



VP Bank Group
25 August 2015

VP Bank Group 2015 semi-annual results

Park Hyatt, Zurich





Welcome
Fredy Vogt
Chairman of the Board of Directors

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Welcome

Fredy Vogt, Chairman of the Board of Directors

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Semi-annual results 2015

Siegbert Näscher, Chief Financial Officer

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Strategy and medium-term goals 2020

Fredy Vogt, Chairman of the Board of Directors

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Strategy 2020 implementation

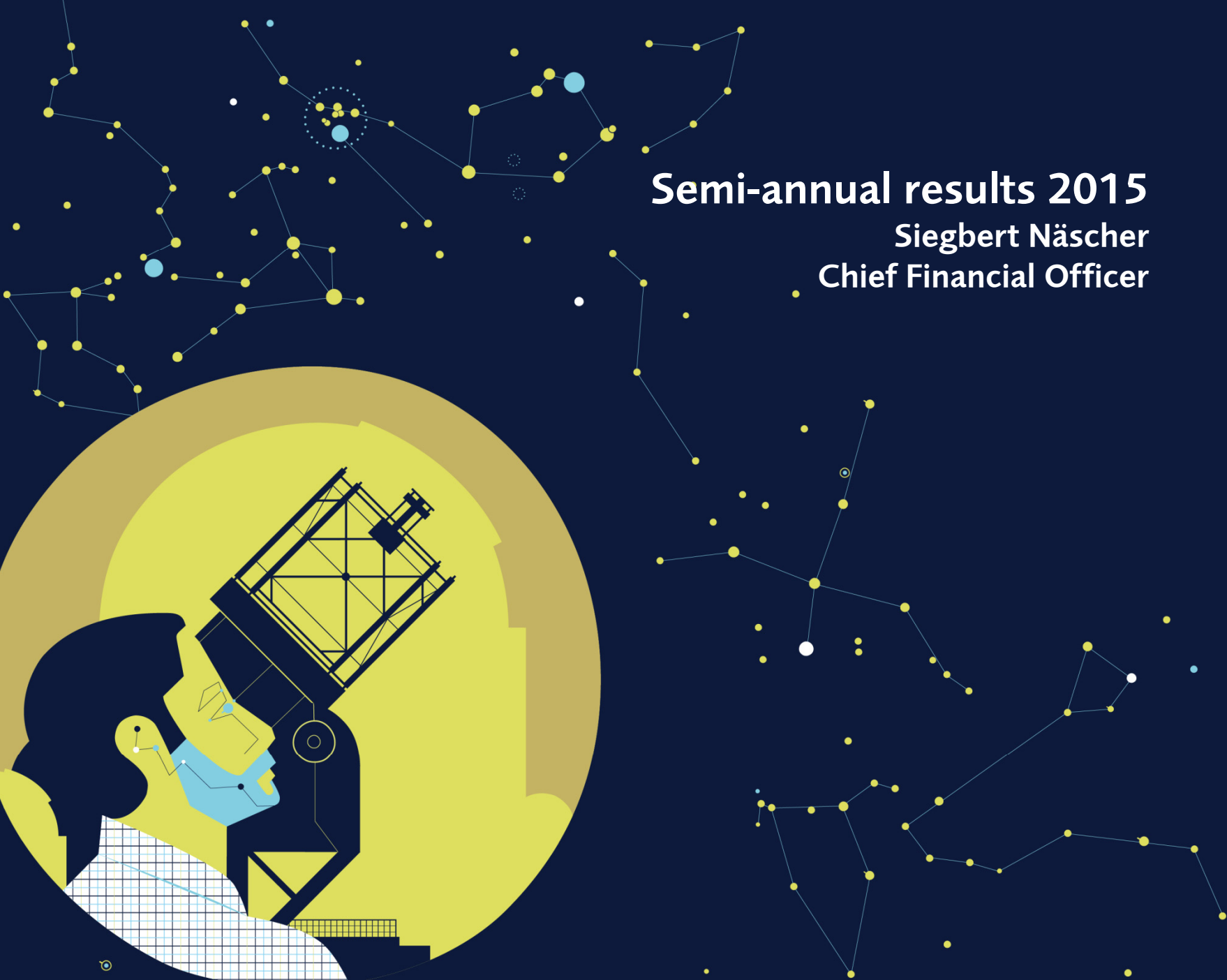
Alfred W. Moeckli, Chief Executive Officer

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Questions and answers

Semi-annual results 2015

Siegbert Näscher
Chief Financial Officer



Overview of topics



- Profile as of 30 June 2015
- Income statement
- Balance sheet
- Client assets
- Summary

Profile as of 30 June 2015



VP Bank in the first half of 2015

- **Market development is bearing fruit**
- **Efficiency has been further increased**
- **Acquisition and merger with Centrum Bank**
- **Increase in share capital and share repurchasing**
- **Issue of two bonds**
- **Implementation of Basel III**



VP Bank Group – Profile as of 30 June 2015

Shareholders' equity
CHF 922.3 million

Headcount (FTE)
746

Client assets
CHF 42.2 billion

Cost/income ratio
56.1%

Tier 1 ratio
21.9%

Group net income
CHF 40.9 million

Net new money
CHF 6.2 billion

S&P rating
A-/Negative/A-2

Income statement

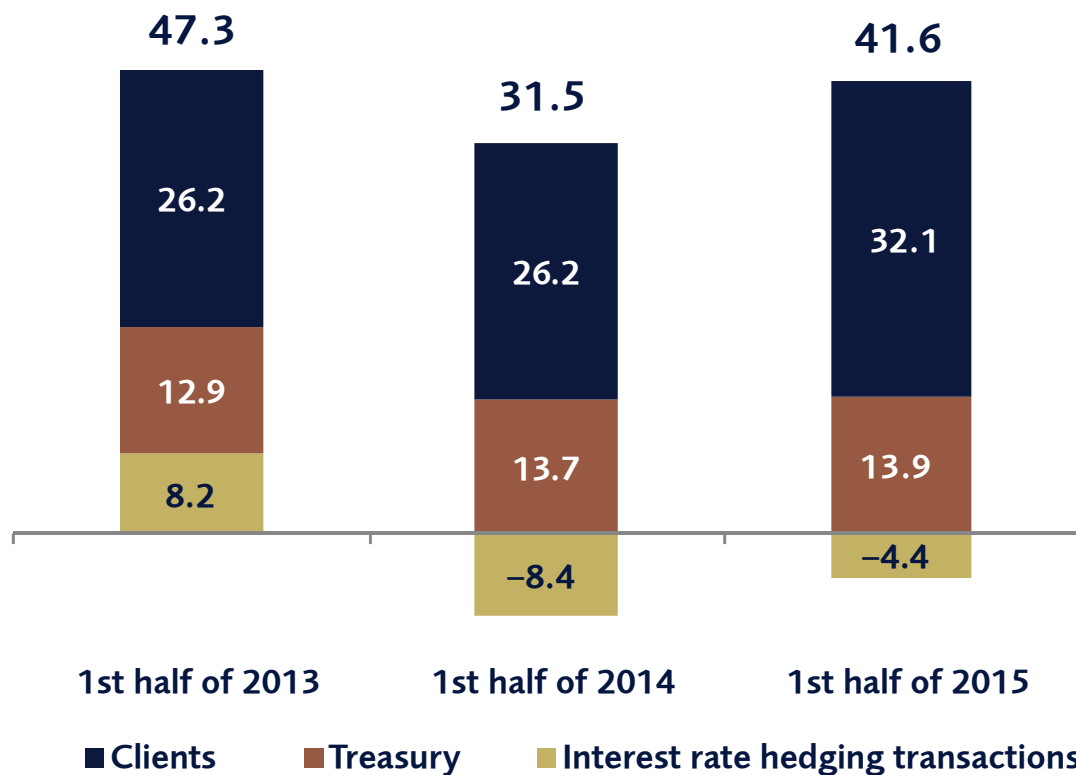


Income statement

in CHF million	1st half of 2013	1st half of 2014	1st half of 2015
Gross income	124.2	110.5	172.5
Operating expenses	-80.0	-84.5	-96.8
Depreciation and provisions	-14.6	-15.1	-36.5
Taxes	-2.6	0.1	1.7
Discontinued companies	1.2	0.0	0.0
Group net income	28.3	11.1	40.9

Interest business

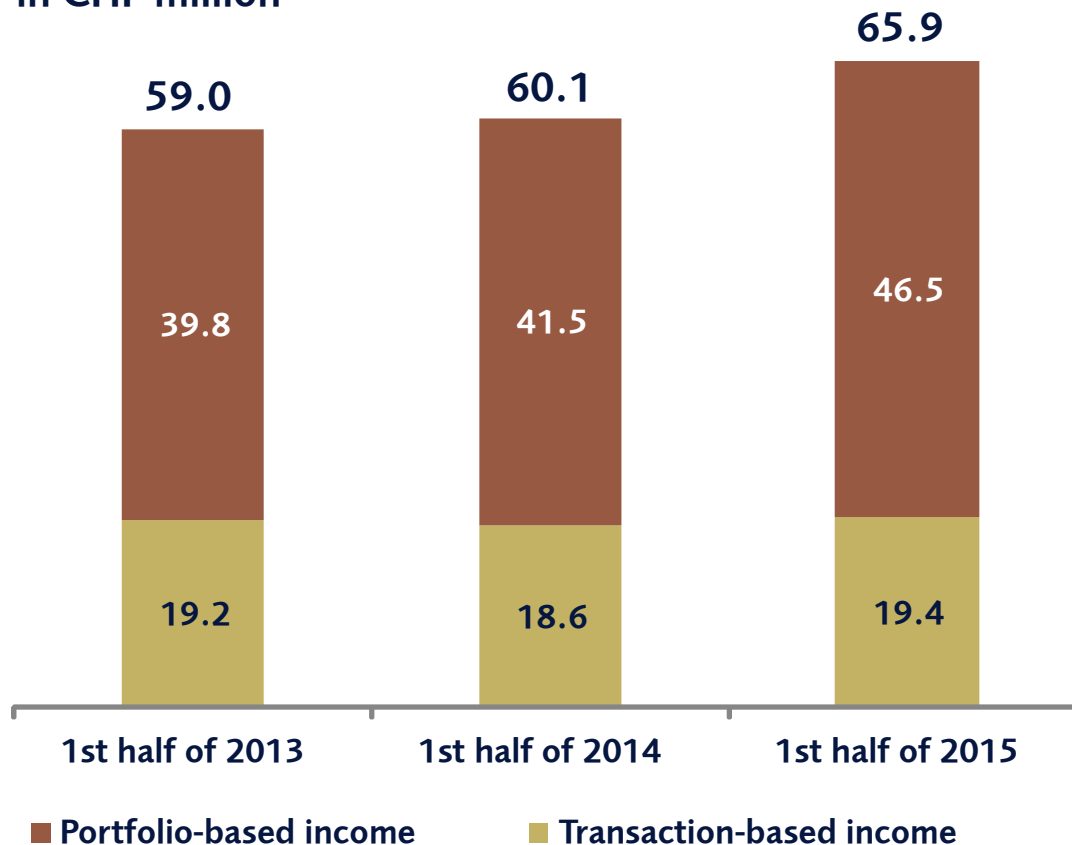
in CHF million



- Volume increase and margin improvement in client business
- Introduction of hedge accounting in order to reduce volatility

Commission business and services

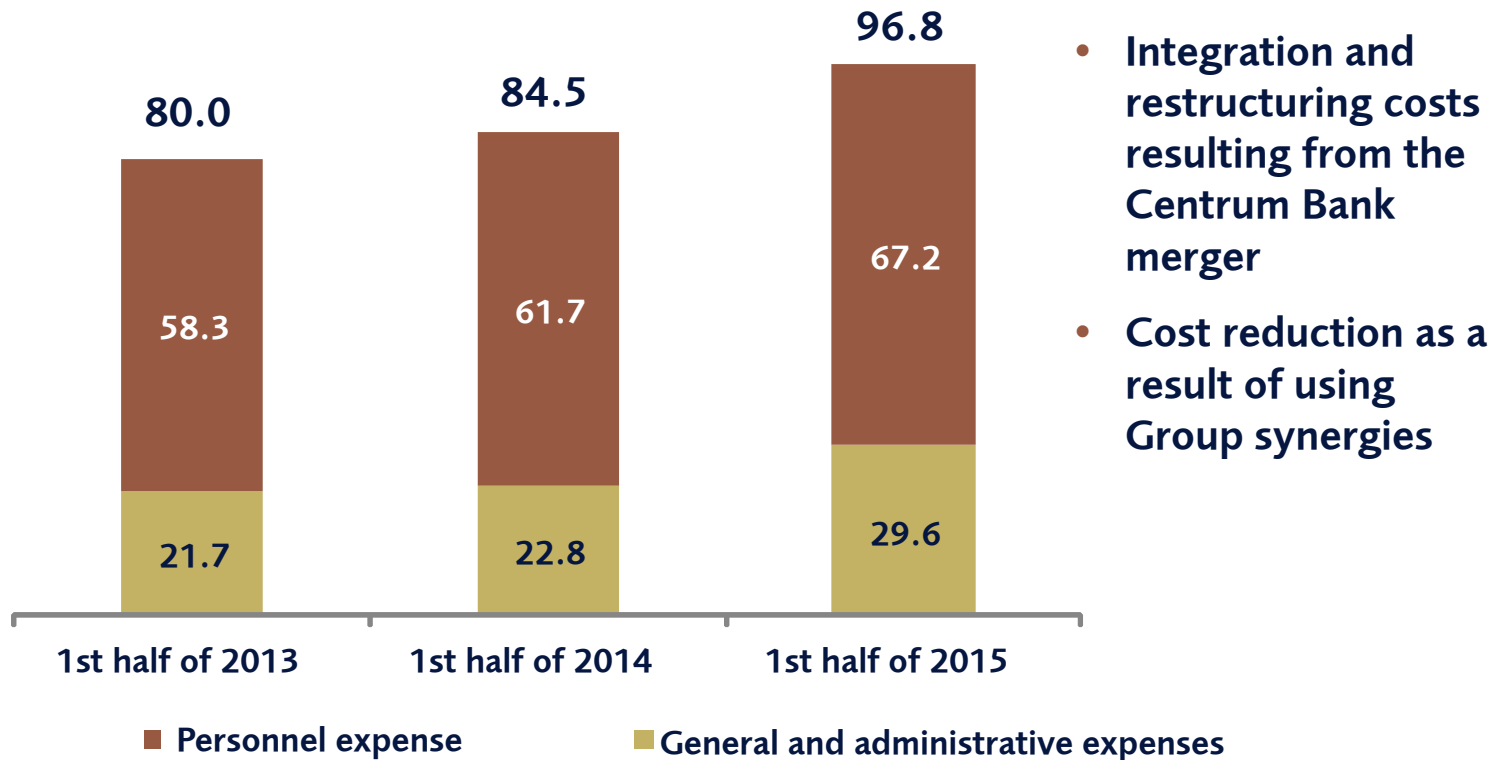
in CHF million



- Increase resulting from the acquisition of client assets under management at Centrum Bank
- Negative impact due to the strength of the Swiss franc

Operating expenses

in CHF million

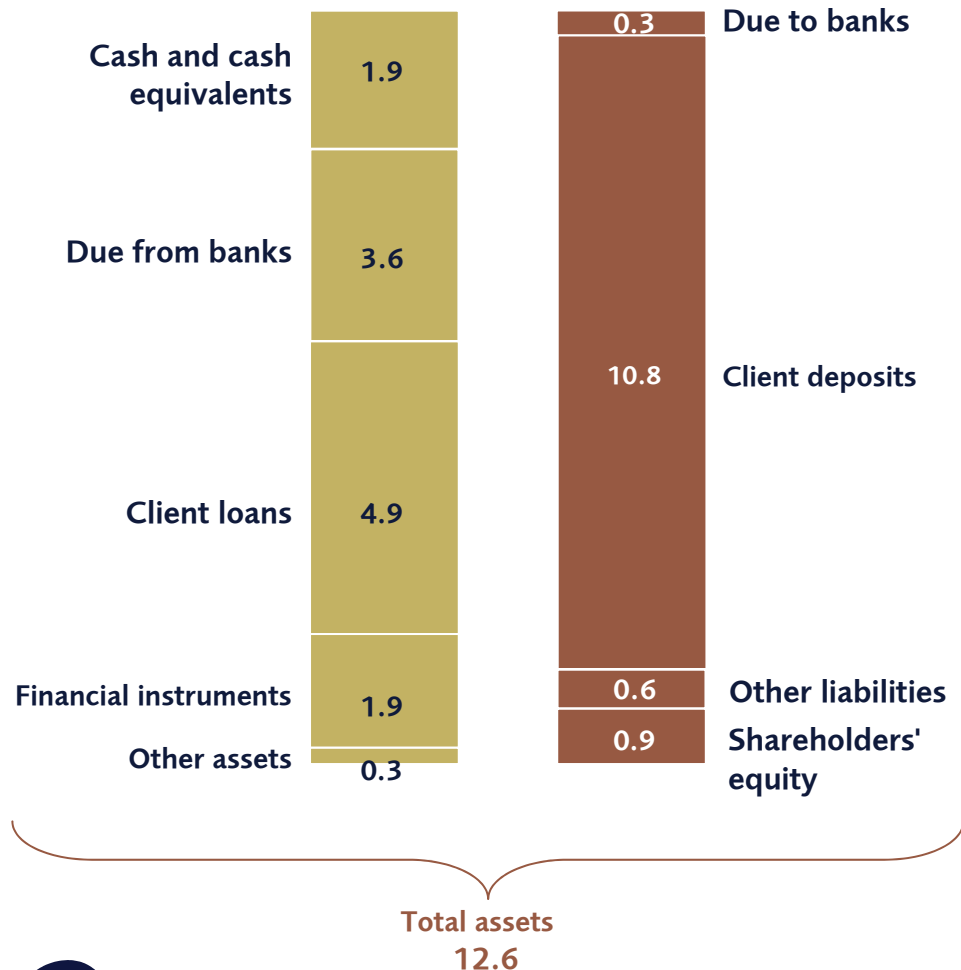


Balance sheet



Sound balance sheet as at 30 June 2015

in CHF billion



- Increase in total assets as a result of the Centrum Bank merger
- High level of liquid assets
- Major growth in terms of client deposits and client loans
- Increase in shareholders' equity

Strong balance sheet ratios

	31.12.2013	31.12.2014	30.06.2015
Total assets in CHF billion	11.2	11.2	12.6
Risk-weighted assets in CHF billion	4.1	4.2	4.1
Tier 1 ratio ¹	20.4%	20.5%	21.9%
Leverage ratio ²	7.5%	7.7%	7.0%
Loan-to-deposit ratio ³	40.7%	44.2%	45.7%
Non-performing loans ⁴	0.5%	0.3%	0.3%

¹ 2015: calculation based on Basel III framework; 2014 and 2013: based on Basel II framework.

² Ratio of allocable shareholders' equity to total assets.

³ Ratio of client deposits to client loans.

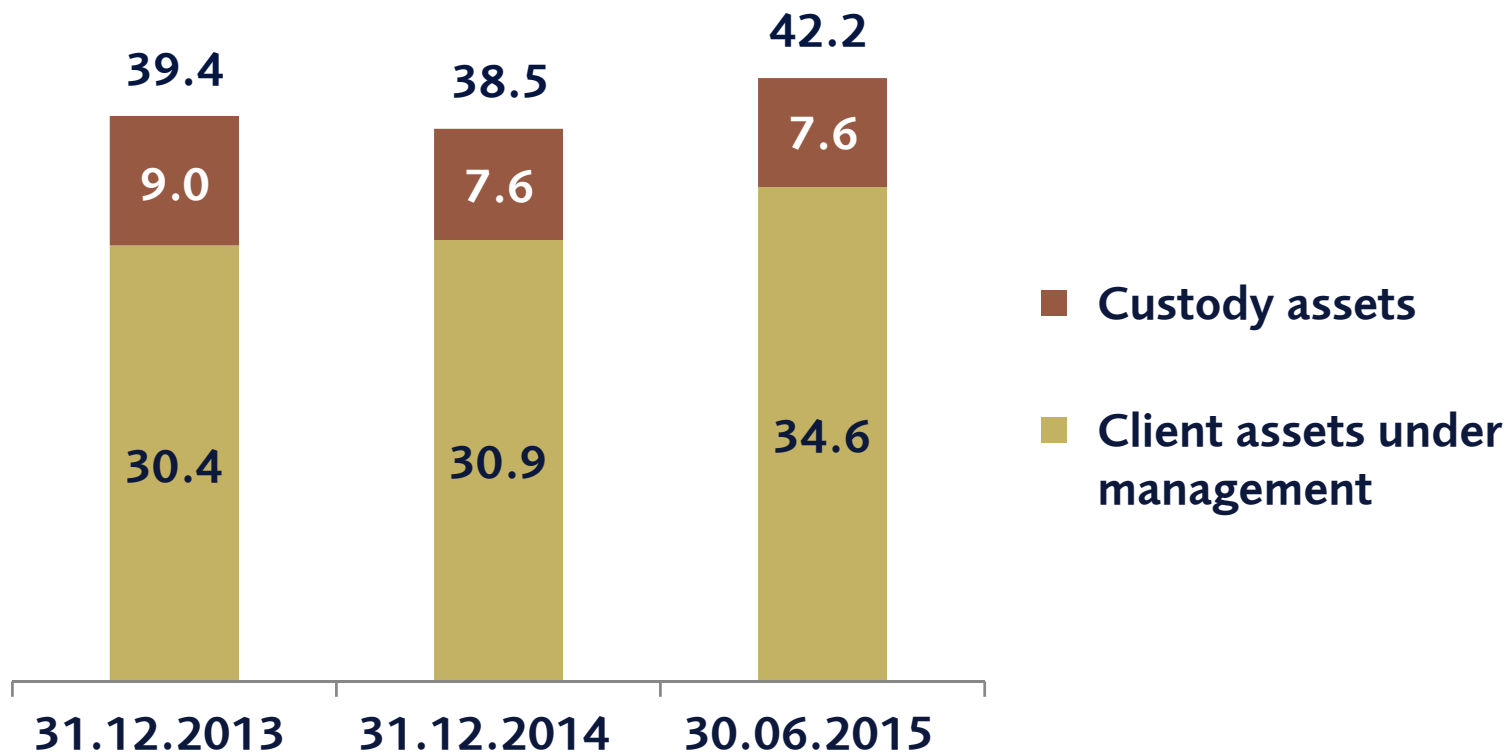
⁴ Ratio of non-performing loans to client loans.

Client assets



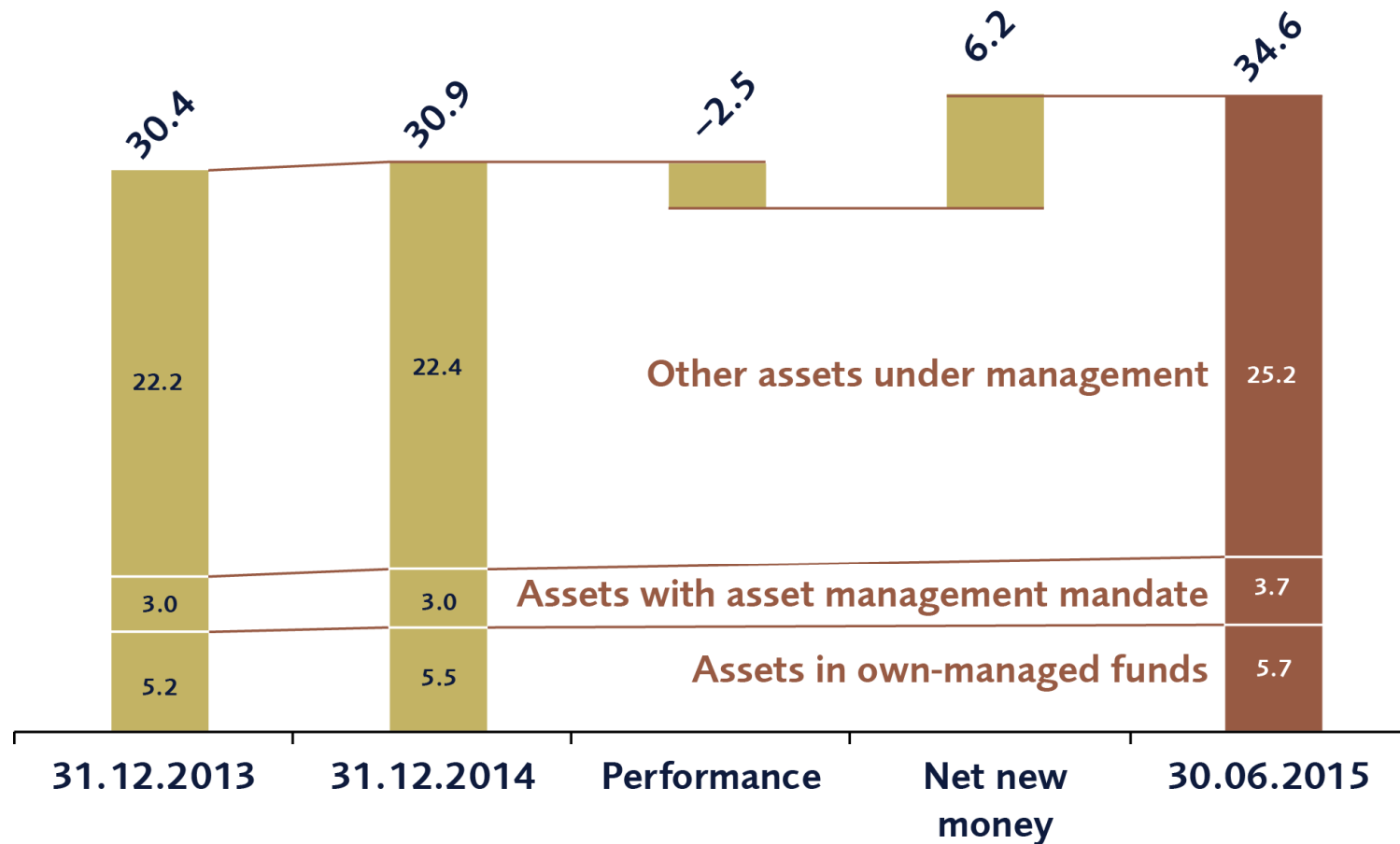
Client assets

in CHF billion



Increase in client assets under management

in CHF billion



Segments



Segment overview as of 30 June 2015

	Client Business Liechtenstein	Client Business International	Corporate Center	Group
Business volume in CHF ¹	28.5 billion	11.0 billion	–	39.5 billion
Net new money in CHF	6.2 billion	0.0 billion	–	6.2 billion
Pre-tax net income in CHF	37.2 million	1.1 million	1.0 million	39.3 million
Gross margin in base points ²	63	63	–	–
Headcount in FTEs	171	240	335	746

¹ Client assets under management and client loans

² Gross income divided by average business volume

Summary



VP Bank Group – Summary



Growth in line with strategy

- Merger with Centrum Bank
- Inflow of net new money in target markets

Strong operative performance

- Integration of Centrum Bank
- Using of Group synergies
- Further development of front-office activities

Secure and stable Bank

- Increase in shareholders' equity
- High tier 1 ratio

**Strategy and
medium-term goals 2020**
Fredy Vogt
Chairman of the Board of Directors



Current situation

**Annual strategy review:
Board of Directors and Group Executive
Management**

**Key question:
Where do we want VP Bank to be in 2020?**

Review/adjustment of medium-term goals



Status review

- Stronger position as a result of the Centrum Bank merger
- International Group structure
- Stable shareholder base
- High level of shareholders' equity
- New economic and regulatory frameworks



Key statements regarding strategy

Achieving qualitative and profitable growth as a Group through activity in target markets

Maintaining independence

Main aspects of the strategy 2020 (1/2)



We are an entrepreneurial bank for financial intermediaries and wealthy individuals in our defined target markets.

We want to achieve profitable growth.

- **Significant growth at our Singapore location, continuous growth in Russia, Kazakhstan and Ukraine from Liechtenstein and Switzerland.**
- **As an active consolidator (M&A) in the markets in Liechtenstein, Switzerland, Luxembourg and Germany.**
- **Through fund solutions from VP Fund Solutions.**

Main aspects of the strategy 2020 (2/2)

We generate added value through

Clients

- Investing in intermediary platforms including digital tools and processes
- Comprehensive financial consulting

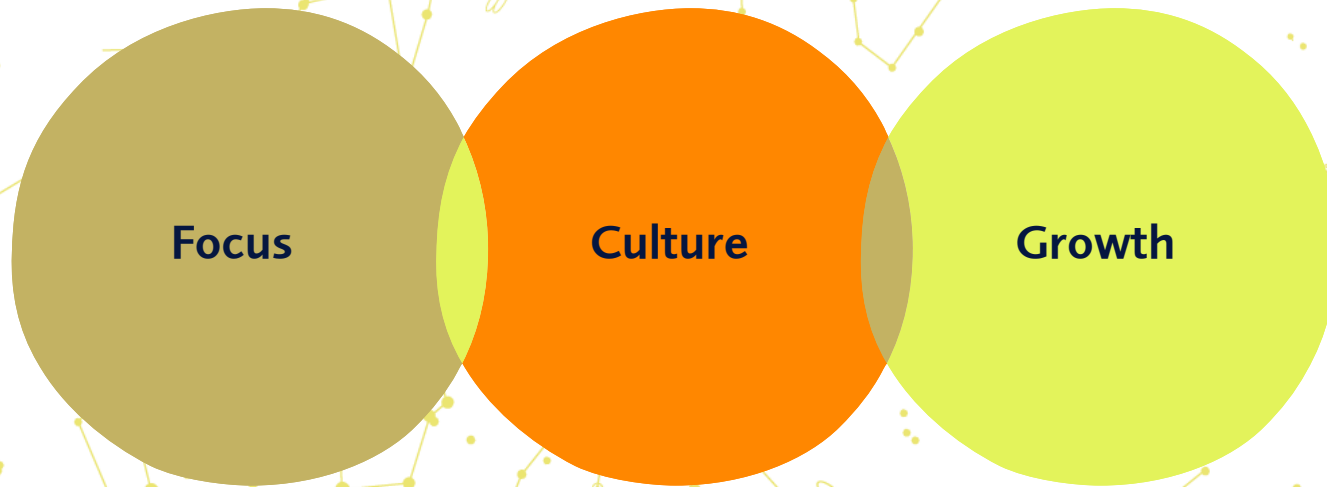
Employees

- Using potential synergies throughout the entire bank, working as a team, focusing on implementation
- Targeted integration of client and employee feedback
- Establishing ourselves as a top employer

Shareholders

- Achieving profitable and qualitative growth through which we become an interesting investment for our shareholders

The three main topics



Medium-term goals 2020

**Client assets
under management
of CHF 50 billion**

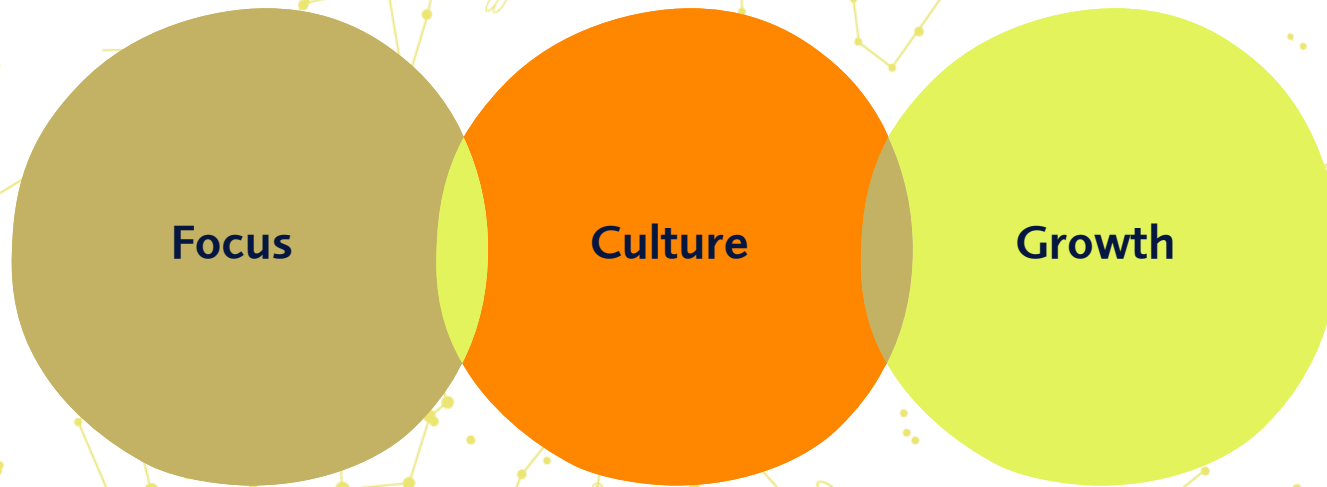
**Cost/income
ratio under
70 per cent**

**Group net income
of CHF 80 million**



Strategy 2020 implementation
Alfred W. Moeckli
Chief Executive Officer

The three main topics



Main topic: Focus



- Reducing the complexity and cost of internal processes
- Increased focus on capital efficiency pursuant to Basel III
 - More selective granting of loans, focus on HNWI/UHNWI
- Professionalism, agility and efficiency – no custom solutions
- "90/10" rule – increasing the profitability of segments and products
- Optimisation of the commitment of shareholders' equity

Main topic: Culture

Strengthening the sales and performance culture

- Further increasing the quality of our employees ("attract and educate")
- More front-office employees and activities
- Variable remuneration for top performers (front and back office)
- More marketing and sales
- Support through advisory tool

Strengthening the entrepreneurial culture

- More courage, more dynamism, more execution, more error tolerance
- Seeing competition as a challenge, not (only) a danger
- More decisions in the second and third management levels; less Group Executive Management
- Spirit of close cooperation within the team: "one voice"

Main topic: Growth (1/2)



- Focus on financial intermediaries and HNWI/UHNWI as core business pillars (68% of returns)
- Increase international business to 50% (currently 35%) by 2020
- Acquisitions of between CHF 5 billion and CHF 15 billion in client assets under management in the markets in Switzerland, Luxembourg and Liechtenstein

Main topic: Growth (2/2)

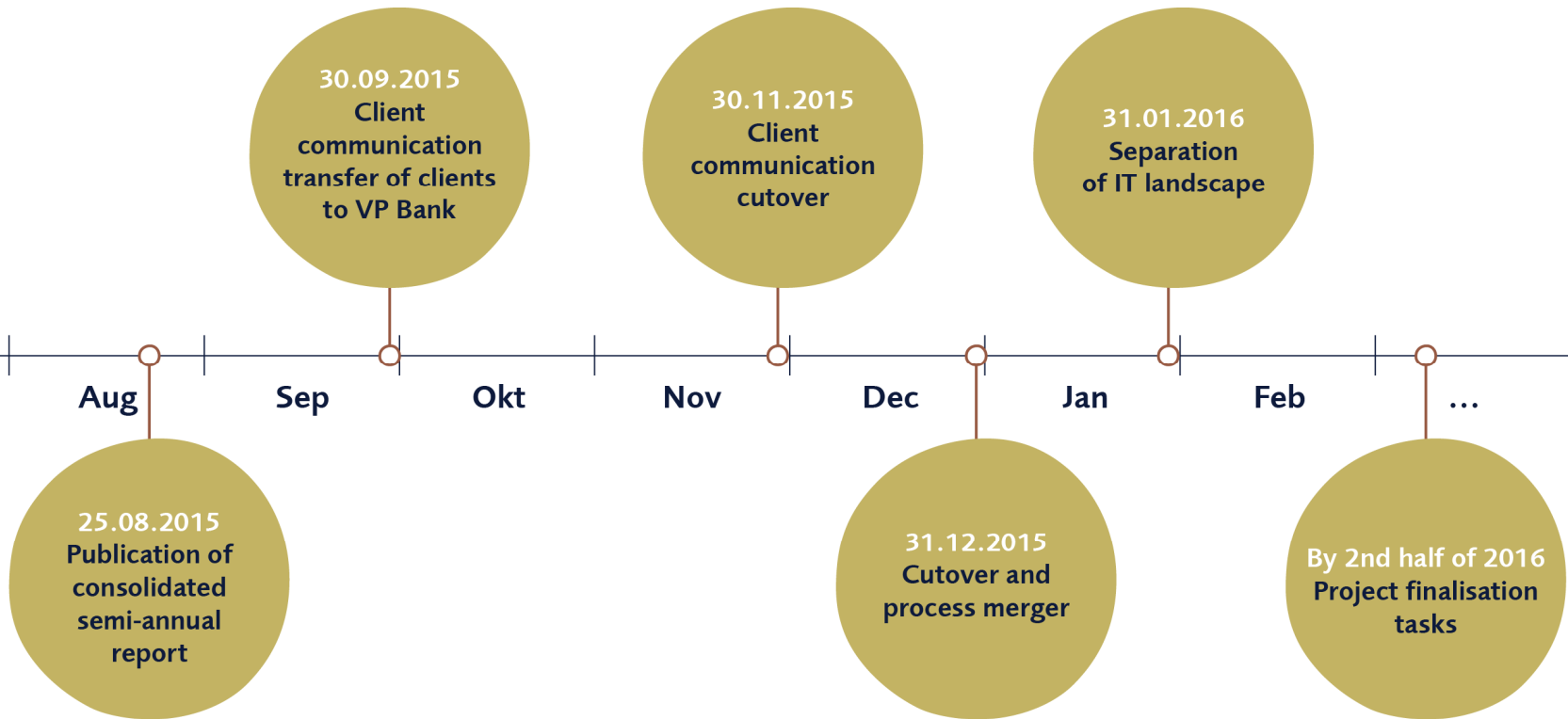
- Expansion of fund business
- Expansion of digitisation as a USP in intermediary and HNWI/UHNWI business
- Greater use of VP Bank Group's international locations as a USP in Luxembourg, Switzerland and Singapore



Integration of Centrum Bank



Integration of Centrum Bank – timetable



Integration of Centrum Bank – HR topics

- **Internal job market is working well. Over 20 vacancies have been filled by former Centrum Bank employees, further discussions are ongoing.**
- **Fewer job losses than were announced in December 2014, final decisions will be made in autumn.**
- **We were able to retain most key employees.**
- **The client advisor teams have been integrated and have all been working simultaneously on the VP Bank platform since 1 May.**
- **All employees have moved and have been trained.**





Questions and answers

