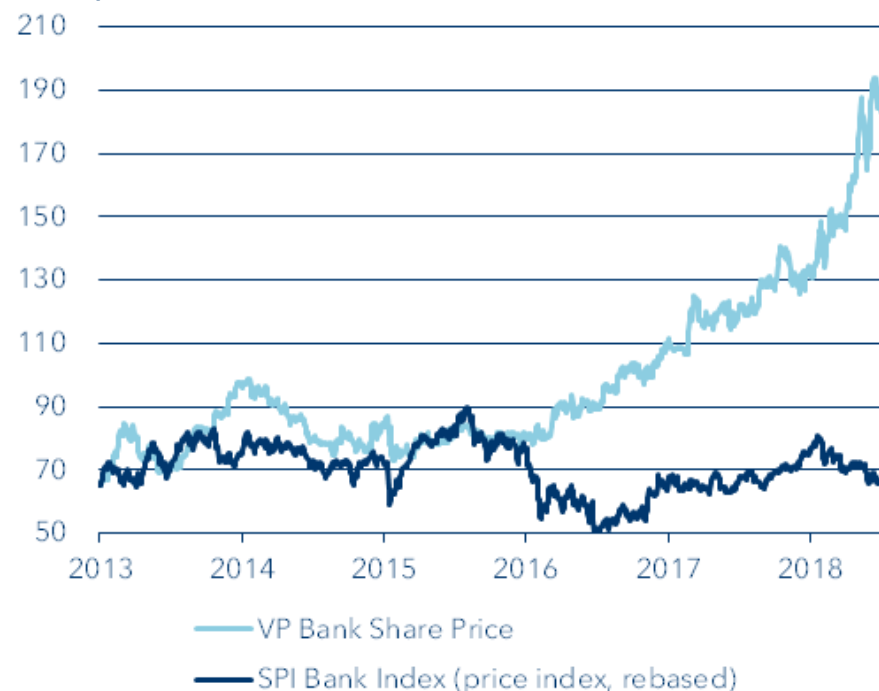
Share segmentation³

Registered shares A	Registered shares B
VP Bank's registered shares A are listed and freely tradable on SIX Swiss Exchange.	The registered shares B are not listed but are distributed amongst the population of Liechtenstein.

Anchor shareholders¹

Shareholder	Proportion of voting rights	Proportion of share capital
Stiftung Fürstl. Kommerzienrat Guido Feger, Vaduz	46.6%	23.0%
U.M.M. Hilti-Stiftung, Schaan	10.0%	9.3%
Marxer Stiftung für Bank- und Unternehmenswerte, Vaduz	6.3%	11.4%

Share price ²



The largest shareholder, Stiftung Fürstl. Kommerzienrat Guido Feger foundation (established in 1954 by the founder of VP Bank), supports social, charitable and cultural projects, thereby shaping the Bank's corporate culture and lending expression to its commitment to society as a whole.

¹ Status as at 31 December 2017

² Status as at 17 August 2018

³ On 29 April 2016, the Annual General Meeting of the shareholders of VP Bank AG approved a motion from the Board of Directors to convert the current bearer shares with a nominal value of CHF 10 per share into new registered shares A. The existing unlisted registered shares with a nominal value of CHF 1 per share were renamed as registered shares B.

Key figures of VP Bank

	31.12.2015	31.12.2016	31.12.2017	30.06.2018
Consolidated net income per registered share A (in CHF)	10.17	9.61	10.89	4.82
Shareholders' equity per registered share A (in CHF)	154.01	157.14	165.33	157.70
Price per registered share A (in CHF)	82.00	108.00	133.00	188.80
Market capitalization (in CHF million)	542	714	880	1'249
Dividend per registered share A (in CHF)	4.00	4.50	5.50	n.a.
Dividend per registered share B (in CHF)	0.40	0.45	0.55	n.a.
Payout ratio (relative to consolidated net income)	39.3 %	46.8%	50.5%	n.a.
Dividend yield (net)	4.9 %	4.2%	4.1%	n.a.
Free float	40.0 % ¹	44.42% ³	51.50% ⁴	52.41% ⁵
Rating: Standard & Poor's	«A» (A-/Negative/A-2) ²	«A» (A-/Positive/A-2) ²	«A» (A/Stable/A-1) ²	«A» (A/Stable/A-1) ²

Master Data

Bearer shares listed on SIX Swiss Stock Exchange | Symbol SIX: VPBN | Security number: 31 548 726 | ISIN number: LI0315487269 |

Reuters Ticker: VPBN.S | Bloomberg Ticker: VPBN

¹ Shares of Ethenea Independent Investors S.A. Luxembourg deducted

² Outlook as of 30 April 2014 'negative', reconfirmed as of 8 August 2014 with mention of the very strong capitalisation as well as a stable and granular customer deposit base, reconfirmed a new as of 20 August 2015, reconfirmed as of 26 July 2016 and 'stable' outlook, reconfirmed as of 2 March 2017 and 'positive' outlook, "positive" outlook reconfirmed as of 21 August 2017, as of 17 May 2018
A/Stable/A-1, rating and outlook reconfirmed as of 09 August 2018

³ As of 30 November 2016

⁴ As of 28 February 2018

⁵As of 28 February 2018

Group Executive Management of VP Bank



Dr Felix Brill (Chief Investment Officer) Since March 2018, member of Group Executive Management at VP Bank Group. His areas of responsibility encompass the Group Investment Center, Group Product Management as well as VP Fund Solutions.

Monika Vicandi (General Counsel & Chief Risk Officer) Since January 2016, member of Group Executive Management at VP Bank Group. Her areas of responsibility encompass the Group Legal, Compliance & Tax and Group Risk business units.

Christoph Mauchle (Head of Client Business) Since October 2013, member of Group Executive Management at VP Bank Group. As Head of Client Business, he bears responsibility for the Group's Client Business Liechtenstein as well as the Client Business International segments.

Alfred W. Moeckli (CEO) Since Mai 2013, Chief Executive Officer (CEO) of VP Bank Group. His areas of responsibility encompass the Group Business Development, Group Communications & Marketing, Group Strategy as well as Group Human Resources Management business units.

Siegbert Näscher (CFO) Since April 2012, member of Group Executive Management and Chief Financial Officer (CFO) of VP Bank Group. His areas of responsibility encompass the Group Finance, the Group Credit and the Group Treasury & Execution business units.

Dr Urs Monstein (COO) Since May 2018, member of Group Executive Management at VP Bank Group. His areas of responsibility encompass the Group Information Technology and Group Operations units.

Board of Directors of VP Bank



- 1 **Dr. Christian Camenzind**, Board member, member of the Strategy & Digitalisation Committee
- 2 **Lic.iur. Ursula Lang**, Board member, chairwomen of the Risk Committee & member of the Audit Committee
- 3 **Dr. Beat Graf**, Board member, member of the Audit Committee and the Risk Committee
- 4 **Lic. oec. Markus Thomas Hilti**, Vice Chairman of the Board, member of the Nomination & Compensation Committee
- 5 **Dr. Thomas R. Meier**, Board member, member of the Strategy & Digitalisation Committee

- 6 **Fredy Vogt**, Chairman of the Board, chairman of the Nomination & Compensation Committee
- 7 **Michael Riesen**, Board member, chairman of the Audit Committee and member of the Risk Committee
- 8 **Dr. Gabriela Maria Payer**, Board member, member of the Nomination & Compensation Committee and the Strategy & Digitalisation Committee
- 9 **Dr. Florian Marxer**, Board member, member of the Strategy & Digitalisation Committee
- 10 **Prof. Dr. Teodoro D. Cocca**, Board member, chairman of the Strategy & Digitalisation Committee

Contact address and agenda

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Agenda

- Annual results 2018, media and analysts conference: 5 March 2019
- Annual general meeting of shareholders 2019: 26 April 2019
- Ex-dividend date: 30 April 2019
- Record date: 2 May 2019
- Dividend payment: 3 May 2019
- Semi-annual results 2019: 20 August 2019

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