

Park Hyatt, Zurich · 22 August 2017

2017 semi-annual results



Programme

- Welcome
Fredy Vogt, Chairman of the Board of Directors
- 2017 semi-annual results
Siegbert Näscher, Chief Financial Officer
- Strategy implementation
Alfred W. Moeckli, Chief Executive Officer
- Questions and answers



Welcome

Fredy Vogt · Chairman of the Board of Directors





2017 semi-annual results

Siegbert Näscher · Chief Financial Officer

Overview of topics

- Profile as of 30 June 2017
- Income statement
- Balance sheet
- Client assets under management
- Segments
- Summary



Profile as of 30 June 2017

VP Bank in the first half of 2017

Strong income and profit growth

Group net income of CHF 31.5 million (+28.8%)

Cost/income ratio of 64.6% (68.9%*)

Increase in all sources of revenue

Increase in costs resulting from agreement with authorities in North Rhine-Westphalia (NRW)

Excellent inflow of net new money

Net new money of CHF 1.1 billion (-0.2 billion)

All locations with positive net new money performance

Sound balance sheet

Tier 1 ratio of 25.9% (27.1%**)

Standard & Poor's rating: A-/Positive/A-2

Extremely healthy balance sheet

High level of liquid assets

* as at 30 June 2016

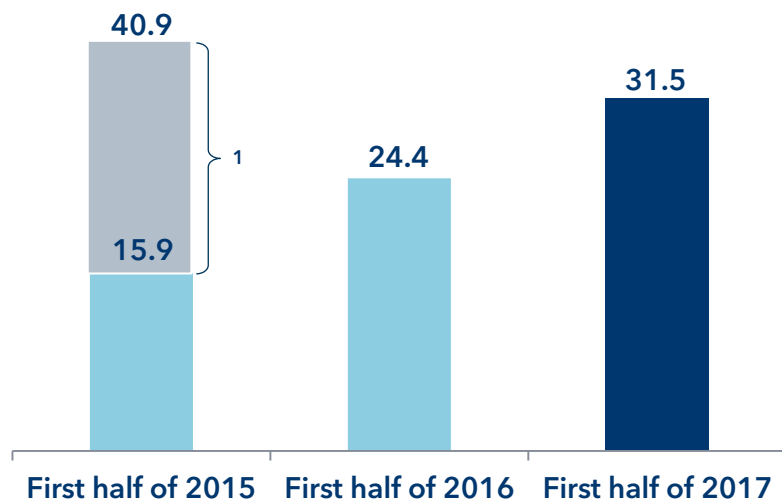
** as at 31 December 2016

Income statement

Adjusted Group net income rises

- Significant improvement in Group net income over the last three years
- Up 74% in first semester of 2017 after adjustment for NRW

Group net income in CHF million

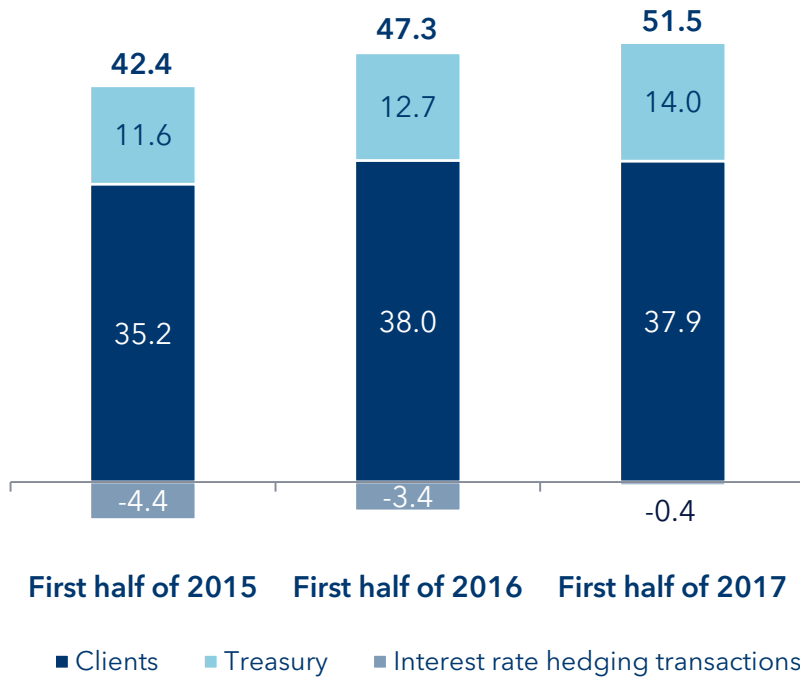


Income statement in CHF million

	First half of 2015	First half of 2016	First half of 2017
Operating income	172.5	129.8	151.1
Operating expenses	-133.2	-101.5	-117.2
Taxes	1.7	-3.9	-2.5
Group net income	40.9	24.4	31.5

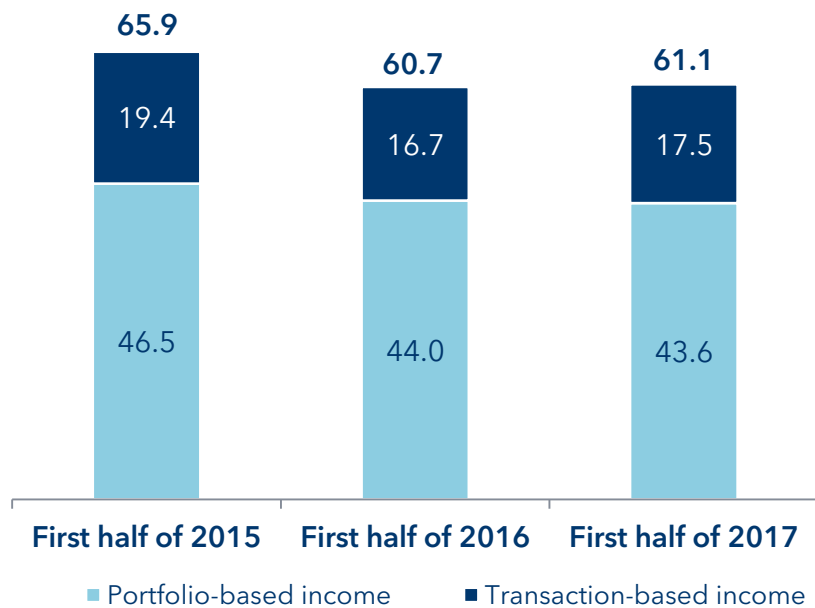
¹ One-off effect due to the integration of Centrum Bank.

Interest income (in CHF million)



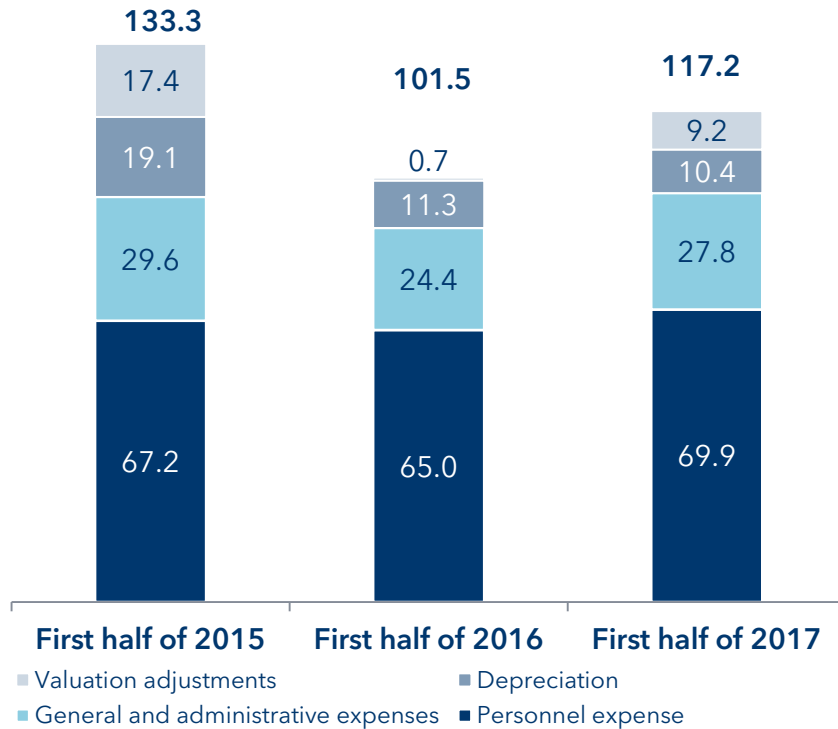
- Volume increase in client lending and financial investments
- Decline in client deposits
- Active treasury management

Commission business and services (in CHF million)



- Increase in client activity
- Friendly market environment
- Stable portfolio-based income

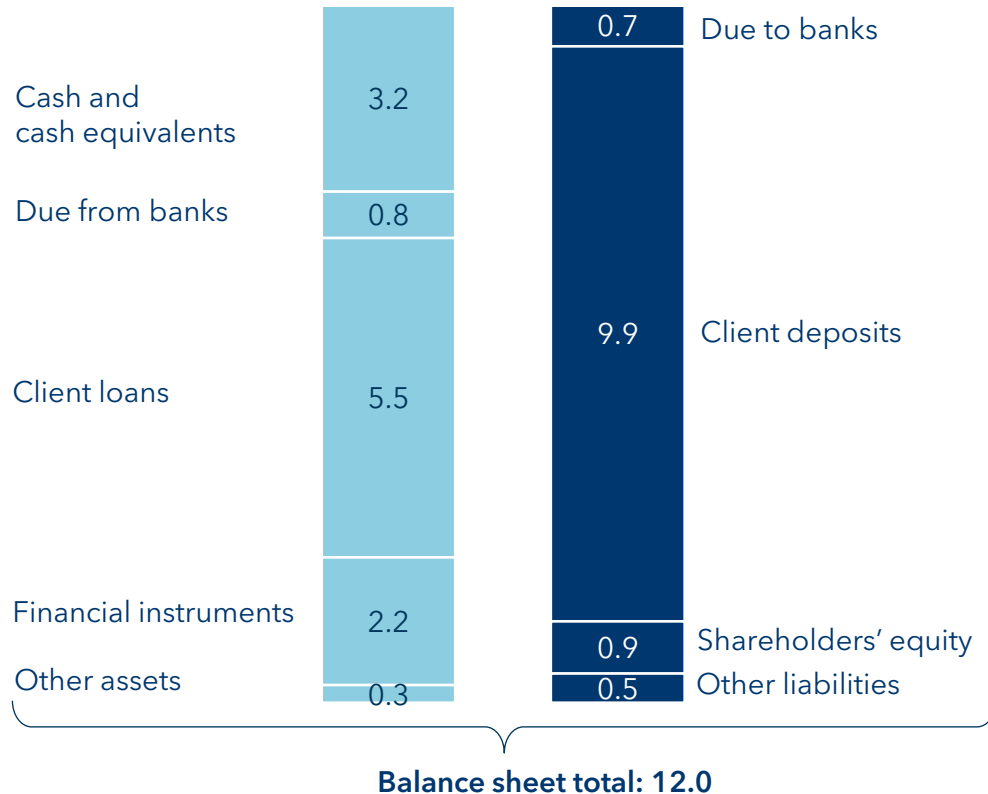
Operating expenses (in CHF million)



- Provisions for the agreement with the authorities in North Rhine-Westphalia
- Client advisor growth initiatives and recruitment campaign
- Digitisation
- Brand renewal

Balance sheet

Solid balance sheet as of 30 June 2017 (in CHF billion)



- Slight increase in balance sheet total
- Increase in client lending
- High level of liquid assets
- Decline in client deposits
- Slight increase in risk-weighted assets

Strong balance sheet ratios

	31.12.2015	31.12.2016	30.06.2017
Balance sheet total in CHF billion	12.4	11.8	12.0
Risk-weighted assets in CHF billion	3.7	3.5	3.6
Equity in CHF million	918.1	936.9	942.3
Core capital in CHF million	911.2	938.5	937.0
Tier 1 ratio	24.4%	27.1%	25.9%
Leverage ratio ¹	7.0%	7.8%	7.6%
Loan-to-deposit ratio ²	46.5%	52.2%	55.8%
Non-performing loans ³	0.4%	0.9%	1.1%

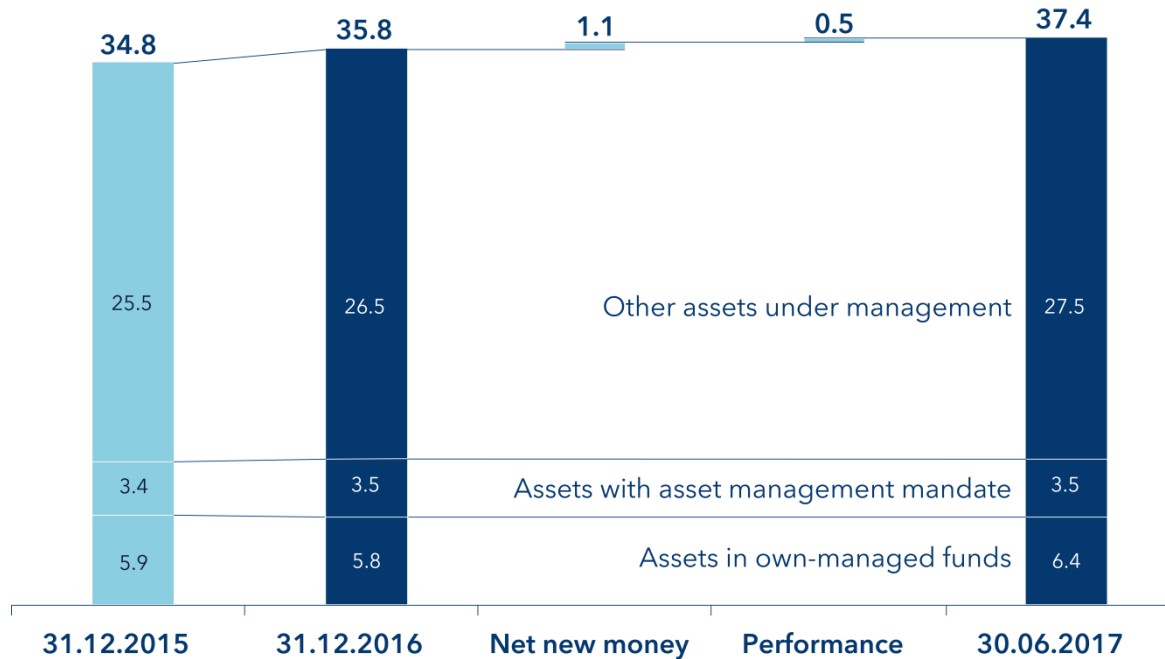
¹ Ratio of allocable shareholders' equity to balance sheet total.

² Ratio of client loans to client deposits.

³ Ratio of non-performing loans to client loans.

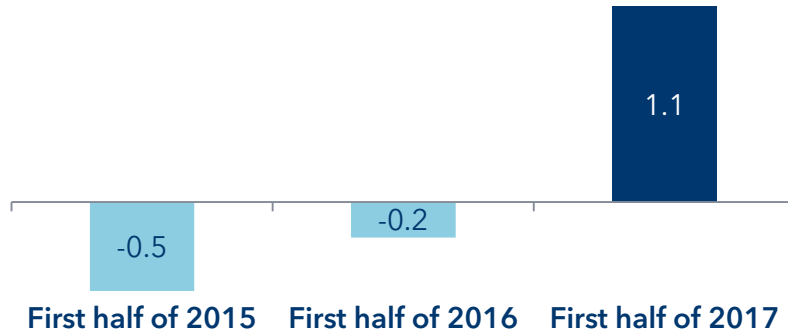
Client assets under management

Increase in client assets under management (in CHF billion)



- Increase in client assets under management
- Positive development of inflow of net new money and performance
- Expansion of fund business

Net new money (in CHF billion)



- Continuous improvement in inflow of net new money over the last three years
- All locations have made a positive contribution
- Significant inflows in fund services and at international locations
- Recruitment of new client advisors shows some initial success
- Inflows from existing clients

Segments

Segment overview as of 30 June 2017

	Client Business Liechtenstein	Client Business International	Corporate Center	Group
Business volume in CHF ¹	29.1 billion	13.8 billion	-	42.9 billion
Net new money in CHF	0.0 billion	1.1 billion	-	1.1 billion
Pre-tax net income in CHF	54.7 million	5.4 million	-26.1 million	33.9 million
Gross margin in basis points ²	63	59	-	-
Headcount in FTEs	179	240	338	757

¹ Client assets under management and client loans.

² Operating income divided by average business volume.

Summary

Summary

Growth in line with strategy

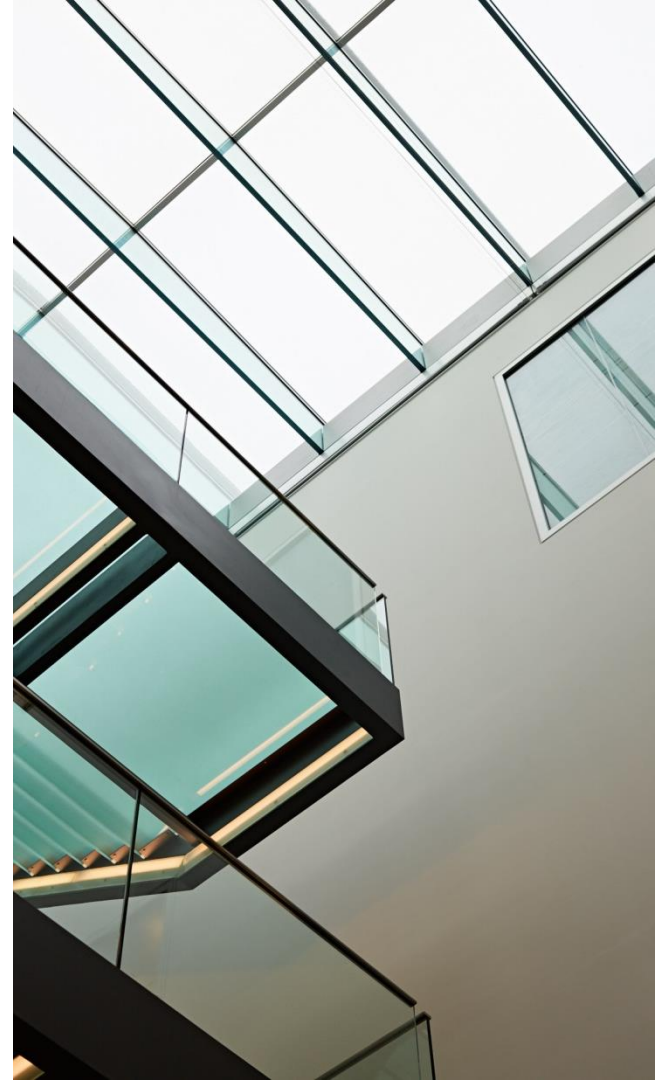
- Client advisor recruitment campaign
- Inflow of net new money at all locations

Strong operative performance

- Increase in revenues
- Further development of front-office activities

Secure and stable Bank

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





Strategy implementation

Alfred W. Moeckli · Chief Executive Officer

Key issues in 2017



- 1 New investment advisory solutions
- 2 Digitisation programme Next



- 3 Internationalisation
 - Switzerland location
 - VP Fund Solutions
- 4 Expanding the client advisor group
- 5 Growth by acquisition



- 6 Employee survey 2017
- 7 Leadership training courses and VP Bank journeys
- 8 Brand launch event

Key issues in 2017



- 1 **New investment advisory solutions**
- 2 **Digitisation programme Next**



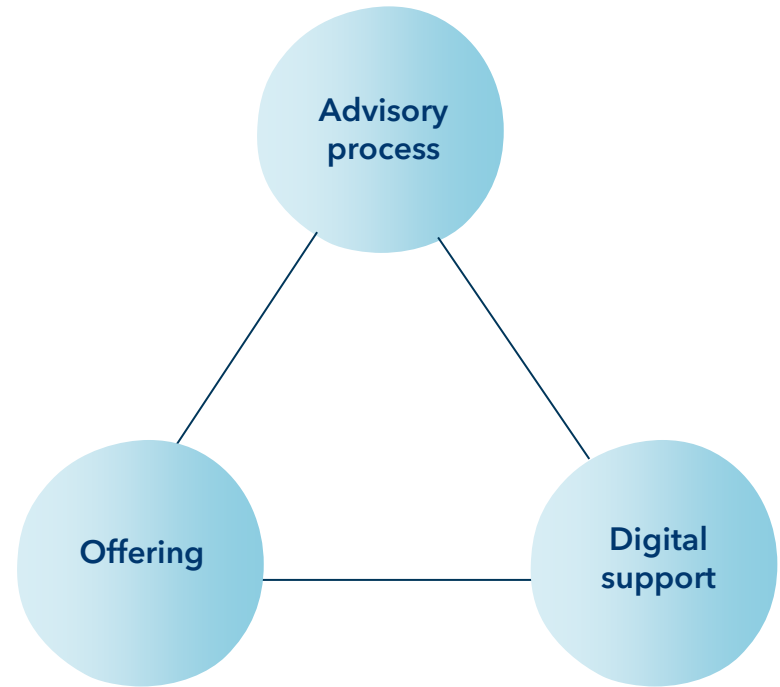
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- 6 **Employee survey 2017**
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- 8 **Brand launch event**

New investment advisory solutions

- Optimised advisory process launched in all relevant units
- Great deal of interest in the three new investment advisory packages
- New investment advisory software successfully implemented



Key issues in 2017



- 1 New investment advisory solutions
- 2 **Digitisation programme Next**



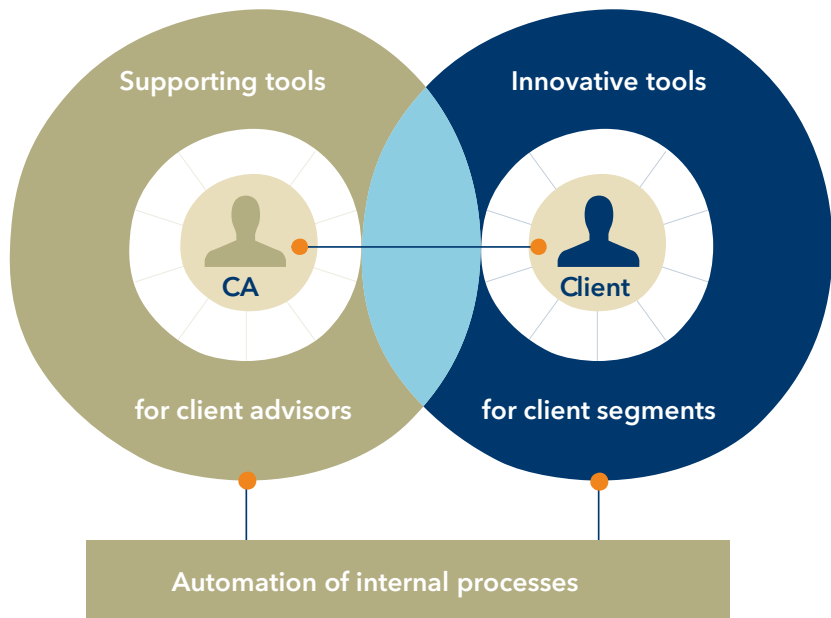
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Digitisation programme Next

Hybrid advisory model



Implementation phase 1

- Complete redesign of website
- Integration of ProLink information platform for intermediaries
- Integration of optimised e-banking in portal solution from start of 2018
- Optimisation of mobile banking app
- Launch of virtual meeting tool

Key issues in 2017



Focus

- 1 New investment advisory solutions
- 2 Digitisation programme Next



Growth

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Culture

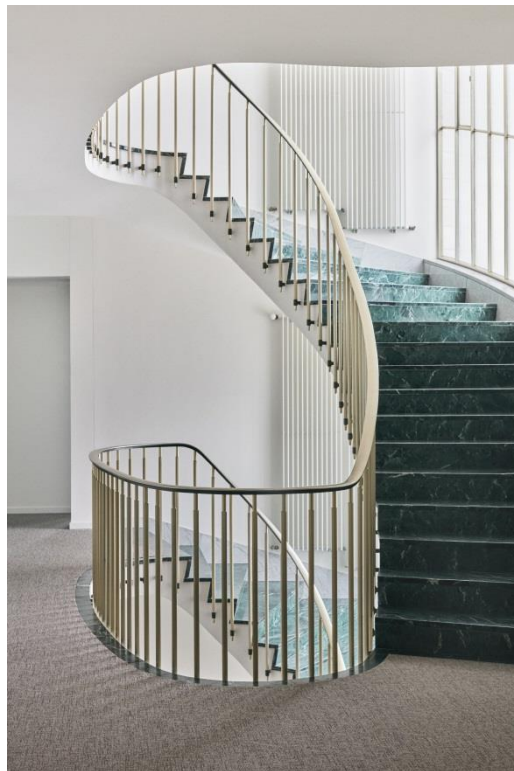
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Internationalisation - Switzerland location

- New member of the Executive Board: Maximilian Barth
- Successful conversion to powerful sales organisation
- Positive development of net new money
- Promising recruitment of new client advisors
- Relocation to ultra-modern building



New premises for VP Bank (Switzerland) Ltd



Internationalisation - VP Fund Solutions

- Fund business as an attractive growth segment
- Fund strategy driven forward with success
- One-stop shop as sales argument
- Positive development of assets under management
- Great deal of interest in reserved alternative investment fund (RAIF)



Key issues in 2017



Focus

- 1 New investment advisory solutions
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Expanding the client advisor group - client advisor hiring project

Approx. 75 client advisors to be hired by end of 2019

17 client advisors already hired

VP Bank as an attractive employer

Initial inflows of net new money

Key issues in 2017



Focus

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Targeted use of acquisition opportunities

Ongoing review
of acquisition
opportunities

Cultural fit
essential

Comfortably able
to take over up to
CHF 25 billion
in client assets
under management

Excellent
equity base

Key issues in 2017



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Culture - numerous initiatives and measures

Further Group-wide
employee survey in
September

Positive feedback
on leadership
seminars

Successful
brand launch event

Lightning surveys
reflect improved
working atmosphere

Intensive
networking at
VP Bank
Journey



Questions and answers





Thank you