VP Bank Group · 20 August 2024

Semi-annual conference 2024

01
Board of Directors’ view
Stephan Zimmermann, Chairman of the Board of Directors

02
2024 semi-annual results
Roger Barmettler, Chief Financial Officer

03
Strategy and measures
Dr Urs Monstein, interim Chief Executive Officer

04
Q&A

01

Board of Director's view

Stephan Zimmermann,
Chairman of the Board of Directors

"We want to grow. And we want to do this in a way that is scalable by growing together with our intermediaries."

02

2024 semi-annual results

Roger Barmettler, Chief Financial Officer

Review of the first half of 2024

Group net income (–55%) within a challenging market environment

CHF 11.5 million

Net new money growth of 2.2% despite forced outflows

CHF 0.5 billion

Business volume: Client assets under management (+9%) and credit volume (+5%)

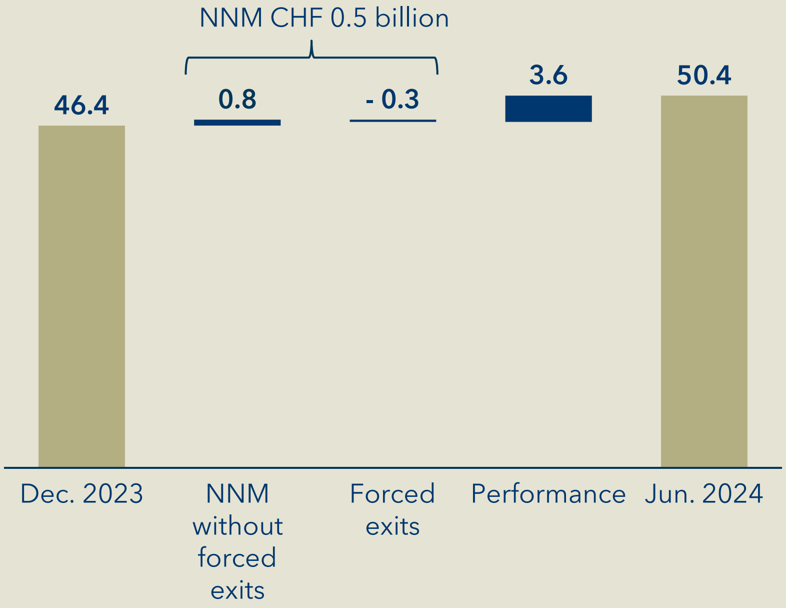
CHF 56.2 billion

Ongoing strong capitalisation and good liquidity

Tier 1 ratio 26.1%, LCR 310%

Positive growth in net new money

Client assets under management (in CHF billion)



Growth in net new money

- Net new money amounted to CHF 0.5 billion, representing annualised growth of 2.2%
- Disregarding forced outflows, net new money totalled CHF 0.8 billion, or 3.6%
- Adjustment of client portfolio completed, identified clients transferred to exit book.

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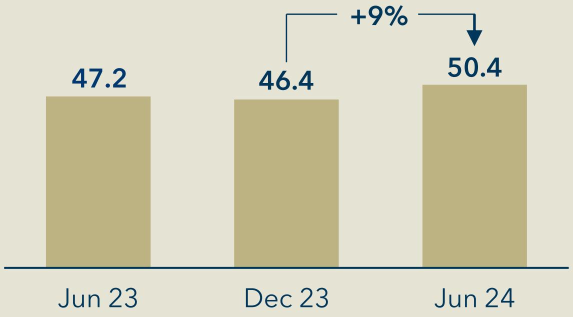
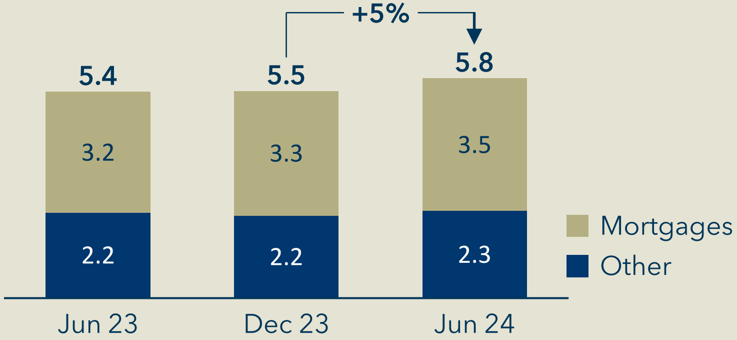
Increase in client assets under management and credit volume

Client assets under management (in CHF billion)



Credit volume (in CHF billion)



Client assets under management

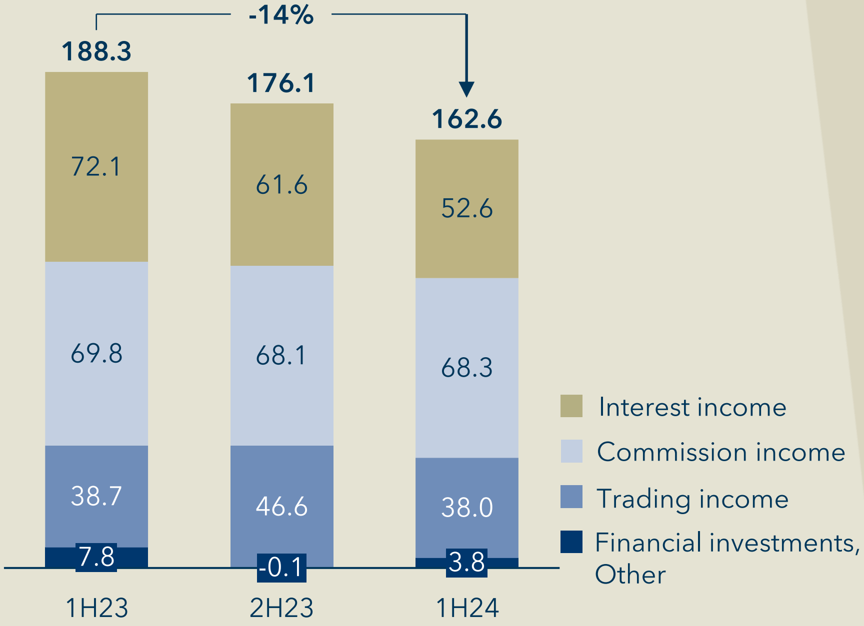
- Client assets under management increased as a result of positive NNM and good market performance.
- Average AuM were 3% higher compared to the previous-year period at CHF 48.9 billion (CHF 47.5 billion)

Credit volume

- Demand for credit rose again as a result of falling interest rates, which was apparent in the figures for mortgage loans and lombard loans.

Operating income held down by higher interest expenses

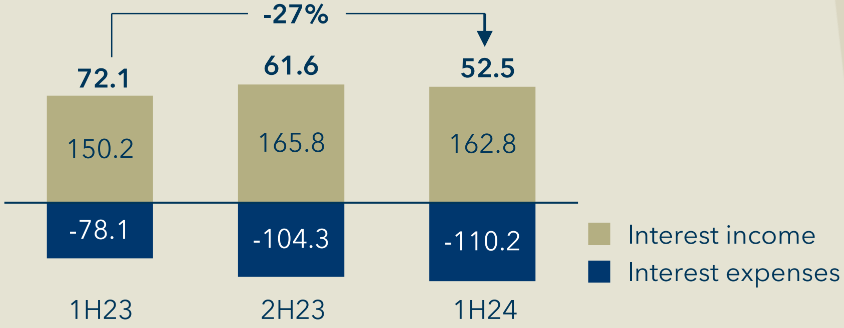
Operating income (in CHF million)



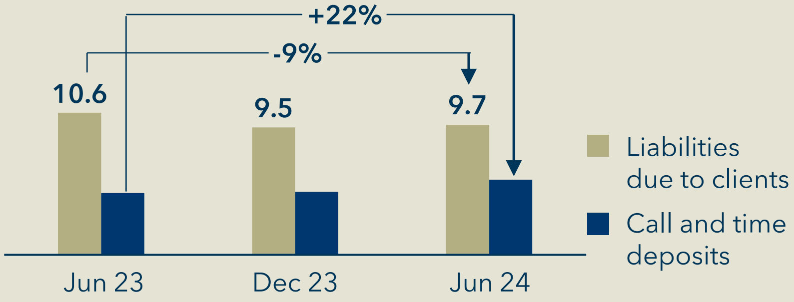
- **Interest income** down 27% due to higher expenses (–15% compared to H2 2023)
- **Commission income** 2% lower than the previous-year period, stable compared to the previous period
  - Growth in lower-margin fund and EAM business
  - Shift in product mix
- **Trading income** down slightly (–2%) to CHF 38 million

Performance of interest income

Interest expenses and interest income (in CHF million)



Deposits (in CHF million)



- **Interest income** grew by 8% to CHF 162.8 million.
- **Interest expenses** rose over the same period by 41% to CHF 110.2 million due to
  - Higher interest payments to clients
  - Shift from current account deposits to other forms of investment
- **Still challenging interest environment expected in H2 2024**

  \- Interest rate cuts

  \- Further shifts

  \+ Normalization of the yield curve

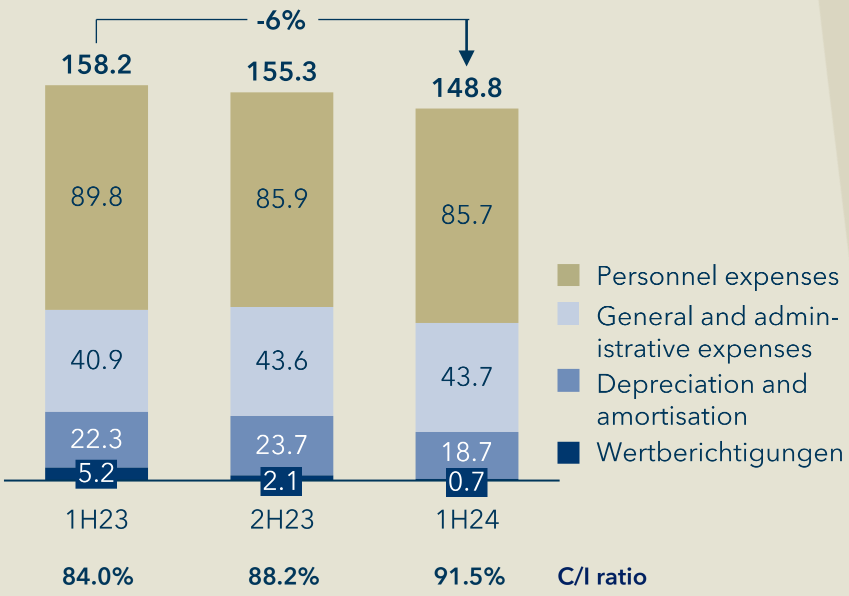
  \+ Rise in loans

  \+ NNM

[1] "-" has a negative, "+" positive impact on net interest income

Cost growth normalised

Operating expenses (in CHF million)



Personnel expenses –5% on H1 2023

- Lower performance-related compensation offset growth in personnel and higher salaries

General and administrative expenses rose by 7% compared to H1 2023, remained stable in line with the previous period.

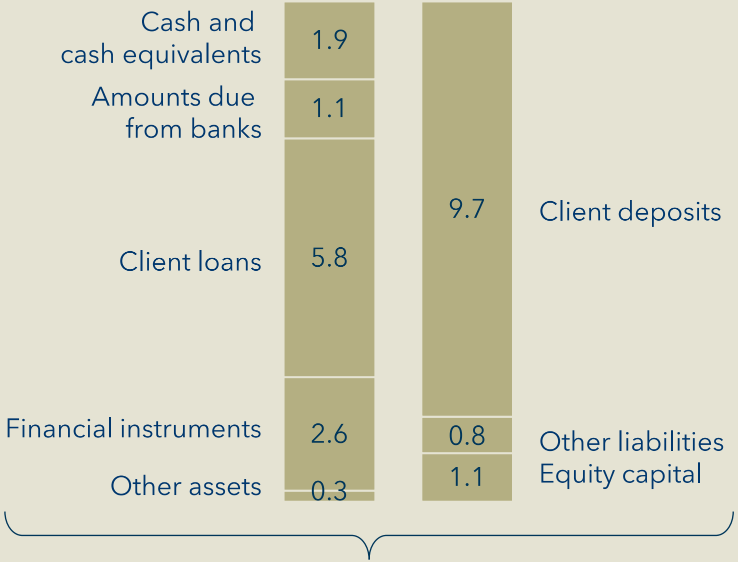
- Disregarding a VAT refund booked in H1 2023, general and administrative expenses remained at the same level as the previous year.

Depreciation and amortisation peaked in 2023.

Implementation of **efficiency measures** in H2 2024

Robust foundation

Balance sheet as of 30 June 2024 (in CHF billion)



Total assets: CHF 11.7 billion

Sound balance sheet

- High-quality loan portfolio
- Cash and cash equivalents along with amounts due from banks cover 31.0 % of client deposits
- Total assets +2%, based on growing credit volume and client deposits

Stable refinancing

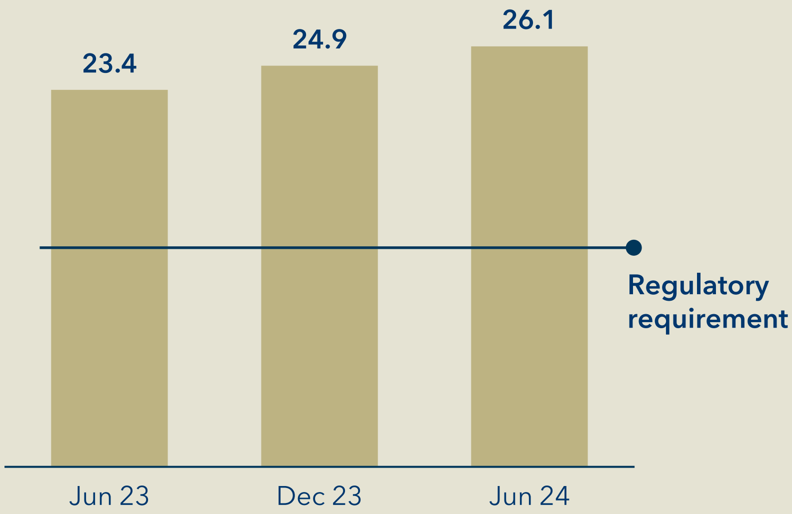
- Proportion of client deposits corresponds to 83% of total assets

Strong equity base

- Equity capital makes up 9.7% of total assets

Sound risk profile

Tier 1 ratio (as a percentage)



Tier 1 / CET 1 ratio increased further to 26.1%

Other key figures

- Liquidity coverage ratio: 310%
- Leverage ratio: 9.1%
- Net stable funding ratio (NSFR): 143%

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Summary

Group net income (–55%) within a challenging market environment

CHF 11.5 million,

Net new money growth of 2.2% despite forced outflows

CHF 0.5 billion

Rising business volume: AuM (+9%) and credit volume (+5%)

CHF 56.2 billion

Ongoing strong capitalisation and good liquidity

Tier 1 ratio 26.1%, LCR 310%

03

Strategy and measures

Dr Urs Monstein, interim Chief Executive Officer

Increase in earnings in core markets

Europe

LU / DE / SE

Luxembourg / Switzerland

- Further leverage know-how from intermediary business for the benefit of clients
- Intensify cultivation of the Nordic and German markets

CH / DE

LI / CH / DE

Liechtenstein

- Further expand private client and commercial business
- Strengthening market leadership in fiduciary business

Asset servicing

- Establish position as a one-stop-shop
- Exploit synergies with private client and intermediary business

VG

British Virgin Islands

Defend market leadership in real estate financing

Asia

HK

Singapore

Focus on intermediary business in Singapore

SG

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Package of measures

Increase revenues

Systematic **concentration on our strengths** in all regions

Business plans for fiduciary business, Nordics and Germany

Programme launched for enhancing the **value proposition**

Cut costs

Withdrawal of unsuccessful **services**

Concentration on profitable **locations**

IT **process optimisation** initiatives

Optimisation of **organisation** and reduction of **personnel costs**

Foundations laid for a successful future

Diversified **business model** and strong **innovation**.

Open IT architecture for developing new services.

Very good **investment performance**.

Robust **risk processes** and risk assessment models.

Above-average **capitalisation** and strong **liquidity position** for further development and profitable growth.

04

Q&A

Thank you.

Disclaimer

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