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VP Bank AG

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VP Bank AG

SACP	a
Anchor	a-
Business Position	Moderate -1
Capital and Earnings	Very Strong +2
Risk Position	Adequate 0
Funding	Average 0
Liquidity	Adequate

\+

Support	0
ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

\+

Additional Factors	0

Issuer Credit Rating

A/Negative/A-1

Resolution Counterparty Rating

A+/--/A-1

Credit Highlights

Overview

Key strengths	Key risks
Favorable financial profile thanks to very strong capitalization and a supportive shareholder structure.	Niche player in the highly competitive private-banking segment.
Established market position in private banking, particularly with financial intermediaries, benefitting from Liechtenstein's sound reputation as a hub for wealth management services.	Legal and reputational risk inherent in the private-banking model.
Sound funding and liquidity position underpinned by a stable customer deposit base.	Weaknesses in risk governance and management, which resulted in a large single credit loss in 2020.

We expect that VP Bank will be able to defend its niche position in the private-banking industry. Under its updated strategy, VP Bank aims to transition toward an open wealth management platform. This is likely to help increase its customer base and potential fee income, but we also see a risk of disintermediation.

We expect that VP Bank's outstanding capitalization will remain its key rating strength. We forecast that the bank's risk-adjusted capital (RAC) ratio will remain comfortably above our 15% threshold, supported by solid earnings with moderate dividend payouts and growth in our risk-weighted assets (RWA) figure.

We think that VP Bank has acted swiftly after the single loss in 2020, but the improvements it has initiated will need more time until they are fully operational and effective. Weaknesses in VP Bank's risk management and governance and caused a large single loss in its anticipated low-risk Lombard lending portfolio amid high market volatility during the pandemic. While we believe that the risk of a future loss of a similar magnitude remains low, completion of the improvements will take time.

Outlook: Negative

The negative outlook on VP Bank reflects uncertainty over the success of its remediation package and the speed at which it can improve its risk management and governance over the coming 12-24 months. The outlook also considers the challenges the bank may face in achieving the ambitious goals of its updated strategy in a competitive market environment.

Downside scenario

We could lower the rating should we observe delays in the improvements to VP Bank's risk management and governance or further material losses. A downgrade could also occur if the bank is not able to defend its reasonably successful niche position in private banking under its revised strategy, which could question the stability of the bank's business franchise. A sizable acquisition could also constrain the rating should it materially erode the capital buffer, reflected in our RAC ratio dropping below 15%.

Upside scenario

We could revise the outlook back to stable if VP Bank successfully implemented measures to eradicate the weaknesses in risk management and governance, particularly in its Lombard book, since this would materially reduce the risk of large single losses amid heightened market volatility.

An outlook revision to stable would also hinge on the success of the revised strategy, evident from continuing inflows of net new money that would result in stable to improving profitability despite persistent strong competition.

We could also consider an outlook revision to stable if we believed that VP Bank had built a material buffer of bail-inable capital that would protect senior unsecured creditors should the bank become nonviable. However, the regulator will likely only communicate VP Bank's minimum requirement for own funds and eligible liabilities (MREL) in 2022.

Key Metrics

VP Bank AG--Key Ratios And Forecasts

	--Fiscal year ended Dec. 31 --				
(%)	**2019a**	**2020a**	**2021f**	**2022f**	**2023f**
Growth in operating revenue	12.7	(2.7)	0.8-1.2	1.0-1.5	2.2-3.2
Growth in customer loans	9.5	(7.6)	9.0-11.0	5.4-6.6	5.4-6.6
Cost to income ratio	72.2	73.1	71.2-74.9	71.0-74.7	69.8-73.4
Return on average common equity	7.3	4.0	4.8-5.3	5.0-5.5	5.9-6.6
New loan loss provisions/average customer loans	(0.1)	0.3	0.05-0.1	0.05-0.1	0.05-0.1
Risk-adjusted capital ratio	17.3	18.0	17.0-17.5	16.8-17.3	16.5-17.0

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast.

Anchor: 'a-' for a private bank operating in Liechtenstein

Under our bank criteria, we use the economic risk and industry risk scores from our Banking Industry Country Risk Assessment on the relevant country to determine a bank's anchor, the starting point in assigning an issuer credit rating to a bank. The anchor for a commercial bank operating only in Liechtenstein is 'a-'. For private banks, we use the economic and industry risk factor of the country of origin, which in the case of VP Bank is Liechtenstein.

Economic risk for Liechtenstein's banks remains low in a global comparison. Despite its very small size and concentration, we view Liechtenstein as a competitive and specialized economy. It has export-oriented industries with niche positions worldwide and a specialized financial industry focused on wealth management. Liechtenstein's wealth levels are among the highest of any rated sovereign, but household debt is relatively high at around 130% of GDP. Mirroring trends in neighboring countries such as Switzerland and Germany, house prices in Liechtenstein have risen strongly in recent years, yet growth rates in house prices and mortgages are currently decelerating. At present, we see no credit-fueled asset-price bubbles. Furthermore, we expect that credit losses in Liechtenstein's retail and corporate banking will remain low in 2021, despite the economic impact of COVID-19.

In our view, industry risk stems from a business model focused on private banking and wealth management. Although we consider Liechtenstein banks' risk appetite to be restrained and their risk culture conservative, we think that the high confidence sensitivity of their business model exposes the financial industry to reputational risk. Nevertheless, we acknowledge that Liechtenstein has rapidly implemented international best practices on tax compliance and information exchange, which has somewhat reduced reputational risks over recent years. In addition, the financial supervisory authority implements banking regulation and supervision in line with EU standards. Owing to the banks' access to ample customer deposits and focus on private banking, we continue to view funding as a neutral factor for Liechtenstein's banking sector.

Business position: Niche position in private banking limits diversity

We consider VP Bank's business franchise to be weaker than that of larger and better diversified peers, for instance, some Swiss private banks or domestic peer LGT Bank AG. This weakness reflects VP Bank's niche position in private banking and with financial intermediaries. At the same time, we acknowledge VP Bank's proven business stability and track record. Although VP Bank acts as a universal bank with retail and commercial lending activities in Liechtenstein and adjacent parts of Switzerland, it lacks business diversification and scale compared with most of its commercial and private-banking peers, in our view.

With total assets of Swiss franc (CHF) 13.5 billion at the end of June 2021, VP Bank is the third-largest bank in Liechtenstein. We expect that VP Bank will continue to focus on its core competencies in private banking and its financial intermediaries business in its target markets in Liechtenstein, Switzerland, Germany, Luxembourg, Sweden, Denmark, Norway, Russia, Ukraine, and select Asian countries. This will allow the bank to gradually improve its efficiency and sustain its business stability, in our view.

VP Bank reported organic growth in net new money of CHF652 million in the first six months in 2021, compared to CHF1.4 billion in 2020, leading to assets under management (AUMs) of CHF52.6 billion at end-June 2021 (see chart 1). We expect organic net new money growth of up to CHF2 billion annually and think that VP Bank will maintain solid profitability metrics overall.

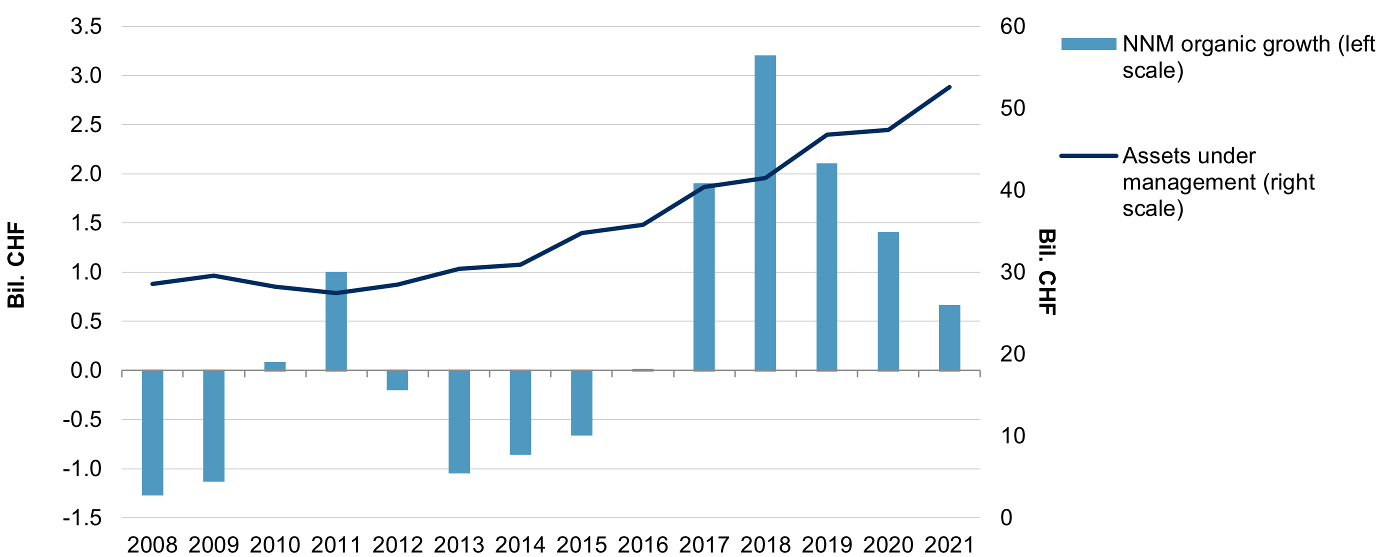
Under its revised strategy, VP Bank aims to transition toward an open wealth management platform, with a view to strengthening its franchise with intermediaries, expanding its product range to nondirect customers, and allowing its own clients to make purchases from third-party providers in asset classes where it has limited offerings of its own. We expect that these initiatives, which also come with a change in pricing strategy, should allow the bank to expand its customer base and generate additional fee income. However, we also consider the risk of disintermediation if its customers increasingly invest in third-party products.

We also consider that VP Bank's ongoing investment in digitalization to improve efficiency and enhance the customer experience will help to protect its franchise from increasing competition from robo-advisors and large tech companies, which will likely expand their services to attract wealthy customers.

Management targets net income of CHF100 million by 2026, compared to an average of CHF57 million since 2018, which we consider ambitious, as we anticipate persistent intense competitive pressure that could result in a further gradual weakening in revenue margins. In addition, similar to other private banks, VP Bank's business stability will remain sensitive to the overall market environment and client activity.

Chart 1

Organic Growth In New Net Money After Years Of Outflows



CHF--Swiss franc. NNM--Net new money. 2021 refers to H1 data. Source: S&P Global Ratings, VP Bank AG.
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The bank continues to expand its franchise through small acquisitions, including the Luxembourg-based private-banking activities of Swedish Catella Bank, Luxembourg-based Carnegie Fund Solutions, and the private-banking activities of Öhman Bank, a Swedish financial group. VP Bank has also signed a partnership agreement with Hywin Wealth management, a China-based wealth management firm, and acquired a 3.4% stake. In our view, this should help to support VP Bank's franchise in the fast-growing Chinese market.

Capital and earnings: Very strong capitalization remains a key rating strength

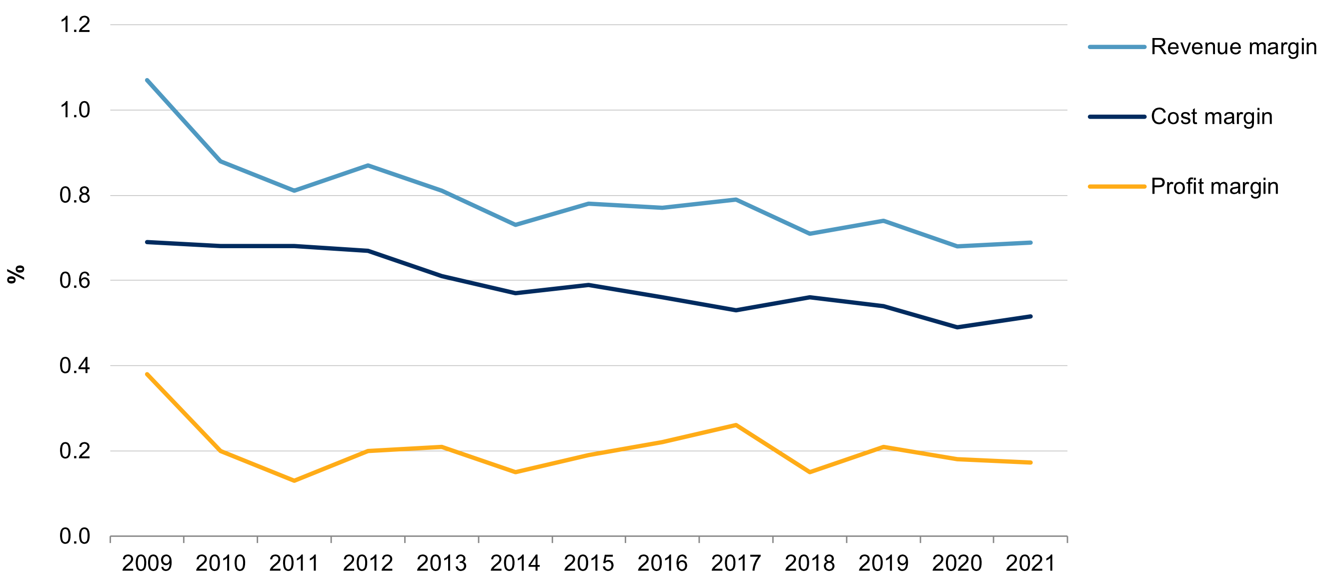
We assess VP Bank's capital and earnings as a key rating strength, underpinned by our projected RAC ratio of 16.5%-17% by year-end 2023, compared with 18.0% at year-end 2020. The bank's RAC ratio remains below its regulatory Tier 1 capital ratio, which was 20.8% at end-June 2021. This reflects higher risk weights compared with the regulatory approach, especially for market and operational risk.

Our forecast does not factor in any large acquisitions. Although we believe that VP Bank could undertake large acquisitions, we expect that it would not jeopardize its outstanding capitalization. Having said that, VP Bank would be able to use its treasury shares or issue additional capital instruments to mitigate any material capital effects from a large acquisition. We also expect the quality of VP Bank's capital, consisting solely of core capital, to remain high.

In our base case, we expect that VP Bank will only gradually increase its net income to reach CHF60 million-CHF70 million in 2023. This reflects the bank's ongoing investment needs to become an open wealth management provider. We also expect VP Bank's revenues to remain sensitive to market perceptions, development of AUMs, client activity, and persistent low interest rates, similar to private bank peers. Despite a comparatively low number of discretionary wealth-management mandates, we expect that VP Bank will maintain adequate margins on its AUMs. However, we do not anticipate that the competitive pressure will level off in the coming years (see chart 2).

Chart 2

Continuing Pressure On Margins Is Unlikely To Reverse



Revenue margin is defined as operating revenue to average assets under management (AUM). Cost margin is defined as noninterest expenses to average AUM. Gross profit margin is defined as reprovision operating income to average AUM. 2021 refers to H1 data. Source: S&P Global Ratings, VP Bank AG.

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Risk position: Historical loan-loss experience is in line with private bank peers', but requires an improvement in risk governance

VP Bank's risk metrics and its loan-loss experience before the pandemic were sound and in line with those of peers. We also believe that our assessment of Liechtenstein's banking industry and our RAC model largely capture the operational and reputational risks inherent in VP Bank's business model.

Nevertheless, the CHF20 million single loss in VP Bank's Lombard book amid high market volatility in 2020 revealed weaknesses in its risk governance framework and management, especially in relation to its fund business. We consider some of these weaknesses to be severe and believe that it will take time for the improvements the bank has initiated to become fully operational and effective. However, we observe a strong effort by VP Bank to remediate the weaknesses. We highlight, for example, swift changes to the bank's management board and organizational structure, a thorough analysis of the portfolio to identify similar structures, and initiated upgrades to its risk management systems.

Overall, we believe that the credit risk from VP Bank's loan portfolio--amounting to CHF6.5 billion at end-June 2021--is contained. In our view, the loan book is generally granular and adequately collateralized, and the bank maintains prudent underwriting standards overall. This should limit the risk of further losses, even in times of extreme market movements such as in March 2020. However, compared with the private-banking business, we assess higher risk in Lombard lending to legal entities, such as funds or trusts, where we usually observe no recourse to the beneficial owners in the case of collateral shortfalls. We forecast that the cost of risk will remain below 10 basis points (bps) over 2021-2023, compared to 30 bps of customer loans for 2020 because of the large loss.

We understand that VP Bank is conservatively hedging its market and foreign-exchange risks following historical concerns about its ability to address such risks in its operations. As a private bank, VP Bank remains sensitive to operational and reputational risks. We think that VP Bank applies rigorous procedures and continuously benchmarks its internal processes to limit financial crime and related reputational risks.

Funding and liquidity: The funding profile benefits from stable and granular deposits

VP Bank's balance sheet largely reflects its private-banking deposit base and the use of Lombard loans by clients, with excess deposits invested in money market and fixed-income instruments. Unlike retail and commercial banks, private banks do not generate their main business on the balance sheet. VP Bank benefits from a granular, stable deposit base that accounted for about 96% of its funding base as of end-June 2021, which results in a strong stable funding ratio of 165%. Despite this comparably high ratio, we do not regard funding to be one of the bank's outstanding strengths, as we view private banks' customer deposits as generally more confidence-sensitive than those of retail banks, as was evident in the past. We envisage greater volatility of private banks' client deposits if capital market conditions improve and clients switch to other investments. Accordingly, we assess VP Bank's funding as average and, as such, in line with our assessment of systemwide funding in Liechtenstein.

VP Bank holds CHF4.1 billion of its excess deposits in cash and money market instruments and has a securities portfolio of CHF2.5 billion, largely comprising generally highly liquid assets. This results in adequate coverage of short-term customer deposits by net broad liquidity assets of about 43% and our view that liquidity is generally neutral to the ratings on private banks. In our view, private banks' liquidity depends strongly on clients' investment behavior, since a sudden shrinkage in client deposits could prompt a drop in liquid assets.

Support: The decision on MREL is still outstanding

VP Bank is the third-largest bank in Liechtenstein, and we assess its systemic importance as moderate, based on its scale and interconnectedness with the domestic economy. However, we consider the likelihood of extraordinary government support for banks in Liechtenstein to be uncertain, and we therefore do not include any uplift for such support in our ratings on systemic banks.

We also consider the country's bank resolution framework to be effective. This allows us to include uplift for additional loss-absorbing capital (ALAC) in our ratings on individual systemically important banks if we consider the ALAC buffer as sufficiently high. So far, VP Bank has only issued a single senior nonpreferred bond, in November 2019, of a nominal amount of CHF155 million, which will likely count toward future MREL requirements and our ALAC buffer.

However, the Liechtenstein Financial Market Authority has not yet communicated on eligible liabilities or any bank-specific requirements, and we do not expect it to do so before 2022. Given the limited volume of VP Bank's bail-in instruments so far, and uncertainty regarding its future MREL maturity profile, we see a risk that the maturity concentrations could become higher than at peers. We therefore apply a higher ALAC threshold of 100 bps, namely 6% of our RWA metric, for VP Bank to qualify for uplift.

Additional Rating Factors:

No other factors affect this rating.

Environmental, Social, And Governance

We believe that weaknesses in the bank's risk management and governance, if not eradicated swiftly, could make governance credit factors, on a net basis, a negative consideration in our rating analysis for VP Bank AG. The negative outlook on VP Bank mainly stems from concerns around risk management and governance after the bank faced a large single loss in its apparently low-risk Lombard book after the onset of the COVID-19 pandemic. The loss also triggered material management and organizational changes that underscore the severity of the incident and internal deficiencies. Both the chief financial officer and the chief risk officer left the bank in June 2020 as a result of a thorough review to examine the circumstances that led to the loss. Nevertheless, this review and the resulting management and organizational changes point to the bank's swift reaction, which should prevent future losses of a similar magnitude.

On the positive side, VP Bank's long-term shareholder, Stiftung Fürstlicher Kommerzienrat Guido Feger, a foundation established by the bank's founder in 1954 and holding 23% of the capital, promotes the bank's social and sustainable credentials.

VP Bank increasingly incorporates ESG factors, including its own sustainability ratings, into its investment process, and has launched sustainability funds. In the future, we think that ESG factors will become even more prominent in the investment decisions of private-banking clients as their demand is shifting quickly. We expect that VP Bank will further strengthen its sustainable investment strategy to defend its franchise strength.

Issue ratings

We rate VP Bank's senior nonpreferred note (ISIN CH0461238880), which contractually ranks below its senior unsecured debt, 'A-', one notch below the bank's stand-alone credit profile, reflecting its subordination in a resolution.

Resolution Counterparty Ratings (RCRs)

We have assigned an RCR of 'A+' to VP Bank since we assess the resolution regime in Liechtenstein to be effective, and the bank likely to be subject to a bail-in led resolution if it reaches nonviability. The RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institution.

Key Statistics

Table 1

VP Bank AG--Key Figures

	--Year ended Dec. 31--				
(Mil. CHF)	**2021***	**2020**	**2019**	**2018**	**2017**
Adjusted assets	13,423.2	13,456.7	13,337.7	12,376.7	12,723.6
Customer loans (gross)	6,522.5	6,311.6	6,833.4	6,240.4	5,713.1
Adjusted common equity	979.2	952.9	946.3	913.7	913.7
Operating revenues	166.6	319.0	327.8	290.8	300.1
Noninterest expenses	124.9	233.1	236.7	229.5	201.2
Core earnings	37.5	57.7	87.9	70.5	90.0

*Data as of June 30. CHF--Swiss franc.

Table 2

VP Bank AG--Business Position

	--Year ended Dec. 31--				
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Total revenues from business line (CHF mil.)	166.6	319.0	327.8	290.8	300.1
Commercial & retail banking/total revenues from business line	89.8	90.4	90.8	95.9	87.6
Other revenues/total revenues from business line	10.2	9.6	9.2	4.1	12.4
Return on average common equity	5.8	4.0	7.3	5.6	6.8

*Data as of June 30.

Table 3

VP Bank AG--Capital And Earnings

	--Year ended Dec. 31--				
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Tier 1 capital ratio	20.8	20.8	20.2	20.9	25.7
S&P Global Ratings' RAC ratio before diversification	N/A	18.0	17.3	16.8	21.1

Table 3

VP Bank AG--Capital And Earnings (cont.)

	--Year ended Dec. 31--				
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
S&P Global Ratings' RAC ratio after diversification	N/A	16.0	15.1	14.6	18.3
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	33.8	35.9	35.8	38.9	34.8
Fee income/operating revenues	46.8	43.9	41.8	42.7	41.3
Market-sensitive income/operating revenues	18.6	19.9	22.3	15.9	23.1
Cost to income ratio	75.0	73.1	72.2	78.9	67.0
Preprovision operating income/average assets	0.6	0.6	0.7	0.5	0.8
Core earnings/average managed assets	0.6	0.4	0.7	0.6	0.7

*Data as of June 30. RAC--Risk-adjusted capital. N/A--Not applicable.

Table 4

VP Bank AG--Risk-Adjusted Capital Framework Data

(CHF 000s)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	3,377,045.4	84,387.5	2.5	62,918.5	1.9
Of which regional governments and local authorities	177,257.7	38,450.0	21.7	6,613.8	3.7
Institutions and CCPs	2,421,355.2	412,675.0	17.0	403,120.6	16.6
Corporate	2,696,636.8	1,207,075.0	44.8	1,435,816.6	53.2
Retail	5,320,861.1	1,717,712.5	32.3	1,413,944.3	26.6
Of which mortgage	3,567,896.8	1,432,275.0	40.1	861,931.7	24.2
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	319,862.9	272,462.5	85.2	336,917.7	105.3
Total credit risk	14,135,761.5	3,694,312.5	26.1	3,652,717.7	25.8
Credit valuation adjustment					
Total credit valuation adjustment	--	13,656.3	--	0.0	--
Market risk					
Equity in the banking book	132,077.8	132,072.6	100.0	718,341.0	543.9
Trading book market risk	--	203,912.5	--	305,868.8	--
Total market risk	--	335,985.1	--	1,024,209.8	--
Operational risk					
Total operational risk	--	587,297.5	--	605,124.0	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	4,675,488.8	--	5,282,051.5	100.0
Total diversification/ concentration adjustments	--	--	--	684,329.7	13.0
RWA after diversification	--	4,675,488.8	--	5,966,381.2	113.0

Table 4

VP Bank AG--Risk-Adjusted Capital Framework Data (cont.)

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	972,754.0	20.8	952,917.0	18.0
Capital ratio after adjustments‡	972,754.0	20.8	952,917.0	16.0

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CHF--Swiss franc. Sources: Company data as of Dec. 31, 2020, S&P Global Ratings.

Table 5

VP Bank AG--Risk Position

	--Year ended Dec. 31--				
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Growth in customer loans	6.7	(7.6)	9.5	9.2	7.6
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	13.0	14.7	15.0	14.8
Total managed assets/adjusted common equity (x)	13.8	14.2	14.2	13.6	14.0
New loan loss provisions/average customer loans	(0.0)	0.3	(0.1)	(0.2)	0.1
Net charge-offs/average customer loans	N.M.	0.1	0.0	0.1	0.0
Gross nonperforming assets/customer loans + other real estate owned	1.1	1.2	0.8	0.4	1.0
Loan loss reserves/gross nonperforming assets	N/A	41.1	68.9	169.3	109.6

*Data as of June 30. RWA--Risk-weighted assets. N/A--Not applicable. N.M.--Not meaningful.

Table 6

VP Bank AG--Funding And Liquidity

	--Year ended Dec. 31--				
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Core deposits/funding base	95.8	94.2	92.0	92.2	91.3
Customer loans (net)/customer deposits	55.7	54.6	61.0	60.0	53.5
Long-term funding ratio	97.9	97.1	96.1	95.7	95.1
Stable funding ratio	161.8	165.2	152.0	153.0	172.8
Short-term wholesale funding/funding base	2.3	3.2	4.2	4.7	5.3
Broad liquid assets/short-term wholesale funding (x)	18.8	14.6	9.9	9.1	9.5
Net broad liquid assets/short-term customer deposits	43.2	45.7	40.5	41.0	49.5
Short-term wholesale funding/total wholesale funding	54.6	54.5	52.7	59.9	61.2
Narrow liquid assets/3-month wholesale funding (x)	23.4	17.9	12.3	11.9	10.3

*Data as of June 30.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019

- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Anchor Matrix

Industry Risk	Economic Risk									
	1	**2**	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	**a-**	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of September 8, 2021)*

VP Bank AG	
Issuer Credit Rating	A/Negative/A-1
Resolution Counterparty Rating	A+/--/A-1
Senior Subordinated	A-
Senior Unsecured	A
Issuer Credit Ratings History	
17-Jul-2020	A/Negative/A-1
17-May-2018	A/Stable/A-1
02-Mar-2017	A-/Positive/A-2
Sovereign Rating	
Liechtenstein	AAA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable

Ratings Detail (As Of September 8, 2021)*(cont.)

across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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