MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns first-time Aa2 long-term deposit ratings to VP Bank AG, outlook stable

16 Jul 2026

Frankfurt am Main, July 16, 2026 -- Moody's Ratings (Moody's) has today assigned first-time Aa2/P-1 long- and short-term bank deposit ratings, A1/P-1 long- and short-term issuer ratings, an A3 junior senior unsecured rating and Aa1/P-1 long- and short-term Counterparty Risk Ratings (CRR) to VP Bank AG (VP Bank). The outlook on the long-term deposit and issuer ratings is stable.

We further assigned an a2 Baseline Credit Assessment (BCA) and Adjusted BCA, and Aa1(cr)/P-1(cr) long- and short-term Counterparty Risk Assessments (CR Assessments) to the bank.

RATINGS RATIONALE

-- ASSIGNMENT OF BCA AND ADJUSTED BCA

VP Bank's a2 BCA reflects the bank's solid fundamental credit profile, supported by very strong capitalisation, low balance sheet leverage, good asset quality, and robust liquidity, balanced against modest profitability and typical risks applicable to wealth managers, such as reputational, legal and operational risks in conjunction with funding and outflow risks arising from the short contractual tenor of its predominantly uninsured deposit base sourced from its wealth management clientele.

VP Bank is the third largest bank in Liechtenstein, with CHF10.7 billion in total assets as of year-end 2025. While offering universal banking services in Liechtenstein, such as mortgages, its main focus is private banking and wealth management, fund services, particularly for intermediaries, managing CHF58.3 billion in assets under management as of year-end 2025, with subsidiaries in Luxembourg, Switzerland and the British Virgin Islands. Founded in 1956, it is a stock listed company, with three private Liechtenstein foundations being significant shareholders. We assume a low probability that these significant shareholders would support VP Bank in case of need and therefore position the Adjusted BCA in line with the BCA.

FIRST TIME ASSIGNMENT OF LONG-TERM RATINGS

VP Bank is subject to Liechtenstein banking regulation, which we consider to be an operational resolution regime (ORR). We apply our Advanced Loss Given Failure (LGF) analyses, which takes into account the risks faced by the different instrument classes across the liability structure, should the bank enter resolution. For VP Bank, we use our standard assumptions, including a 26% share of junior deposits within total customer deposits and full depositor preference in accordance with the European Union.

For deposits, our Advanced LGF analysis indicates a very low loss given failure, resulting in two notches of ratings uplift from the bank's a2 Adjusted BCA, because of the loss protection from residual equity at the point of failure, the volume of subordinated liabilities and the volume of deposits outstanding.

There is no rating uplift for the issuer rating, with our Advanced LGF analysis indicating a moderate loss given failure, reflecting the limited layer of liabilities subordinated to senior unsecured.

For the junior senior unsecured rating, our Advanced LGF analysis indicates high loss given failure, leading to a rating one notch below the Adjusted BCA.

The deposit and issuer ratings as well as the CRRs further incorporate a moderate probability of government support, reflecting the bank's significant market shares in mortgage loans and deposits in Liechtenstein and the resulting importance for domestic financial market stability, resulting in one notch of rating uplift.

The ratings also incorporate VP Bank's environmental, social, and governance (ESG) considerations per our General Principles for Assessing Environmental, Social and Governance Risks methodology. With a Credit Impact Score (CIS) of CIS-3, ESG factors have a limited impact on the ratings. VP Bank faces moderate governance risks related to strategic shifts in the past, which has not yet proven its sustained financial resilience during a full credit cycle and resulted in a limited track record of the current management team.

OUTLOOK

The stable outlook on the long-term deposit and issuer ratings reflects our expectation that VP Bank will maintain its strong capitalisation, sound asset quality and robust liquidity, while gradually improving profitability and maintaining manageable refinancing risks as well as a broadly unchanged liability structure.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

VP Bank's long-term ratings could be upgraded if the BCA is upgraded or the bank, on a sustained basis, increased the amount of instruments designated to absorb losses in resolution relative to its total balance sheet, which could result in an additional rating uplift from our Advanced LGF analysis.

The BCA could be upgraded if the bank demonstrates a sustained and combined improvement in profitability, alongside a strengthening of its funding profile through a higher share of more stable deposits, while maintaining its strong capitalisation and asset quality.

VP Bank's ratings could be downgraded if the bank's BCA was to be downgraded. VP Bank's ratings could also be downgraded in case the bank's liability structure shifts significantly toward non-bail-in-able liabilities.

The BCA could be downgraded if funding and liquidity risks increase, as evidenced by a lower liquidity cushion or deposit outflows, if profitability weakens materially, or asset risk or capitalisation deteriorates in the case of an unexpected materialization of asset or funding risks from the bank's well-secured mortgage book and private banking activities.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in November 2025 and available at https://ratings.moodys.com/rmc-documents/454566. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1462204.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the UK and is(are) endorsed for use in the UK in accordance with the UK CRA Regulation.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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