

VP Bank Group · 17 August 2021

Semi-annual conference 2021



Programme

Welcome

Dr Thomas R. Meier, Chairman of the Board of Directors

VP Bank Group 2021 semi-annual results

Roger Barmettler, Chief Financial Officer


Vision 2026

Paul Arni, Chief Executive Officer

Review and outlook

Paul Arni, Chief Executive Officer

Q&A

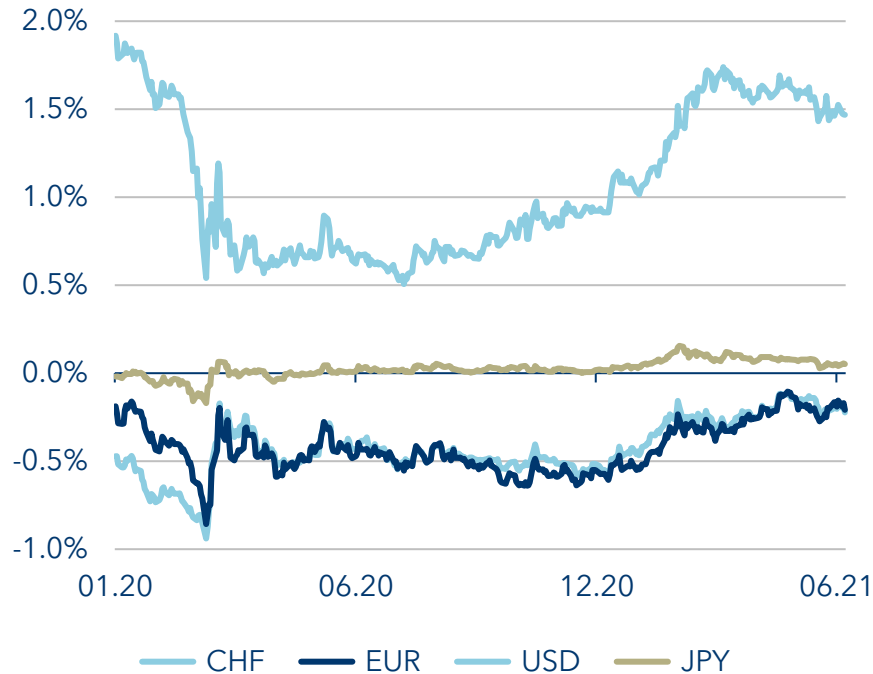
A diver in silhouette is shown in the lower-left quadrant, holding a flashlight that projects a bright beam of light. This beam illuminates a large, curved school of fish that forms a ring-like shape in the upper-left and center of the frame. The background is a deep blue gradient, with several other smaller fish swimming in the distance. The overall scene is metaphorical, representing the discovery of a path or direction through data.

**Data points us in the right
direction.**

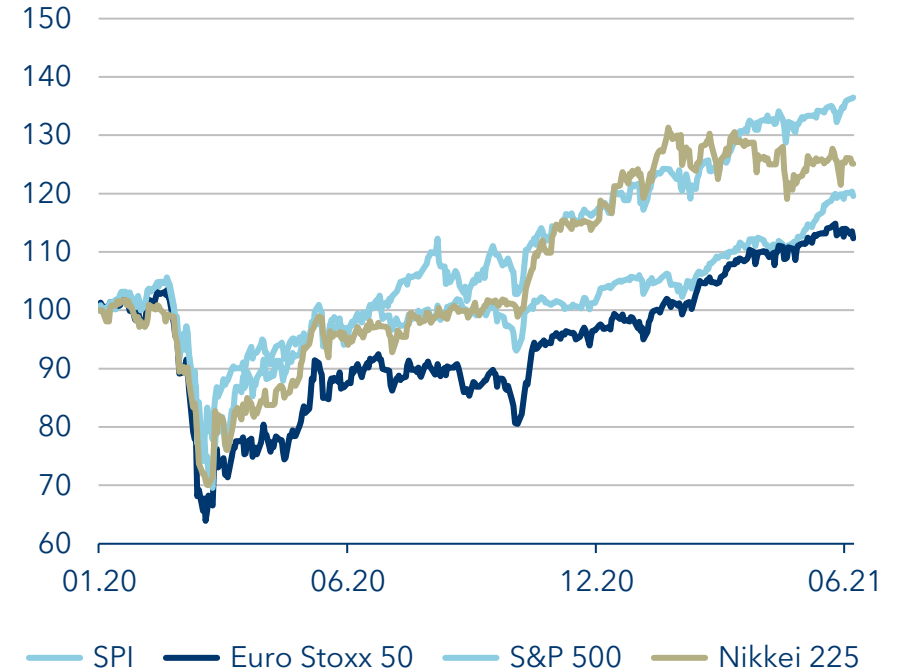
Human foresight
shows us the way.

Review of capital market yields and equity markets

10-year capital market yields: lower for longer



Equity markets made up for previous price losses



Good semi-annual results, solid capital base



Group net
income
CHF 29.9 million

CHF 14.4 million
(1st half of 2020)

Significant increase

Commission
income
CHF 78.0 million

CHF 71.5 million
(1st half of 2020)

Strong increase

Cost / income
ratio
79.4%

87.7% (1st half of 2020)

Further improvement



Net new money
inflow
CHF 0.7 billion

CHF 0.4 billion
(2nd half of 2020)

**Continued good inflow
in challenging market
environment**



Extremely stable
key balance
sheet figures

Tier 1 ratio
20.8%

20.8% (end of 2020)

**Very good
equity base**

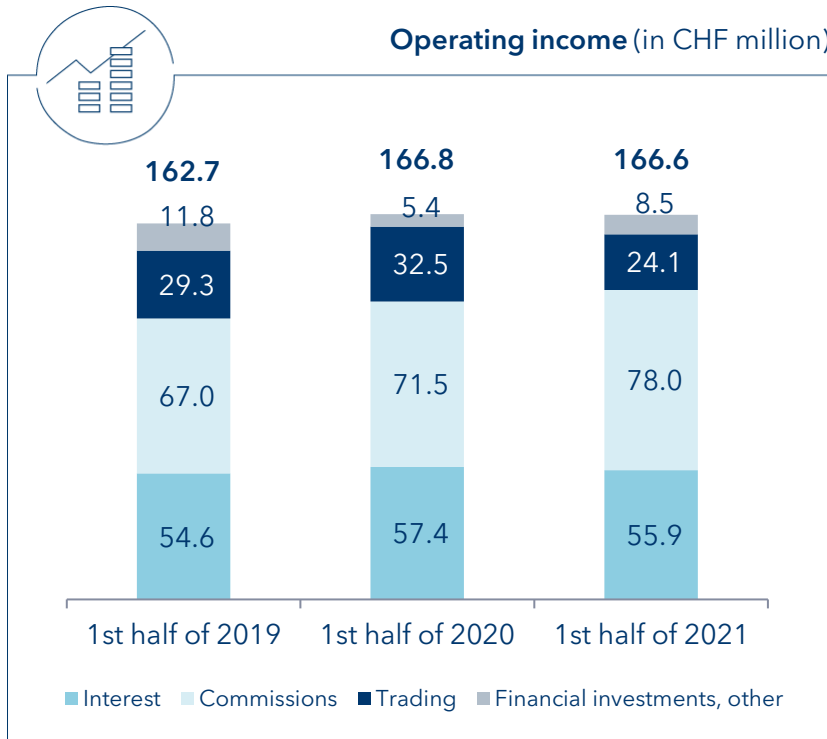
Rating:
Standard & Poor's
A/negative/A-1

**Good rating in July 2021
confirmed**

The background is a light blue gradient. There are two abstract teal shapes: a trapezoid in the top-left corner and a large triangle in the bottom-right corner.

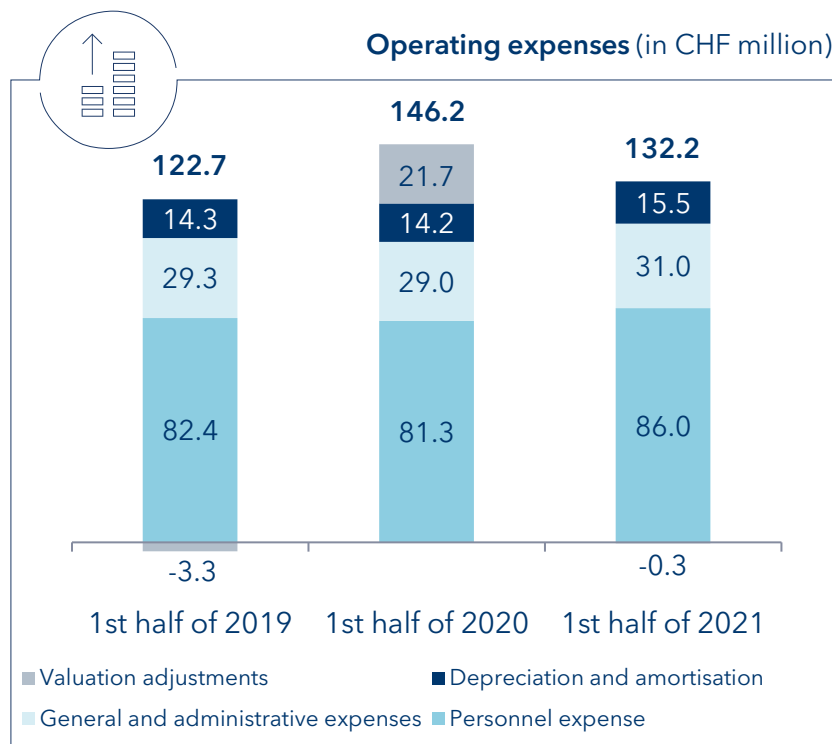
Income statement

Increase in commission income



- Commission income: up CHF 6.5 million, or 9.1%
 - Significantly increased, recurring corporate earnings (CHF 7.4 million) as a result of greater client assets under management (AuM)
- Interest income: down CHF 1.5 million, or -2.6%
 - Primarily a result of the US dollar interest rate cut in March 2020
- Trading income: down CHF 8.4 million, or -25.8%
 - Reduced US dollar/CHF swap margin due to the US dollar interest rate cut by the US Federal Reserve (Fed) in March 2020
- Financial investments: up CHF 2.5 million, or 51.5%, due to higher dividends

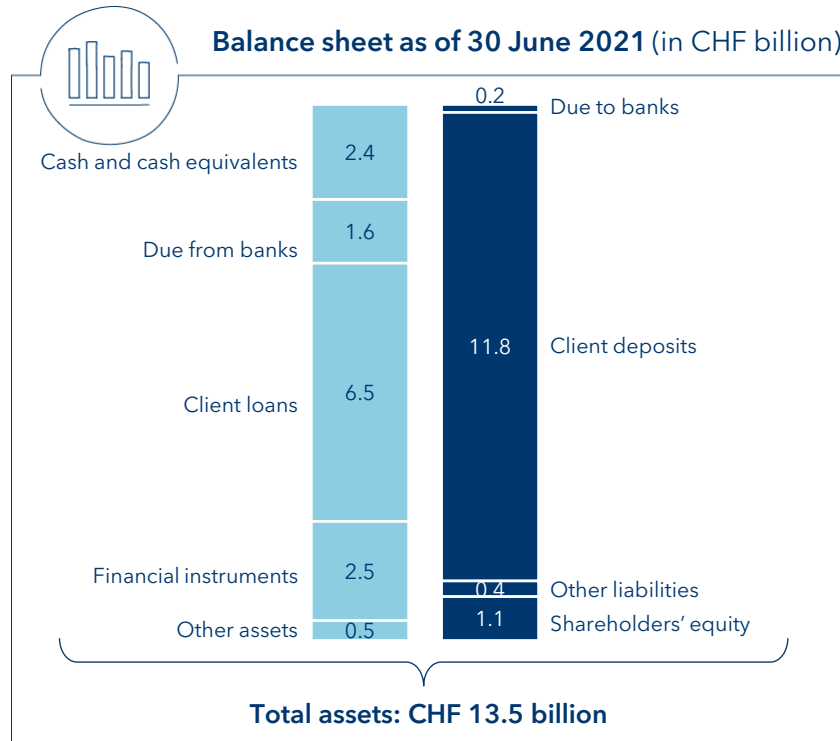
Strategic investments and the acquisition of Öhman



- Strategic investments
 - Personnel expense: up CHF 4.7 million, or 5.8%
 - General and administrative expenses: up CHF 2.0 million, or 6.9%
- Valuation adjustments, provisions and losses: down CHF 22.0 million on account of an extraordinary effect of around CHF 20.0 million in the previous year

Balance sheet

Solid balance sheet structure



- Stable assets
 - High level of liquid assets
 - Growth in client loans of 3.8%
- Stable refinancing
 - Client deposits: 87% of total assets
 - Growth in client deposits: 1.5%
- Strong equity, tier 1 ratio at 20.8%

Capital adequacy requirements well exceeded

	31.12.2019	31.12.2020	30.06.2021
Risk-weighted assets in CHF billion	4.8	4.7	4.7
Core capital (CET 1) in CHF million	979.0	972.8	977.3
Tier 1 ratio (CET 1 ratio)	20.2%	20.8%	20.8%
Liquidity coverage ratio (LCR)	213.0%	179.4%	153.4%
Leverage ratio	7.1%	7.1%	7.1%
Loan-to-deposit ratio	60.1%	54.2%	55.4%
Non-performing loans	0.8%	1.0%	1.1%
S&P rating	A/stable/A-1	A/negative/A-1*	A/negative/A-1*

* S&P confirmed the good rating of "A" in July 2021 and kept the outlook at negative.

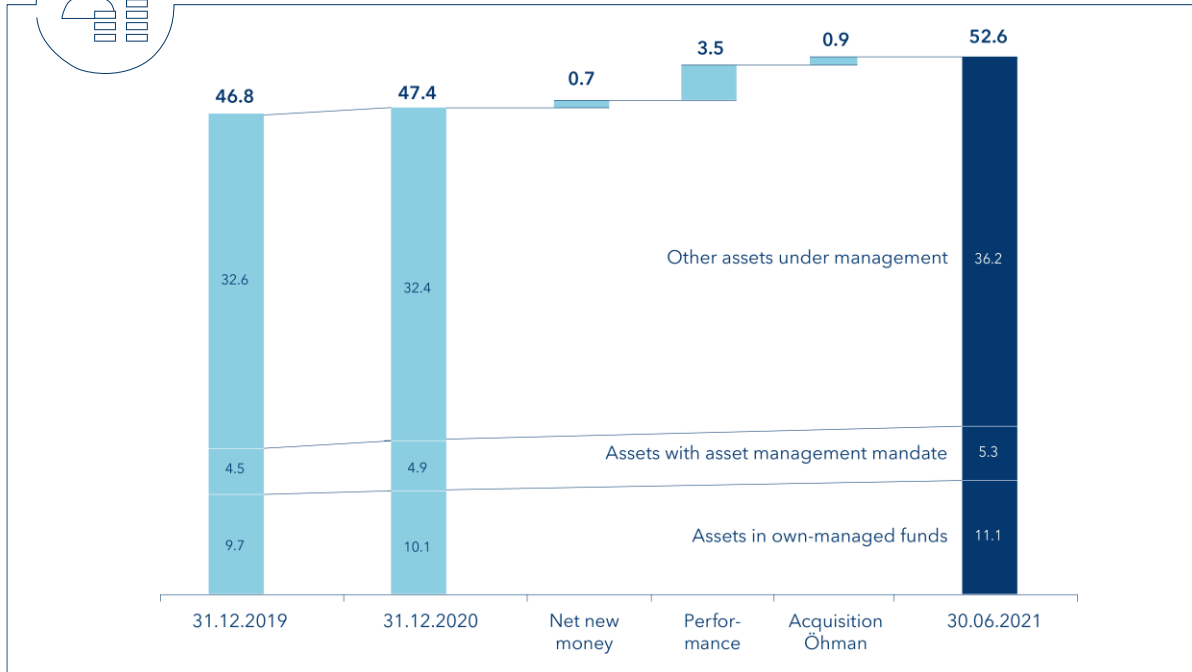


Client assets under management

Increase in client assets under management



Assets under management (in CHF billion)



- Increase in client assets under management of 10.8%
- Increase in net new money: CHF 0.7 billion
- Client assets including custody assets: CHF 60.8 billion

Segments

Broad-based

Segment overview as of 30 June 2021

	Intermediaries & Private Banking	Client Solutions	Corporate Center	Group
Business volume in CHF ¹	45.0 billion	14.0 billion	-	59.0 billion
Client assets under management in CHF	39.8 billion	12.7 billion	-	52.6 billion
Net new money in CHF	0.3 billion	0.4 billion	-	0.7 billion
Pre-tax net income in CHF	61.4 million	5.3 million	-32.3 million	34.4 million
Gross margin in basis points (bp) ²	70.2	27.3	-	-
Headcount in FTEs	354	83	503	940

¹ Client assets under management and client loans.

² Operating income divided by average client assets under management.

Summary

Summary

Significantly increased Group net income

- Solid half-year results
- Strong increase in commission income
- Net new money inflows from both business segments

Secure and stable Bank

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



**Opportunities don't just
come about.**

They are the result of the right
analysis at the right time.



Our vision

VP Bank becomes an
international **Open**
Wealth Service pioneer.

We need to change the way we think about wealth management

Business segments

Intermediaries & Private Banking

Private clients, (U)HNWIs, corporates, fiduciaries, external asset managers and family offices

Client Solutions

Other multipliers via ORBIT ecosystem and ORBIT core

Platform



International Open Wealth
Service pioneer

External services and products

Third-party
products
and services
provider



Third-party
custodian
banks



Partnerships



Internal services and products

Banking products incl. financing

Investment advisory and wealth mgmt.

Custodian bank

Structured products

Fund solutions

Private markets

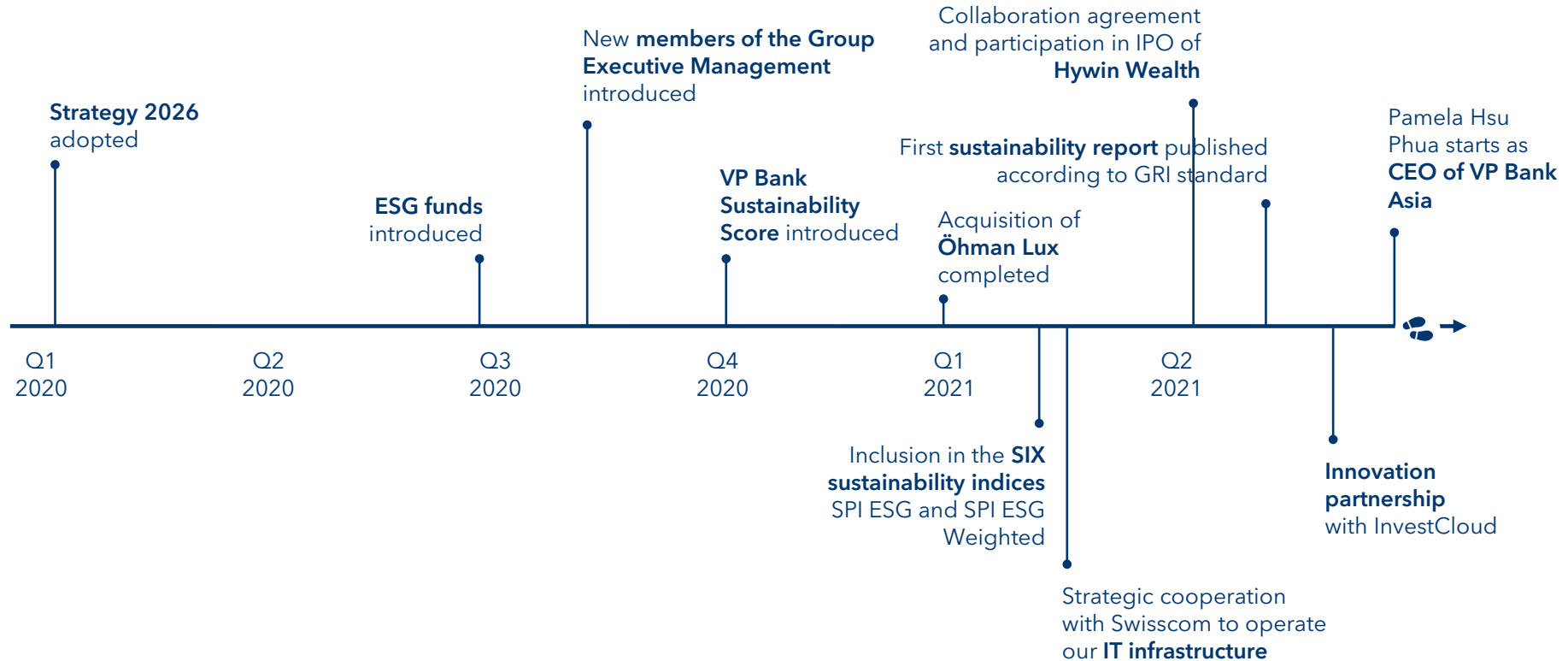
Digital assets

New trends emerge all the time.

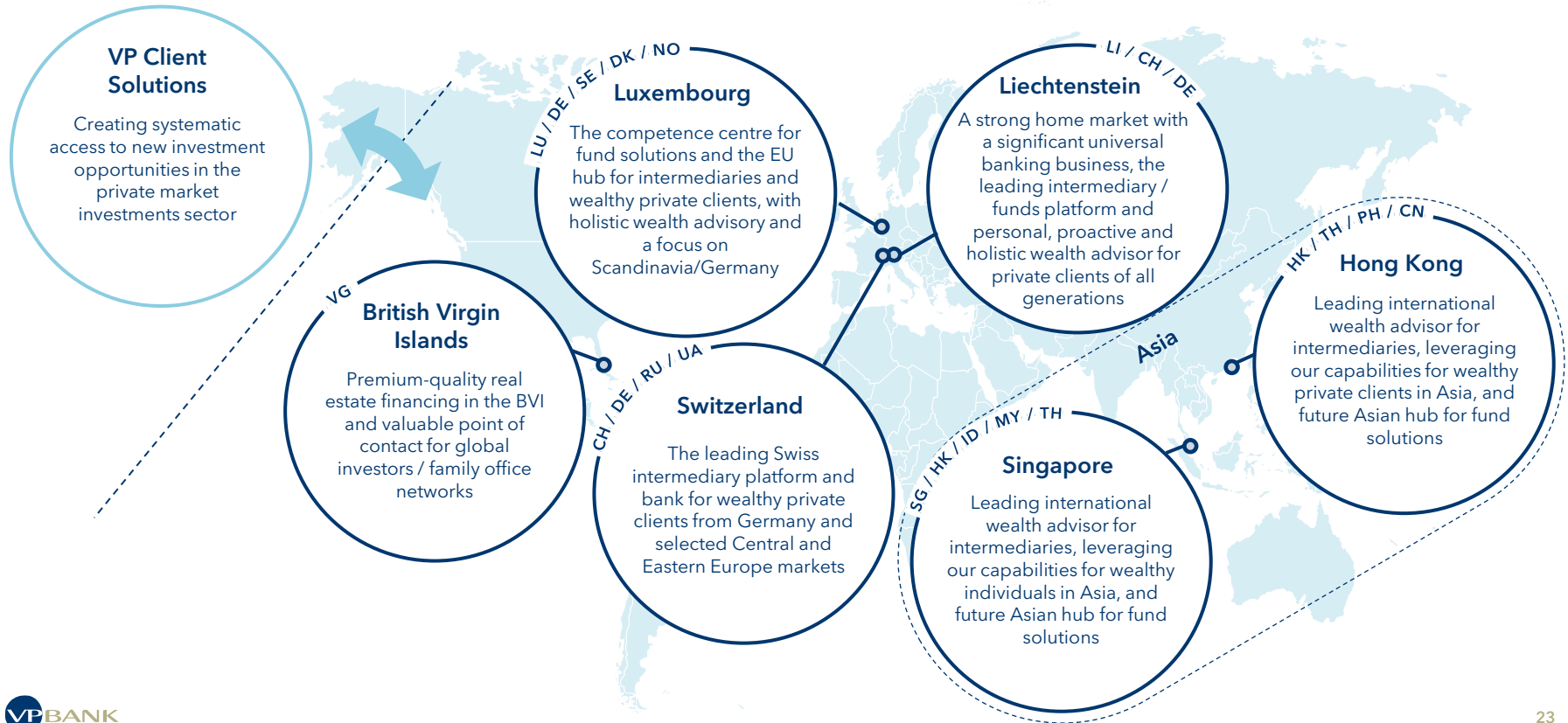
Turning them into
investment opportunities
is the real trick.



Review - organisational robustness and technical set-up



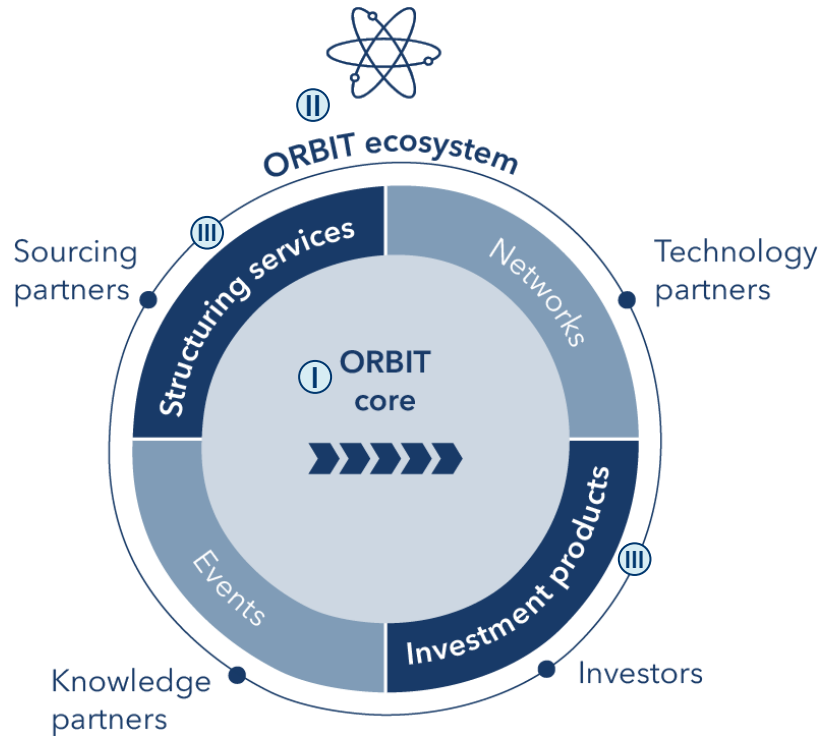
Serving clients in 17 target markets across 6 strategic locations



Consistent inclusion of sustainability

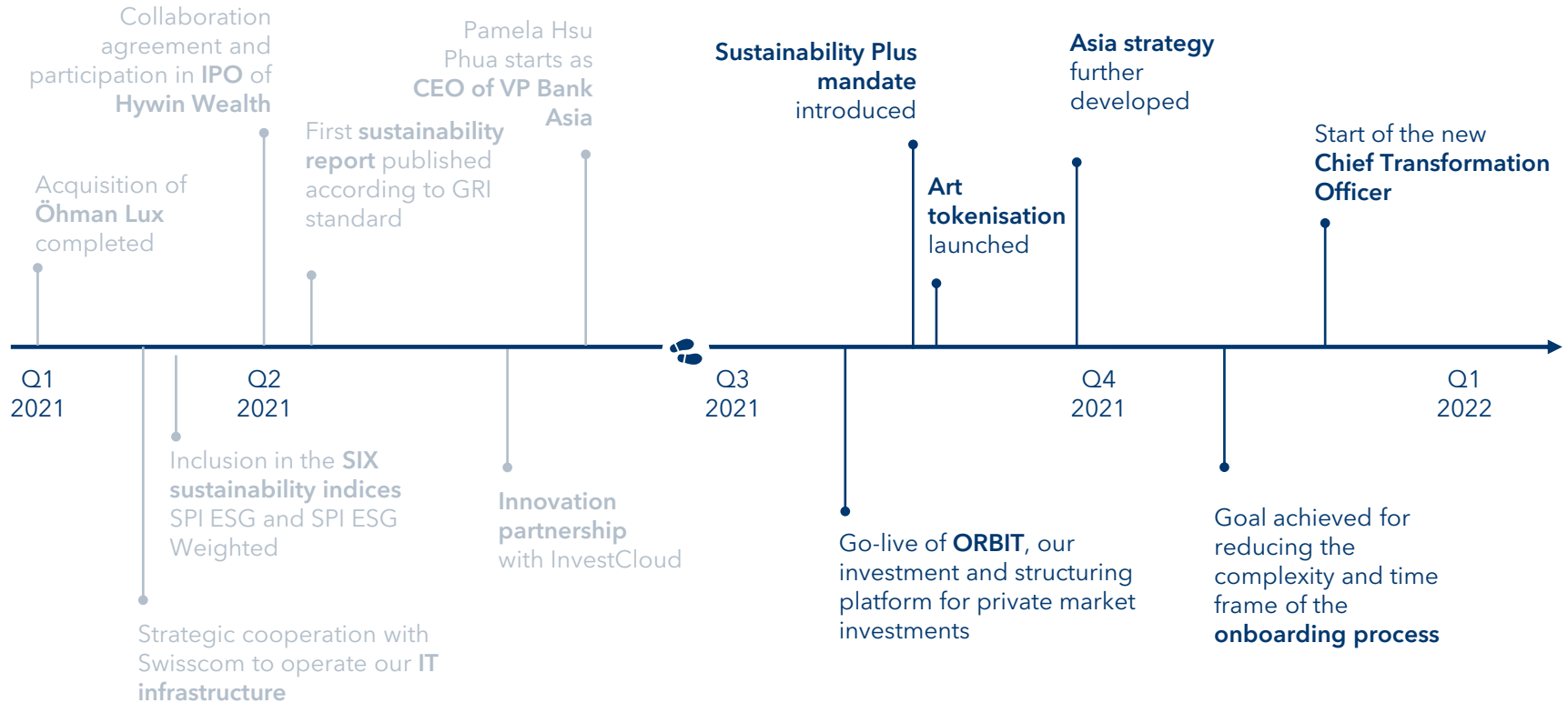


VP Client Solutions – curator of private market investments



- ① Modular, open-architecture **access and structuring platform (ORBIT core)** for private market investments
- ② The growing **ORBIT ecosystem** connects proprietary investment and structuring solutions with innovative, co-created partner offerings
- ③ Development and provision of investment opportunities through the **ORBIT ecosystem**

Outlook – definition of a clear set of measures



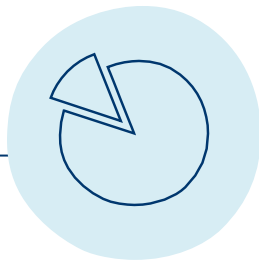
Financial targets 2026: increase in Group net income to CHF 100 million



Growth

Net new money
(in % AuM)

>4% p.a.¹



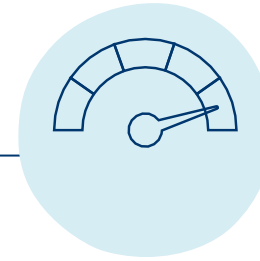
Profitability

Profit margin
(in bp of AuM)

>15 bp

Cost /
income
ratio²

70%



Stability

Tier 1
ratio

>20%



Q&A



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