VP Bank Group · 17 August 2022

Semi-annual conference 2022

Dr Thomas R. Meier

Chairman of the Board of Directors

Programme

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

VP Bank Group 2022 semi-annual results
Roger Barmettler, Chief Financial Officer

Strategy 2026: review and outlook
Paul H. Arni, Chief Executive Officer

Question and answer session

2022 semi-annual results

Roger Barmettler,
Chief Financial Officer

VP Bank holding its own in a challenging environment

Group net income
CHF 21.3 million

CHF 29.9 million
in the same period in 2021

Decrease of 29% compared to the previous year, increase of 3% compared to the second half of 2021

Operating income
CHF 161.5 million

CHF 166.6 million
in the same period in 2021

Lower income from commission business and services

Recurring commission income stable

Net new money inflow
CHF 0.2 billion

Stable, broadly diversified client base

Exceptionally stable balance sheet ratios

Client assets under management
CHF 46.5 billion

CHF 51.3 billion
at the end of 2021

Market slowdown impacts client assets under management

Tier 1 ratio
22.8%

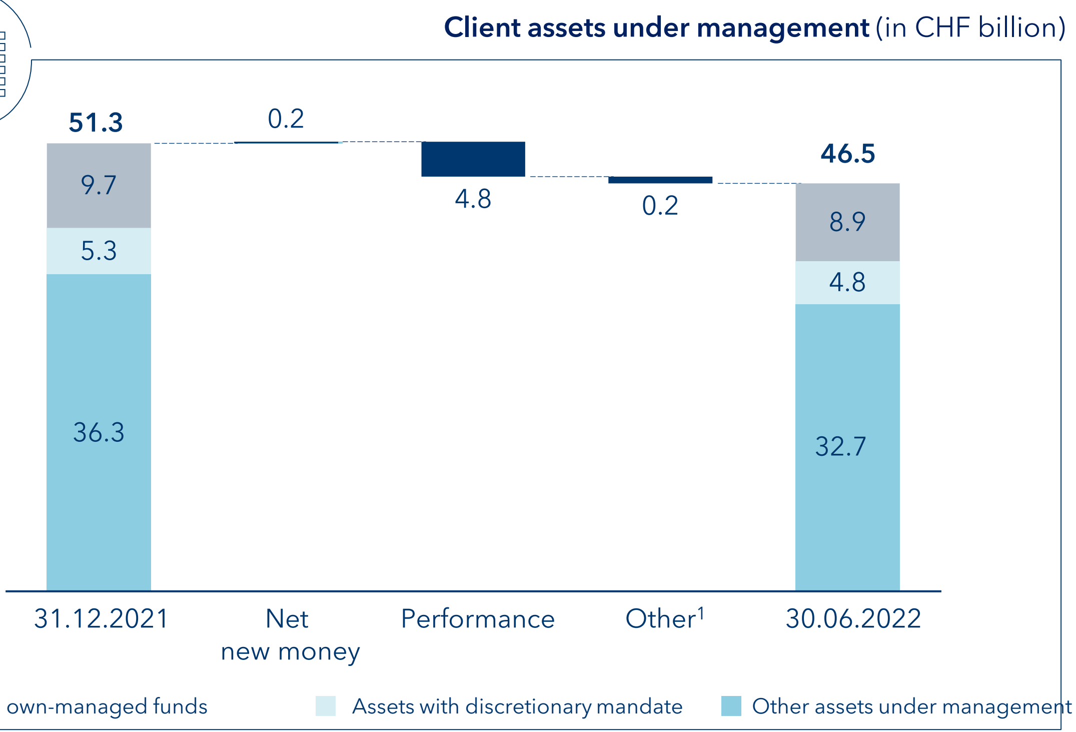
22.4% at the end of 2021

Extremely solid equity base

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

Good rating confirmed as of 20 July 2022

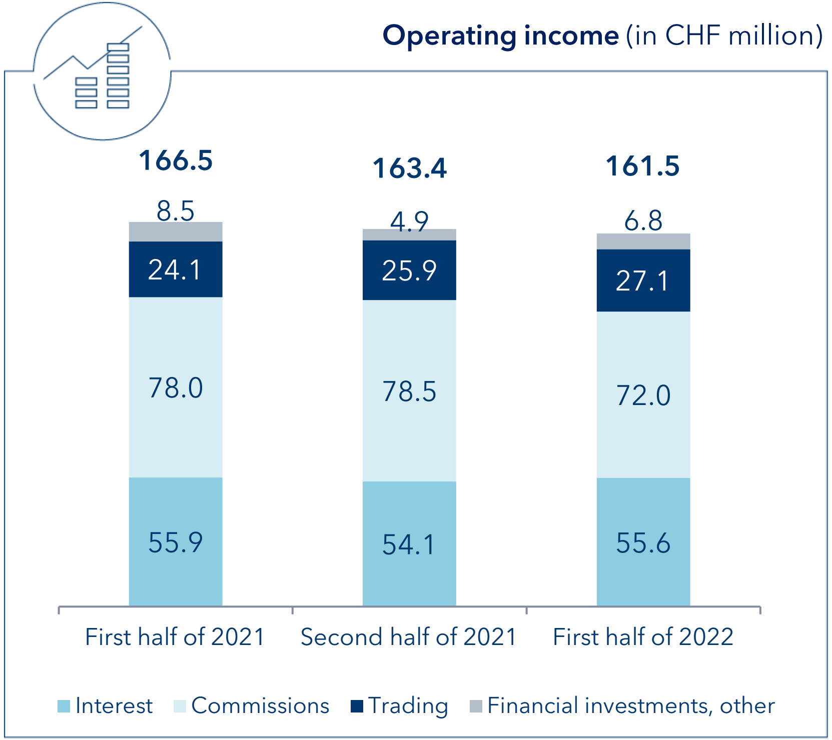
Positive net new money inflow, drop in client assets under management



- Net new money of CHF 0.2 billion, primarily from Asia and the fund business
- Market slowdown reduced client assets under management by CHF 4.8 billion
- Assets of sanctioned Russian clients reclassified as custody assets amount to CHF 0.2 billion
- Average client assets under management of CHF 49.3 billion was 2% lower than in the first half of 2021 and 5% lower than in the second half of 2021

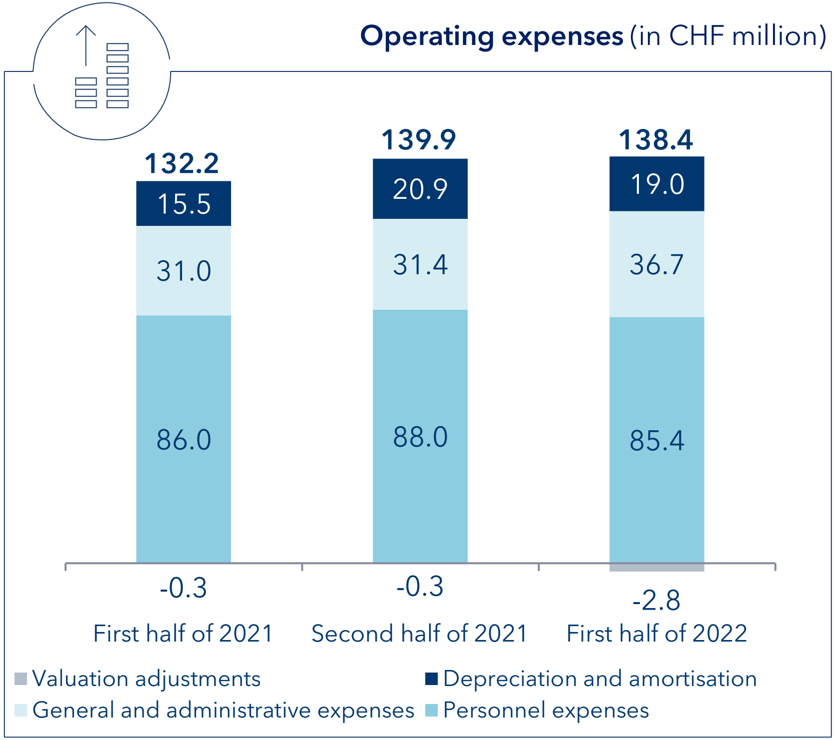
[1] Includes assets of sanctioned Russian clients reclassified as custody assets.

Operating income impacted by uncertain market environment



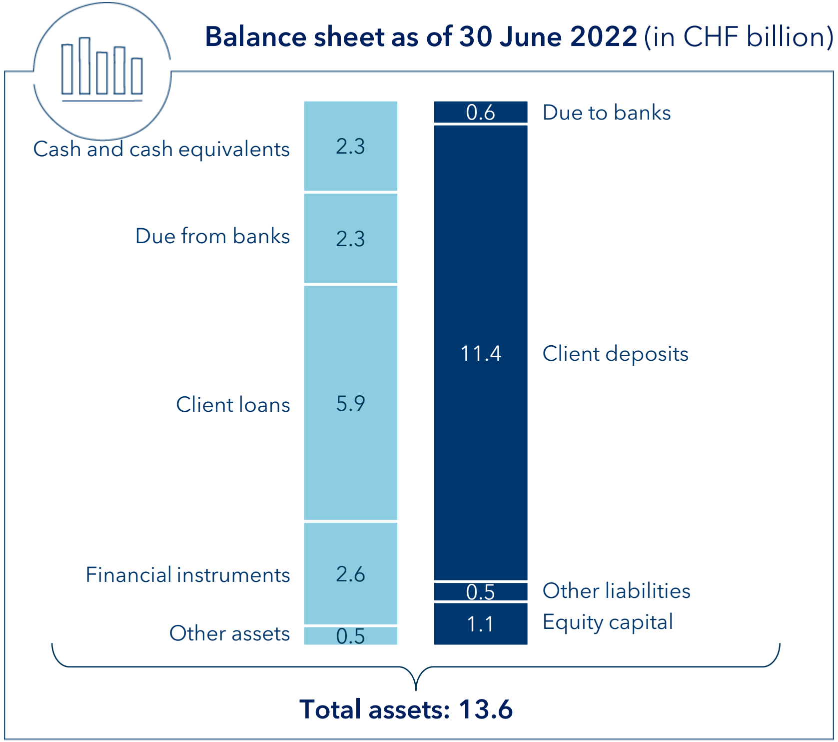
- Commission income: CHF 72 million
  - Recurring income remains stable (–1%)
  - Reduction in transaction-based income (–27%) as clients are cautious due to the uncertain market environment
- Interest income: CHF 55.6 million
  - Stable, positively impacted by higher USD interest rates
- Trading activities: CHF 27.1 million
  - +12.4% compared to the previous year and +4.6% compared to the second half of 2021, positively impacted by higher USD interest rates
- Financial investments, other: CHF 6.8 million
  - Dividend income stable compared to the same period in the previous year, other income lower

Strategic investments



- Personnel expenses slightly lower (–0.7%) compared to the previous year
- General and administrative expenses increased by 18.6%
  - Investments in IT and digitisation
  - Implementation of Russia sanctions
- Depreciation and amortisation increased to CHF 19 million due to investments made
- Valuation adjustment to net liquidation due to the good quality of the loan portfolio

Robust and sound foundation



- Sound balance sheet
  - High level of liquid assets
- Stable refinancing
  - Proportion of client deposits corresponds to 83% of total assets
- Strong equity base
  - Tier 1 ratio at 22.8%
  - Equity capital makes up 7.9% of total assets

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Capital adequacy requirements well exceeded

	31.12.2020	31.12.2021	30.06.2022
Risk-weighted assets in CHF billion	4.7	4.5	4.5
Core capital (CET 1) in CHF million	972.8	1,014.5	1,021.9
Tier 1 ratio (CET 1 ratio)	20.8%	22.4%	22.8%
Liquidity coverage ratio (LCR)	179.4%	160.2%	250.2%
Leverage ratio	7.1%	7.6%	7.4%
Loan-to-deposit ratio	54.2%	54.2%	51.6%
Non-performing loans	1.0%	1.0%	0.7%
S&P rating	A/negative/A-1	A/negative/A-1	A/negative/A-1

Summary

- Group net income of CHF 21.3 million, within a challenging market environment
- Net new money inflow of CHF 0.2 billion
- Very good capital adequacy with a tier 1 ratio of 22.8%
- Very good liquid assets with a liquidity coverage ratio (LCR) of 250%

Strategy 2026: review and outlook

Paul H. Arni,
Chief Executive Officer

Three key topics

Driving forward Strategy 2026

Sustainable cost management

Financial targets

Three key topics

Driving forward Strategy 2026

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Financial targets

Strategy 2026

WHY?

- Digitisation
- Sustainability
- Generational change

WHAT?

We are rethinking wealth management by combining the traditional banking business with the advantages of digital ecosystems.

HOW?

Evolve
Strategic development of our existing business

Scale
Increasing effectiveness and efficiency within the Group

Move
Taking advantage of new business opportunities

Transition year

Strategy 2026 – Seize opportunities

2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026

Robusto

Acceleration phase

Investment phase

2022 milestones

Technological basis for Open Wealth has been laid

- Opening of core banking system
- Flexible integration of external services via APIs
- Migration of the core banking system and IT infrastructure to Swisscom

Tokenisation of real assets has met with enormous client interest

Actively driving forward the offering and service connection to the relevant ecosystems

Ongoing expansion of the offering relating to sustainability and private market investments

Pilot of initial client services

- Digital client account opening for intermediaries
- Automated lombard lending
- Others in progress

Expansion of intermediary and private client business at six locations and two fund management companies, now divided into three regional areas of responsibility:

- Liechtenstein (incl. British Virgin Islands)
- Europe
- Asia

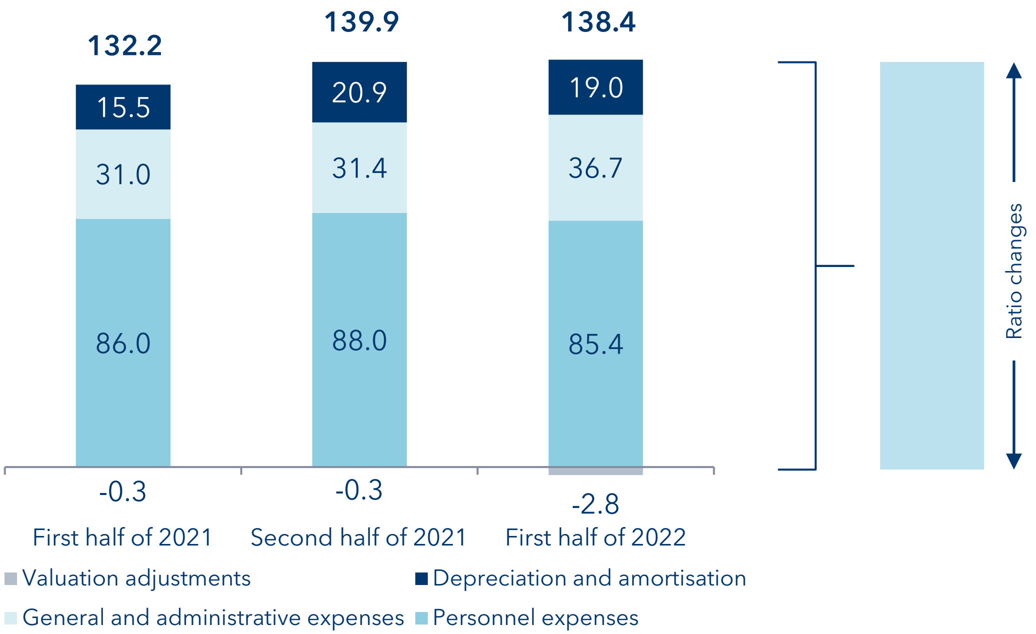
Three key topics

Driving forward Strategy 2026

Sustainable cost management

Financial targets

Sustainable cost management



- **Investment expenditure** will have peaked by the end of 2022
- However, the **level of write-downs** will continue to increase
- Programme to **enhance productivity and efficiency** has been launched
- Sustainable **cost management** as a key pillar of Strategy 2026

Three key topics

Driving forward Strategy 2026

Sustainable cost management

Financial targets

Development at locations

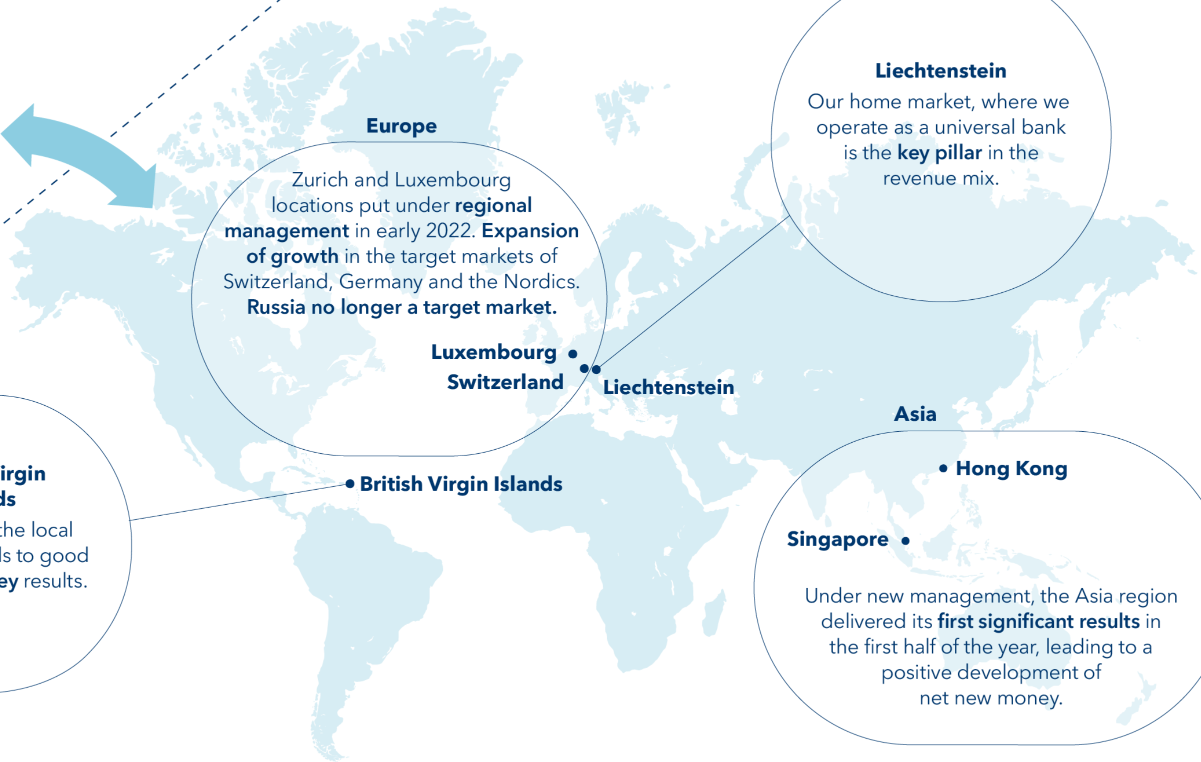
VP Fund Solutions
Pleasing **development** at Luxembourg and Liechtenstein fund locations. Successful launch of other **fund projects**.

Europe
Zurich and Luxembourg locations put under **regional management** in early 2022. **Expansion of growth** in the target markets of Switzerland, Germany and the Nordics. **Russia no longer a target market.**

Liechtenstein
Our home market, where we operate as a universal bank is the **key pillar** in the revenue mix.

British Virgin Islands
Recovery of the local economy leads to good **net new money** results.

Asia
Under new management, the Asia region delivered its **first significant results** in the first half of the year, leading to a positive development of net new money.



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

Growth	Profitability		Stability
Net new money (in % of AuM)	Profit margin (in bp of AuM)	Cost/ income ratio[2)]	Tier 1 ratio
>4.0% p.a.[1)]	**>15 bp**	**70.0%**	**>20.0%**

Review of financial targets in the second half of the year. We remain committed to our long-term ambitions.

[1)] Over the 2021–2026 cycle.
[2)] Operating expenses / operating income.
[3)] Excluding new money outflow of the assets of an institutional fund client.

Question and answer session

Thank you for your interest.

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