

Company profile · first half of 2020

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 20.1%¹
- Balanced shareholder structure - stable, industry-independent shareholders and a public free float of 51.16%¹
- Sustained profitability and an attractive payout ratio of currently about 45%²
- 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 2020

² Status as at 31 December 2019


VP Bank at a glance

Facts & figures


- Founded in 1956
- Largest independent bank in Liechtenstein
- Client assets: CHF 52.0 billion *
- Assets under management: CHF 45.6 billion *
- Total assets: CHF 13.6 billion*
- Shareholders' equity ratio: 7.3% *
- Cost/income ratio: 66.1% *
- Tier 1 ratio: 20.1% *
- Leverage ratio: 7.0% *
- 908 employees (full-time equivalents) *
- Listed on SIX Swiss Exchange
- "A" rating (Negative) from Standard & Poor's (as of 17 July 2020),
- Six locations worldwide in key financial centres
- Focus on asset management for intermediaries and private individuals, international fund competence centre




Increase in operating profit, very stable balance sheet ratios



Solid level of shareholders' equity and a strong tier 1 ratio of 20.1%*



Good inflows in net new money



Excellent S&P "A" rating with negative outlook (A/Negative/A-1)

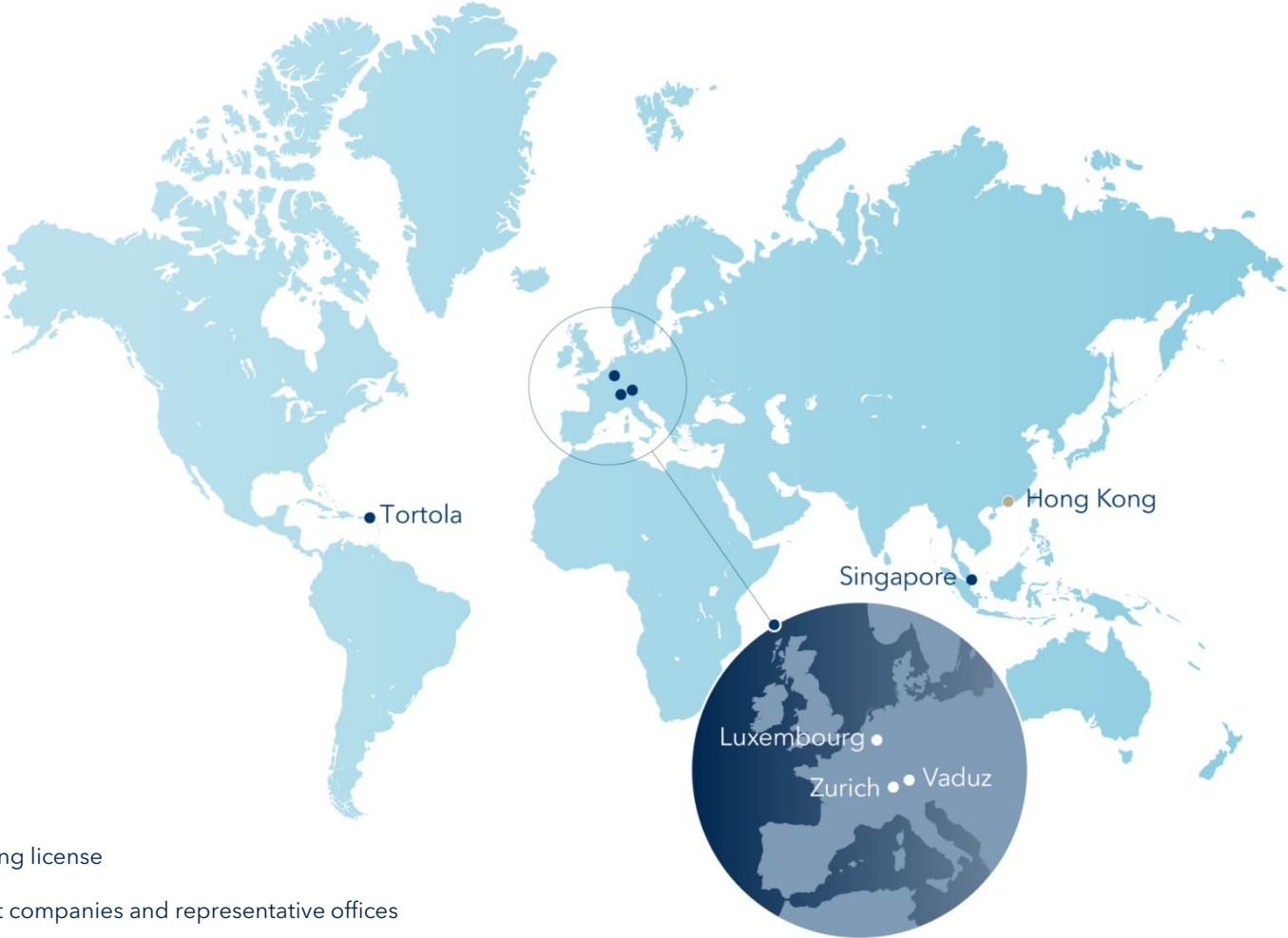
* Status as at 30 June 2020

Locations and markets of VP Bank

Target markets Europe
Liechtenstein
Switzerland
Germany
Luxembourg
Nordics (Sweden, Norway, Denmark)
Russia
Ukraine

Target markets Asia
Singapore
Hong Kong
Indonesia
Malaysia
Thailand

The VP Bank Group locations



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)

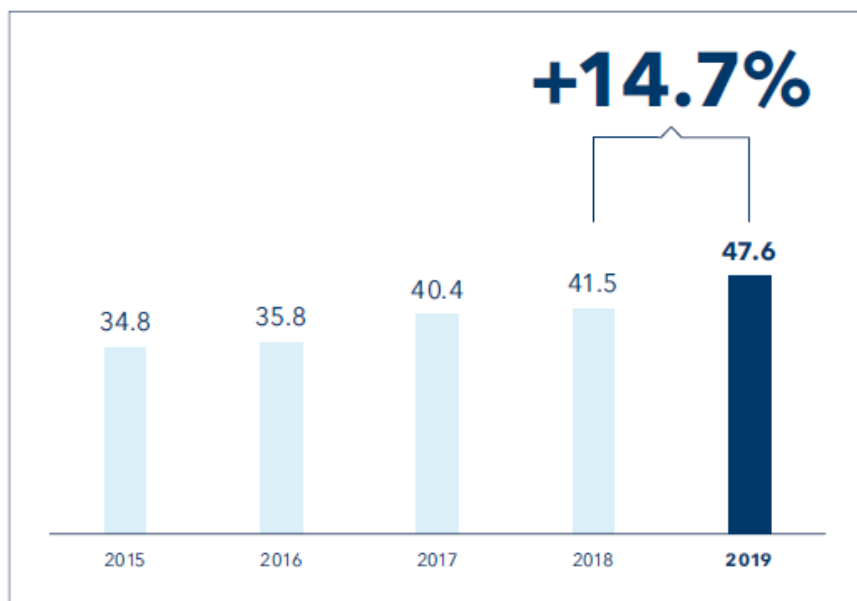
Fiduciary business

- 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

Client assets under management excl. custody assets (in CHF billion)



Classification of client assets under management

in %	31.12.2019	31.12.2018
Analysis by asset class		
Liquidity	26	27
Bonds	17	19
Equities	25	21
Investment funds	27	28
Other	5	5
Total	100	100
Analysis by currency		
CHF	23	23
EUR	30	31
USD	33	32
Other	14	14
Total	100	100

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 45.6 billion¹)
- Group net income of CHF 80 million (currently CHF 14.4 million¹)
- Cost/income ratio under 70% (currently: 66.1%¹)

Orientation

- Core business: clearly positioned in two segments: intermediaries business and private banking, fund competence centre
- 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 2020

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

	31.12.2019 Number of shares	31.12.2019 Par value in CHF 1,000	31.12.2018 Number of shares	31.12.2018 Par value in CHF 1,000
Registered shares A 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

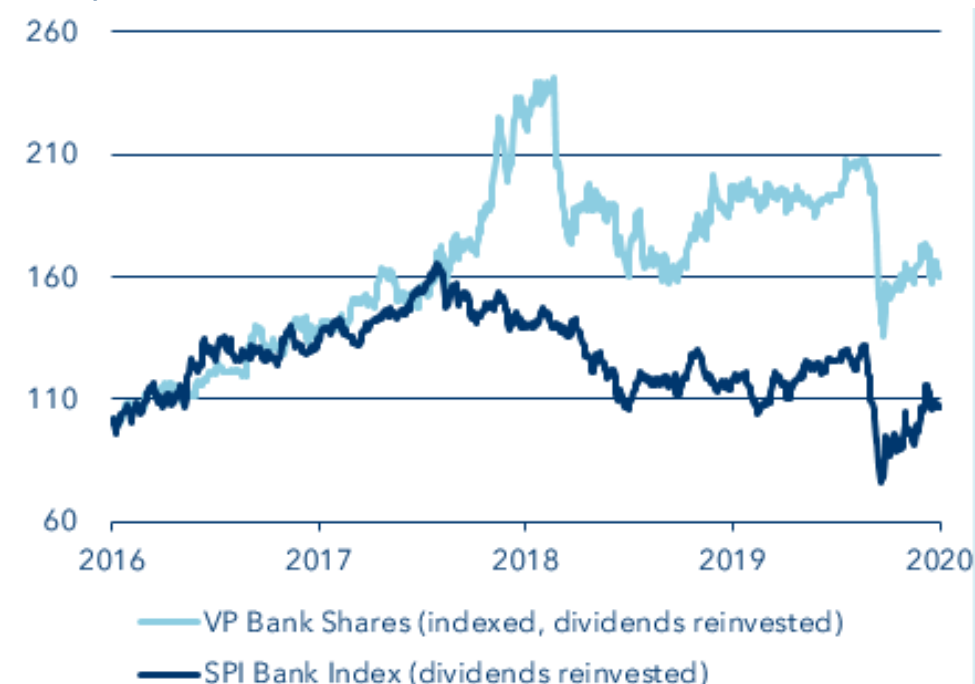
Share segmentation

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	10.3%	9.7%
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 2019

² Status as at 31 July 2020

Key figures of VP Bank

	31.12.2017	31.12.2018	31.12.2019	30.06.2020
Consolidated net income per registered share A (in CHF)	10.89	9.04	12.28	2.39
Shareholders' equity per registered share A (in CHF)	165.33	164.80	173.23	164.23
Price per registered share A (in CHF)	133.00	141.40	155.00	123.00
Market capitalization (in CHF million)	880	936	1'025	814
Dividend per registered share A (in CHF)	5.50	5.50	5.50	n.a.
Dividend per registered share B (in CHF)	0.55	0.55	0.55	n.a.
Payout ratio (relative to consolidated net income)	50.5%	60.8%	44.8%	n.a.
Dividend yield (net)	4.1%	3.9%	3.5%	3.5%
Free float	51.50%	50.63%	50.14% ²	50.45%
Rating: Standard & Poor's	«A» (A-/Positive/A-2)	«A» (A/Stable/A-1) ¹	«A» (A/Stable/A-1) ¹	«A» (A/Stable/A-1) ¹

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 As of 17 May 2018 A/Stable/A-1, rating and outlook reconfirmed as of 09 August 2018 and 28 August 2019, outlook "negative" as of 17 July 2020

Group Executive Management of VP Bank



Thomas von Hohenhau (Head Client Solutions) As of September 2020, member of Group Executive Management at VP Bank Group. His areas of responsibility encompass Private Investment Partners as well as VP Fund Solutions.

Patrick Bont (Chief Risk Officer) (no picture) As of November 2020, member of Group Executive Management at VP Bank Group. Her areas of responsibility encompass the Group Legal Services, Group Compliance and Group Risk and Group Credit Risk business units.

Paul H. Arni (Chief Executive Officer) Since October 2019, member of Group Executive Management at VP Bank Group. His areas of responsibility encompass the Chief Investment Officer, CEO Office (with Group Communications & Marketing, Corporate Development & New Business, Group Business Projects) as well as Group Human Resources Management business units.

Tobias Wehrli (Head Intermediaries & Private Banking) Since July 2020, member of Group Executive Management at VP Bank Group. He bears responsibility for the Group's Client Business Liechtenstein as well as the Client Business International segments and the IPB Office (Business Consulting, Event Marketing & Sponsorship, Business Risk Management).

Dr Urs Monstein (Chief Operating Officer) Since May 2018, member of Group Executive Management at VP Bank Group. His areas of responsibility encompass the Business Process Management, Client Lifecycle Management, Corporate Services, Group Information Technology and Group Operations units.

Roger Barmettler (Chief Financial Officer a.i.) Since June 2020, member ad interim of Group Executive Management and Chief Financial Officer (CFO) of VP Bank Group. His areas of responsibility encompass the Group Finance, Group Financial Management & Reporting and the Group Treasury & Execution business units.

Contact address and agenda

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Agenda

- Annual results 2020: 09 March 2021
- Annual general meeting of shareholders 2021: 30 April 2021
- Ex-dividend date: 04 May 2021
- Record date: 05 May 2021
- Dividend payment: 06 May 2021
- Semi-annual results 2020: 17 August 2021

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