

2018 semi-annual results

VP Bank Group in figures



VP Bank in the first half of 2018

Decline in income and profit growth

Group net income of CHF 29.3 million (-6.9%)

Cost/income ratio of 70.3% (64.6%*)

Lower returns from financial investments

Operating expenses remain unchanged

Good net new money performance

Net new money of CHF 0.6 billion (1.1 billion)

Successful acquisition initiatives across all segments

Sound balance sheet

Tier 1 ratio of 22.6% (25.7%**)

Standard & Poor's rating: A/Stable/A-1

Extremely healthy balance sheet and high level of liquid assets

Excellent rating with a stable outlook

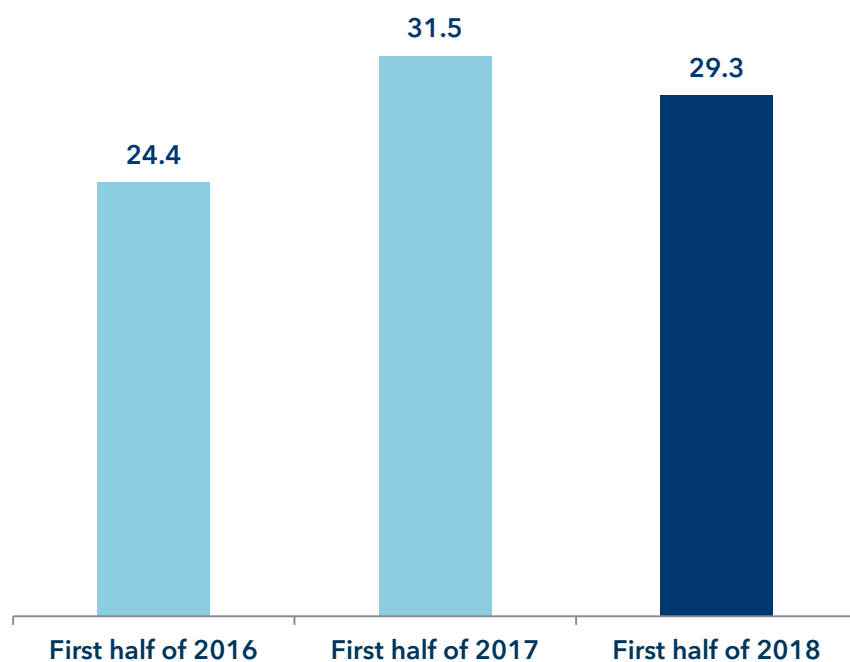
* 30 June 2017.

** 31 December 2017.

Group net income

- Slight decline in Group net income relative to the previous year
- Decline in returns from financial investments, increase in operating income

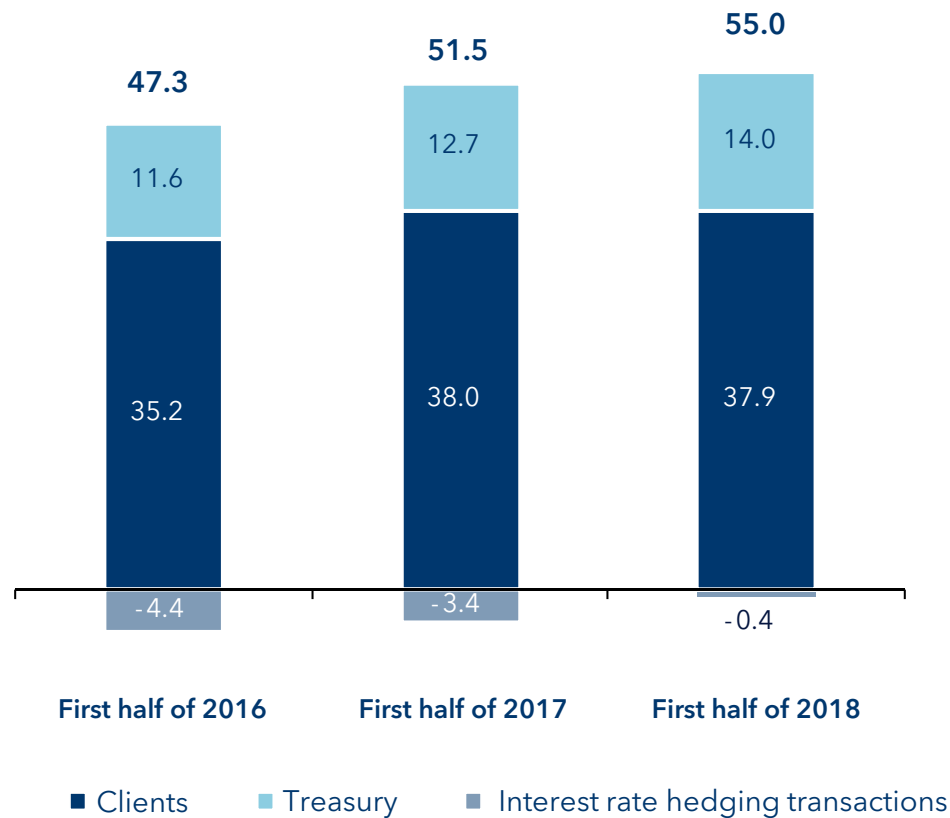
Group net income in CHF million



Income statement in CHF million

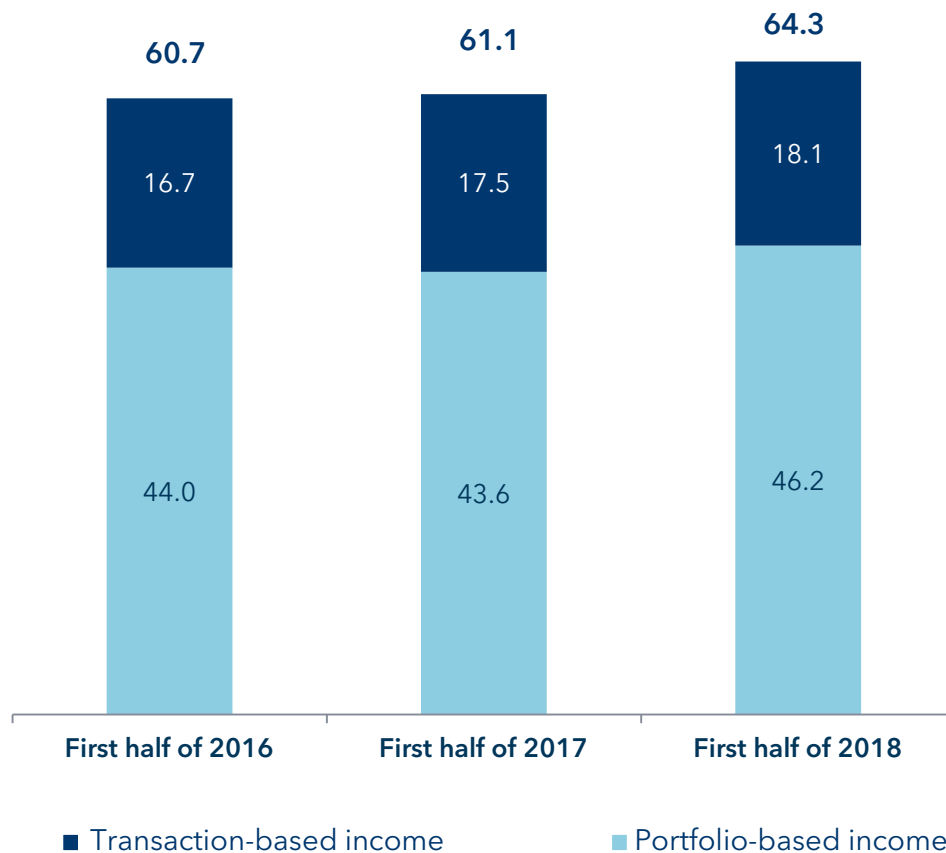
	First half of 2016	First half of 2017	First half of 2018
Operating income	129.8	151.1	147.9
Operating expenses	-101.5	-117.2	-115.5
Taxes	-3.9	-2.5	-3.1
Group net income	24.4	31.5	29.3

Interest income (in CHF million)



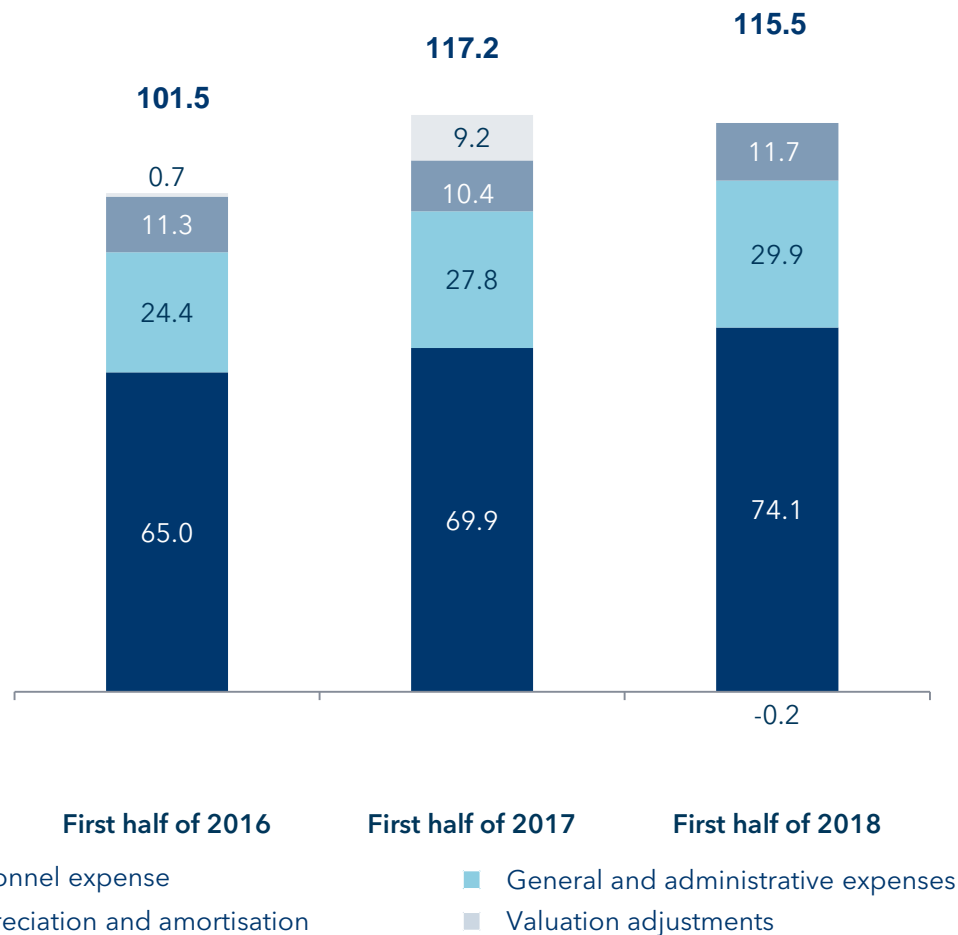
- Interest income from clients rose on the back of higher lending volumes; by contrast, the interest expense increased considerably. This was due to increased client deposit volumes and higher USD interest rates.
- The treasury result benefited from increased financial investment volumes and higher USD interest rates.

Commission business and services (in CHF million)



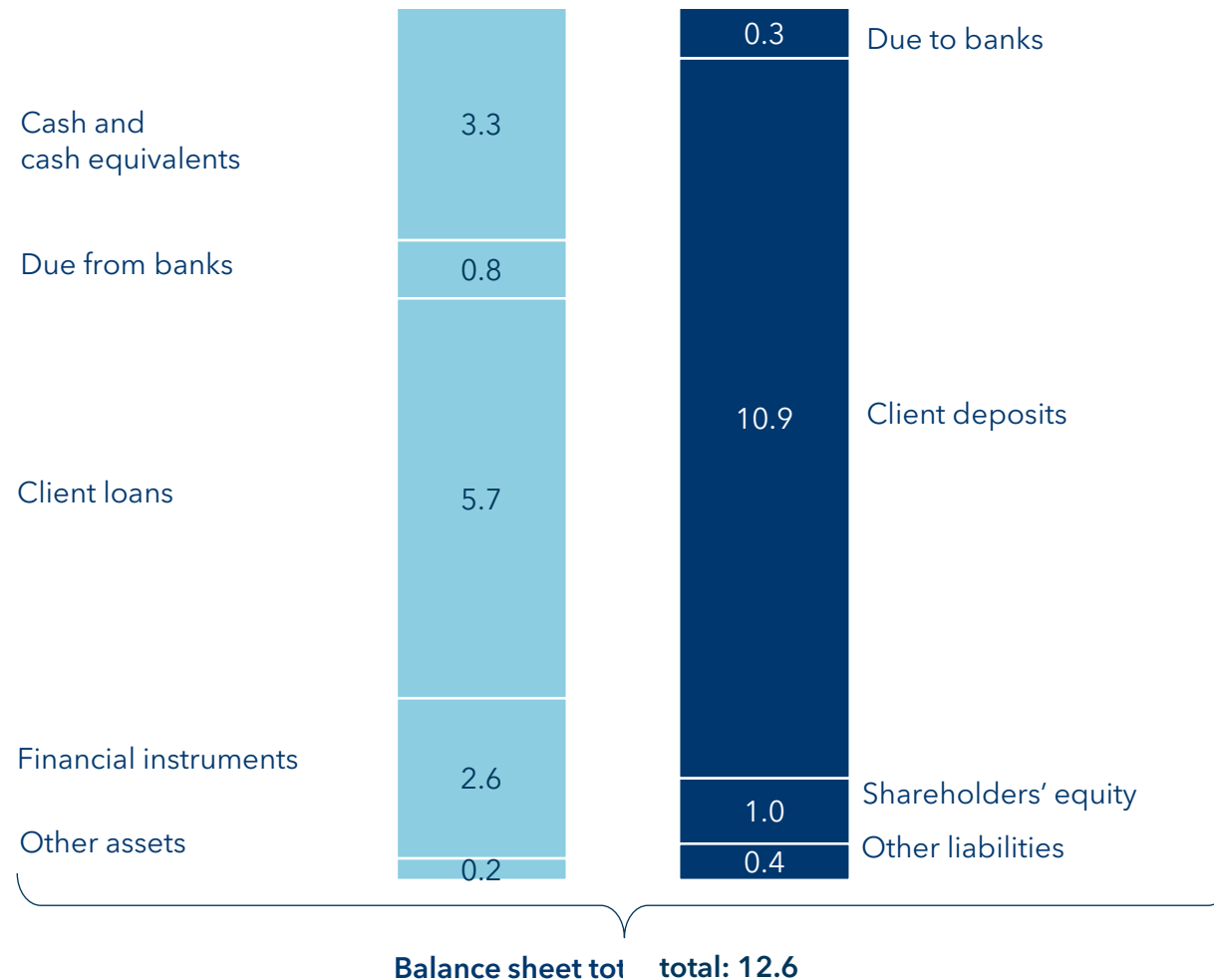
- Transaction-based income increased as a result of higher levels of client activity and the corresponding transaction volume.
- Portfolio-based income rose further, especially as a result of increased client deposit volumes.

Operating expenses (in CHF million)



- Personnel expense increased by 6.0%. This was a result of growth initiatives which were in line with our strategy.
- In this context, there was also an overall increase of 7.6% in general and administrative expenses.
- Depreciation and amortisation increased as a result of investment activity (digitisation).
- Valuation adjustments are at a very low level again.

Solid balance sheet as of 30 June 2018 (in CHF billion)



- Client loans increased by 1.4%, especially Lombard loans
- Continued high level of liquid assets with a 26% share of total assets
- Financial investments increased by 9.3%
- Growth of client deposits amounts to 1.2%

Strong balance sheet ratios

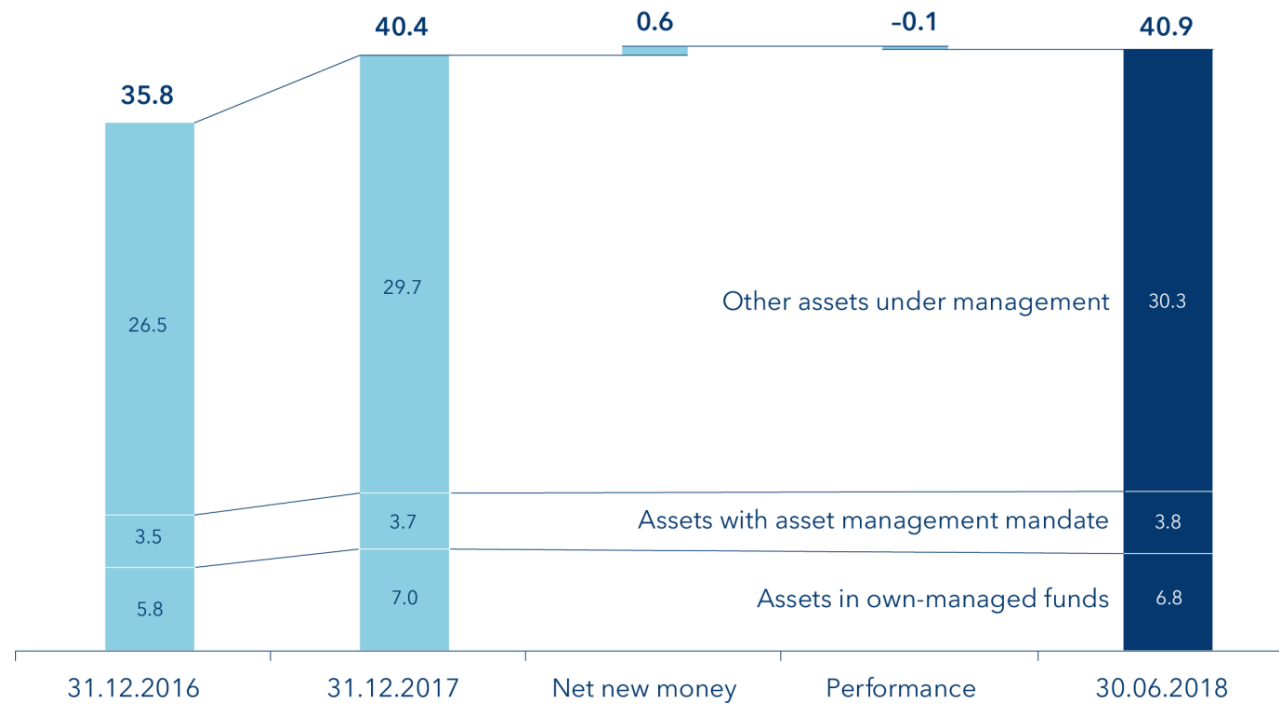
	31.12.2016	31.12.2017	30.06.2018
Balance sheet total in CHF billion	11.8	12.8	12.6
Risk-weighted assets in CHF billion	3.5	3.8	4.1
Shareholders' equity in CHF million	936.9	994.2	957.4
Core capital in CHF million	938.5	976.6	927.4
Tier 1 ratio	27.1%	25.7%	22.6%
Liquidity coverage ratio (LCR)	109.8%	161.0%	124.4%
Leverage ratio ¹	7.8%	7.5%	7.1%
Loan-to-deposit ratio ²	52.2%	52.2%	52.3%

¹ Ratio of allocable shareholders' equity to balance sheet total.

² Ratio of client loans to client deposits.

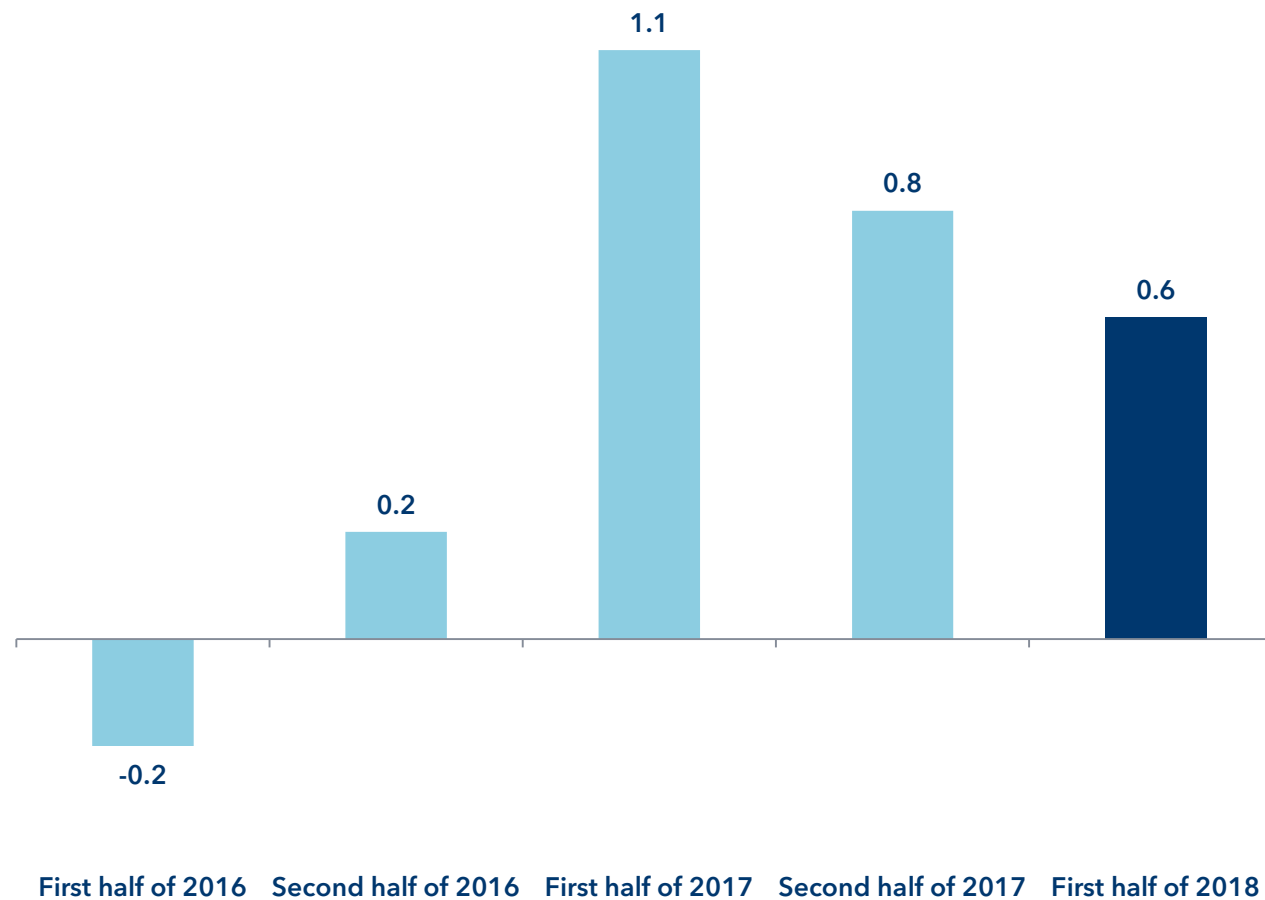
³ Ratio of non-performing loans to client loans.

Increase in client assets under management (in CHF billion)



- Positive increase of 1.5% in net new money for the first six months
- The market performance was by contrast slightly negative
- Client assets under management increased by 1.3%

Net new money (in CHF billion)



- We have continually generated a positive inflow of net new money since second semester 2016.
- The recruitment of new client advisors shows positive success.
- A good inflow of net new money among existing clients was registered.
- All segments have generated a positive inflow of net new money.

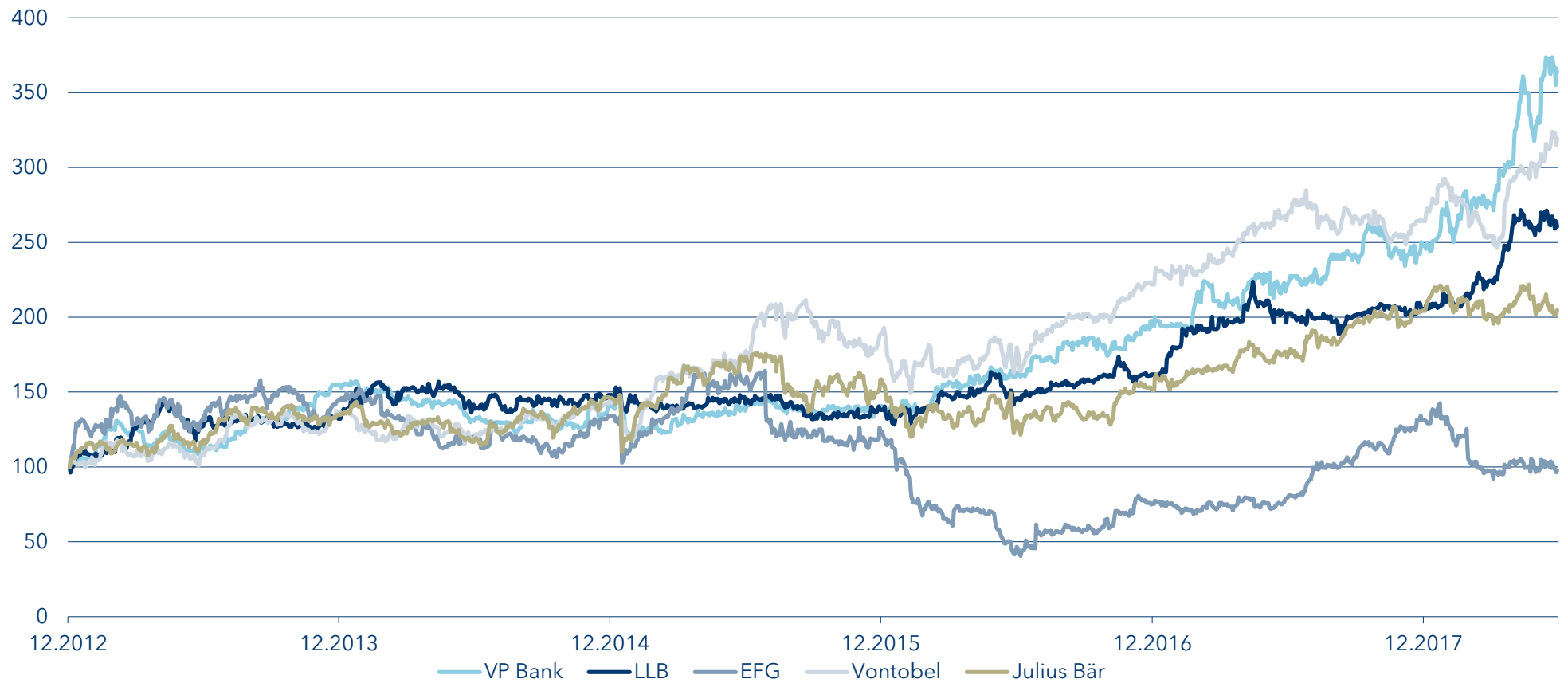
Segment overview as of 30 June 2018

	Client Business Liechtenstein	Client Business International	Corporate Center	Konzern
Business volume in CHF ¹	31.0 billion	15.6 billion	-	46.6 billion
Net new money in CHF	0.3 billion	0.3 billion	-	0.6 billion
Pre-tax net income in CHF	54.5 million	4.7 million	-26.8 million	32.4 million
Gross margin in basis points ²	62	58	-	-
Headcount in FTEs	184	278	366	828
Business volume in CHF ¹	31.0 billion	15.6 billion	-	46.6 billion

¹ Client assets under management and client loans.

² Operating income divided by average business volume

Comparison of the VP Bank share including dividend



As of 30 June 2018

Summary

Growth in line with strategy

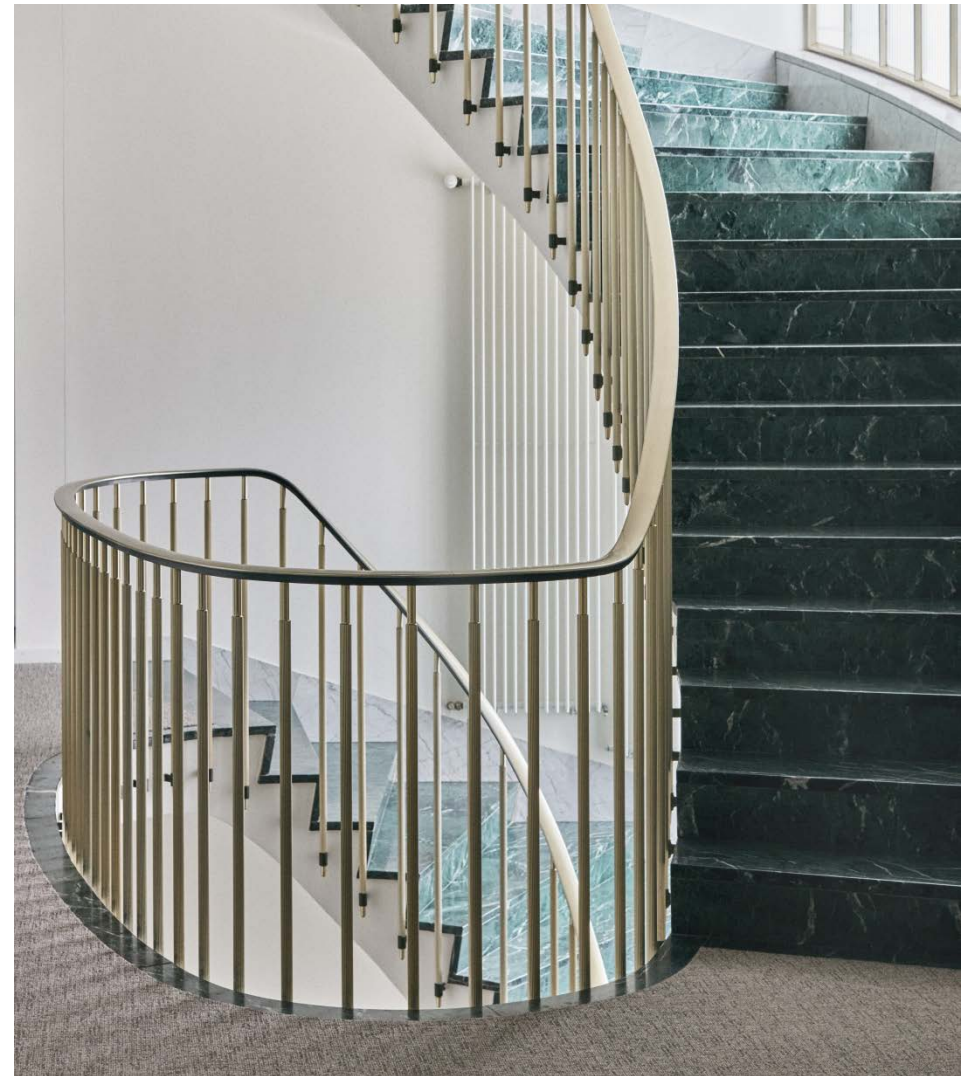
- Client advisor recruitment campaign
- Net new money

Good operative performance

- Increase in operating income
- Further development of front-office activities and strengthening of the back office

Secure and stable Bank

- High level of liquid assets
- Solid equity and strong tier 1 ratio
- Excellent Standard & Poor's rating



Contact address and agenda

Investor Relations

Alfred W. Moeckli, Chief Executive Officer

Siebert Näscher, Chief Financial Officer

Contact :

Rudolf Seuhs, Head of Corporate Communications a.i.

T +423 235 66 55, F +423 235 65 00

investor.relations@vpbank.com

www.vpbank.com → Investors & Media

Agenda

- Semi-annual results 2018: 21 August 2018
- 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

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Aeulestrasse 6 · 9490 Vaduz · Liechtenstein · T +423 235 66 55 · F +423 235 65 00
info@vpbank.com · www.vpbank.com · VAT no. 51.263 · Reg. no. FL-0001.007.080