

VP Bank shares got off to a positive start in the 2023 stock market year, although they did go on to lose value, closing the year CHF 0.20 lower at CHF 87.60. As a result of high interest rates, rising inflation rates and persistent geopolitical uncertainty, the financial sector as a whole was exposed to a turbulent environment.

Higher interest rates boosted banks' income levels in 2023, although they also incentivised clients to pay back debt (deleveraging). At the same time, however, problems associated with the management of interest rate risks led to a loss of confidence, in particular for some US banks. In addition, high inflation rates and geopolitical uncertainty in Ukraine and the Middle East depressed the general market sentiment. Although VP Bank shares trended upwards at the start of 2023, the price subsequently fell back in the wake of bank insolvencies in the USA and the Credit Suisse emergency in Switzerland.

Overall, VP Bank's share price remained stable in 2023. Taking account of dividend payments (and assuming reinvested dividends), the bank generated a return of 5.0 per cent, compared to a return of 5.7 per cent on the Swiss Bank Index and 6.1 per cent on the Swiss Performance Index.

Consideration of the last three years shows that the daily closing price for VP Bank shares has fluctuated between CHF 80.8 and CHF 124.0. Prices were heavily affected in 2021 by the economic consequences of the COVID-19 pandemic as well as a sharp rise in inflation rates and commodity prices. This subsequently led to a fall in demand for financial stocks. The outbreak of the war in Ukraine led to a further significant fall in the price of VP Bank shares in the spring of 2022. The price spikes at the end of April and the start of May reflect the annual payment of dividends.

Low trading volumes

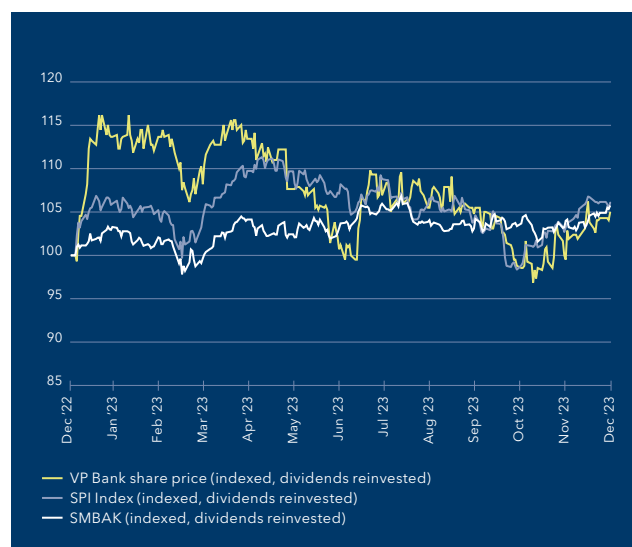
The short-term performance of the VP Bank share price is sometimes affected by low trading volumes, which can often occur for enterprises with a low market capitalisation. Additional factors in play at VP Bank include its stable shareholder base with three major shareholders, which reduces the free float accordingly, as well as the currently low level of investor interest in financial stocks. An average of 1,872 shares were traded each day in 2023 (compared to 2,117 shares in 2022), with the figure varying between 22 and 12,144 shares per day.

Dividend policy with a long-term focus

VP Bank has been listed on the Swiss Stock Exchange since 1984 and has been able to pay dividends continuously since the outset. VP Bank's stability and excellent capitalisation mean that a balanced dividend policy can be pursued, making it more attractive for investors over the long term.

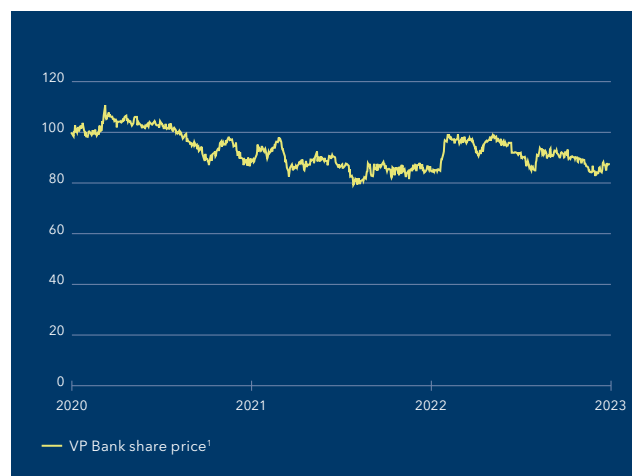
VP Bank share compared to the Swiss stock market

indexed, dividends reinvested



Share price performance 2020 to 2023

in CHF

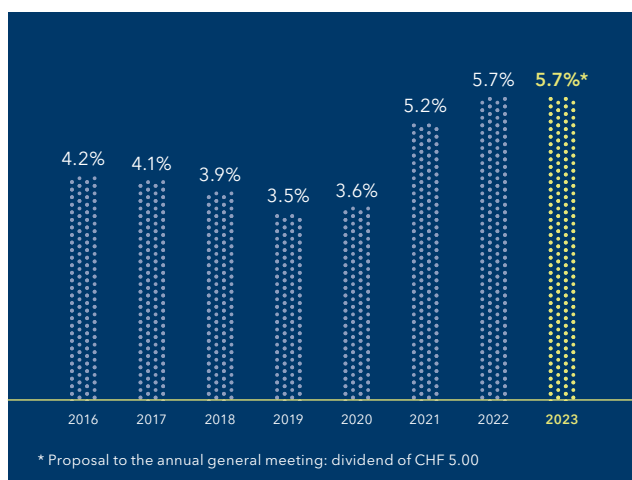


¹ VP Bank registered shares A are traded on SIX Swiss Exchange and feature on the SPI. VP Bank registered shares B are not traded on any stock exchange. The par value of each registered share A is CHF 10.00, and the par value of each registered share B is CHF 1.00.



Dividend yield performances of VP Bank shares

calculated based on the closing price at end of the previous year



As a benchmark, in 2014, VP Bank decided that 40 to 60 per cent of group net income should be paid out to shareholders.

Since then, the average payout ratio per registered share A has been 58.3 per cent, reaching 76.1 per cent in 2022 and 69.5 per cent in 2023 (proposal to the annual general meeting), and thus above the upper end of the benchmark of 60 per cent. This is proof of the confidence that the Board of Directors has in the bank's profitability and stability. In 2023, as previously in 2022, the dividend amounted to CHF 5.00 per registered share A, corresponding to a dividend yield of 5.7 per cent.

Thanks to the continuous payment of dividends, the VP Bank share qualifies as a Swiss "dividend share" and has also featured for a number of years in the rankings of the most attractive dividend shares prepared by major financial media publications (Finanz und Wirtschaft, Cash, Handelszeitung).

KPIs for registered shares A and B

Registered share A	2023	2022
Shares issued ²	5,582,815	5,547,419
Group net income per share (CHF)	7.19	6.57
Dividend per share (CHF)	5.00	5.00

Registered share B	2023	2022
Shares issued ²	5,653,083	5,654,706
Group net income per share (CHF)	0.72	0.66
Dividend per share (CHF)	0.50	0.50

Stock market data (registered share A)	2023	2022
Year-end price (CHF)	87.60	87.80
High/low (CHF)	103/80.4	107/80.2
Market capitalisation (CHF million)	580	581
Free float at year end (%)	53.15	52.51
Price/earnings ratio (%)	12.18	13.36
Total return (%)	5.0	-3.4

² Weighted average of shares issued.

Master data

Registered share A, listed on SIX Swiss Exchange	
SIX symbol	VPBN
Bloomberg ticker	VPBN
Reuters ticker	VPBN.S
Securities number	31 548 726
ISIN	LI0315487269