Semi-annual disclosure report as of June 2023

VP BANK

Imprint

About the content

Strategic partnerships are a key pillar of VP Bank's Strategy 2026. Successful cooperation and systematic access to external partners' expertise is essential for the development of innovative, client-focused solutions.

This Annual Report presents a selection of six partnerships established by VP Bank in various fields – from technology, innovation, knowledge and client solutions through to distribution.

Further information concerning this cooperation can be found in the online report at **report.vpbank.com**.

The complete semi-annual report is also available online and can be downloaded as a PDF:

Semi-annual report 2023
report.vpbank.com

Introduction

VP Bank

VP Bank is an internationally active private bank and is one of the biggest banks in Liechtenstein. It has offices in Vaduz, Zurich, Luxembourg, Tortola / British Virgin Islands, Singapore and Hong Kong.

Since its foundation in the year 1956, VP Bank has focused on asset management and investment consultancy for private individuals and financial intermediaries. As of June 30, 2023, 1,063 employees manage client assets of CHF 47.2 billion.

VP Bank is listed on the SIX Swiss Exchange. Its financial strength has been given an "A–" rating by Standard & Poor's (according to the rating report dated July 19, 2023). The shareholder base with three anchor shareholders ensures stability, independence and sustainability.

Basis and purpose of the disclosure

The Disclosure Report is based upon Part 8 of the Regulation (EU) No. 575/2013 CRR, which has been directly applicable in Liechtenstein with amendments of the Banking Act Liechtenstein (BankA) and the Banking Ordinance Liechtenstein (BankO) since February 1, 2015, in conjunction with Regulation (EU) 2019/876 (CRR II) Part 8 Articles 431 to 455 of the European Parliament and of the Council of May 20, 2019, amending Regulation (EU) No. 575/2013, which entered into force in Liechtenstein as of May 1, 2022. The disclosure requirements are supplemented by Commission Implementing Regulation (EU) 2021/637 of March 15, 2021, laying down implementing technical standards and Directive (EU) 2019/879 (BRRD II) Article 45i(3)(a,c) amending Directive (EU) 2014/59 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firm, which came into force in Liechtenstein on May 1, 2023.

The Disclosure Report provides a comprehensive overview of the bank's capital and liquidity adequacy.

Content and scope of application of the disclosure

The Disclosure Report contains all qualitative and quantitative information specified in Part 8 Section II CRR that has not already been published in the semi-annual report of VP Bank. The exemption rules set out under Article 432 CRR for immaterial or confidential information as well as business secrets have not been applied.

VP Bank Ltd with registered domicile in Vaduz, Liechtenstein, is the parent company of VP Bank Group and fulfils the disclosure requirements pursuant to Article 13(1) CRR on a consolidated level. The basis for this is the prudential scope of consolidation pursuant to Article 18 to 24 CRR. For this reason, all information in the Disclosure Report relate to VP Bank Group.

Frequency and means of disclosure

A comprehensive Disclosure Report is drawn up annually and published as a separate document on the VP Bank homepage (www.vpbank.com). Supplementary information is provided in the annual report. Publications performed during the course of the year are set out in the interim report. A supplementary Disclosure Report is issued semi-annually to a reduced extent in accordance with Article 433a(2) in conjunction with Article 4(1)(146,148) CRR and is also published on the VP Bank website.

Preparation and assessment of the disclosure

VP Bank has implemented a process for preparing the Disclosure Report and has defined the tasks and responsibilities in writing. Within this context, the content and frequency of the disclosure is regularly reviewed in order to ascertain that this is reasonable. This Disclosure Report is not subject to any review by statutory banking auditors.

No significant obstacles exist that limit the prompt transfer of equity capital or the repayment of liabilities between the parent company and fully consolidated subsidiaries.

Changes compared to the Disclosure Report as of 30.06.2022

The scope of this Disclosure Report remains unchanged compared to the previous year. The publication of the reporting template KM2 Key metrics – MREL, from the disclosure requirements for the minimum requirements for own funds and eligible liabilities (MREL), resulting from the national entry into force of BRRD II on May 1, 2023, in Liechtenstein, is waived until the effective date of January 1, 2024, based on Article 17 of Regulation (EU) 2021/763 in conjunction with the third subparagraph of Article 3(1) of Directive (EU) 2019/879.

Key metrics (Articles 438, 477 CRR)

The template EU KM1 shows an overview of the regulatory key parameters. The common equity Tier 1 ratio has increased from 22.8 per cent to 23.4 per cent since June 30, 2022, and is well above the minimum regulatory requirement. The equity base is very solid and permits successful growth. The liquidity coverage ratio decreased from 250.2 per cent to 202.2 per cent and remains well above the minimum requirement of 100 per cent. VP Bank complied with all minimum requirements for capital, leverage ratio, liquidity coverage ratio, net stable funding ratio as well as minimum requirements for own funds and eligible liabilities, consistently over the past year.

EU KM1 – Key metrics template

in CHF 1,000		30.06.2023	30.06.2022
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	1,053,856	1,021,861
2	Tier 1 capital	1,053,856	1,021,861
3	Total capital	1,053,856	1,021,861
	Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	4,506,421	4,477,041
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	23.4	22.8
6	Tier 1 ratio (%)	23.4	22.8
7	Total capital ratio (%)	23.4	22.8
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional CET1 SREP requirements (%)	1.5	1.5
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.8	0.8
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.1	1.1
EU 7d	Total SREP own funds requirements (%)	9.5	9.5
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0	0.0
9	Institution specific countercyclical capital buffer (%)	0.1	0.0
EU 9a	Systemic risk buffer (%)	0.1	0.2
10	Global Systemically Important Institution buffer (%)	0.0	0.0
EU 10a	Other Systemically Important Institution buffer	2.0	2.0
11	Combined buffer requirement (%)	4.8	4.7
EU 11a	Overall capital requirements (%)	14.3	14.2
12	CET1 available after meeting the total SREP own funds requirements (%)	18.0	17.5
	Leverage ratio		
13	Leverage ratio total exposure measure	13,352,516	13,899,371
14	Leverage ratio	7.9	7.4
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0	0.0
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0	0.0
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
EU 14d	Leverage ratio buffer requirement (%)	0.0	0.0
EU 14e	Overall leverage ratio requirements (%)	3.0	3.0
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	3,545,438	3,947,494
16a	Cash outflows – Total weighted value	4,118,894	4,126,368
16b	Cash inflows – Total weighted value	2,365,418	2,548,891
16	Total net cash outflows (adjusted value)	1,753,476	1,577,477
17	Liquidity coverage ratio (%)	202.2	250.2
	Net Stable Funding Ratio		
18	Total available stable funding	7,375,019	8,212,187
19	Total required stable funding	4,493,784	5,089,889
20	NSFR ratio (%)	164.1	161.3

Own funds requirements (Article 438 CRR)

VP Bank computes its required equity in accordance with the provisions of the CRR. In this connection, the following approaches are applied:

- Standardised approach for credit risk (under Part 3, Title II, Chapter 2 of the CRR)
- Basic-indicator approach for operational risk (under Part 3, Title III, Chapter 2 of the CRR)
- Standardised procedure for market risk (under Part 3, Title IV, Chapters 2 to 4 of the CRR)
- Standardised method for credit valuation adjustment (CVA) risk (under Article 384 of the CRR)
- Comprehensive method for taking into consideration financial collateral (under Article 223 of the CRR)

The following overview shows the risk weighted exposure amounts as well as the capital adequacy requirements specific to the various regulatory risk types in accordance with Article 438(d) of the CRR.

EU OV1 – Overview of total risk exposure amounts

in CHF 1,000		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		30.06.2023	30.06.2022	30.06.2023
1	Credit risk (excluding CCR)	3,687,824	3,667,575	295,026
2	Of which the standardised approach	3,687,824	3,667,575	295,026
3	Of which the foundation IRB (FIRB) approach	n.a.	n.a.	n.a.
4	Of which: slotting approach	n.a.	n.a.	n.a.
EU 4a	Of which: equities under the simple riskweighted approach	n.a.	n.a.	n.a.
5	Of which the advanced IRB (AIRB) approach	n.a.	n.a.	n.a.
6	Counterparty credit risk – CCR	107,722	168,166	8,618
7	Of which the standardised approach	87,559	158,823	7,005
8	Of which internal model method (IMM)	n.a.	n.a.	n.a.
EU 8a	Of which exposures to a CCP	n.a.	n.a.	n.a.
EU 8b	Of credit valuation adjustment – CVA	20,162	9,343	1,613
9	Of which other CCR	n.a.	n.a.	n.a.
15	Settlement risk	0	0	0
16	Securitisation exposures in the non-trading book (after the cap)	0	0	0
17	Of which SEC-IRBA approach	n.a.	n.a.	n.a.
18	Of which SEC-ERBA (including IAA)	n.a.	n.a.	n.a.
19	Of which SEC-SA approach	n.a.	n.a.	n.a.
EU 19a	Of which 1,250% / deduction	n.a.	n.a.	n.a.
20	Position, foreign exchange and commodities risks (Market risk)	99,088	37,530	7,927
21	Of which the standardised approach	99,088	37,530	7,927
22	Of which IMA	n.a.	n.a.	n.a.
EU 22a	Large exposures	0	0	0
23	Operational risk	611,788	603,770	48,943
EU 23a	Of which basic indicator approach	611,788	603,770	48,943
EU 23b	Of which standardised approach	n.a.	n.a.	n.a.
EU 23c	Of which advanced measurement approach	n.a.	n.a.	n.a.
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	0	0	0
29	Total	4,506,421	4,477,041	360,514

VP Bank Ltd is a bank domiciled in Liechtenstein and is subject to supervision by the Financial Market Authority (FMA) Liechtenstein, Landstrasse 109, 9490 Vaduz, Liechtenstein, www.fma-li.li

VP Bank Ltd	Aeulestrasse 6 · 9490 Vaduz · Liechtenstein T +423 235 66 55 · info@vpbank.com · www.vpbank.com VAT No. 51.263 · Reg. No. FL-0001.007.080-0-0
VP Bank (Switzerland) Ltd	Talstrasse 59 · 8001 Zurich · Switzerland T +41 44 226 24 24 · info.ch@vpbank.com
VP Bank (Luxembourg) SA	2, rue Edward Steichen · L-2540 Luxembourg T +352 404 770-1 · info.lu@vpbank.com
VP Bank (BVI) Ltd	VP Bank House · 156 Main Street · PO Box 2341 Road Town · Tortola VG1110 · British Virgin Islands T +1 284 494 11 00 · info.bvi@vpbank.com
VP Bank Ltd Singapore Branch	128 Beach Road · #13-01 Guoco Midtown Singapur 189773 T +65 6305 0050 · info.sg@vpbank.com
VP Wealth Management (Hong Kong) Ltd	8/F, New World Tower Two 16–18 Queen's Road Central · Hong Kong T +852 3628 99 00 · info.hkwm@vpbank.com
VP Bank Ltd Hong Kong Representative Office	8/F, New World Tower Two 16–18 Queen's Road Central · Hong Kong T +852 3628 99 99 · info.hk@vpbank.com
VP Fund Solutions (Luxembourg) SA	2, rue Edward Steichen · L-2540 Luxembourg T +352 404 770-297 · fundclients-lux@vpbank.com www.vpfundsolutions.com
VP Fund Solutions (Liechtenstein) AG	Aeulestrasse 6 · 9490 Vaduz · Liechtenstein T +423 235 67 67 · vpfundsolutions@vpbank.com www.vpfundsolutions.com

Imprint

This report has been produced with the greatest possible care and all data have been closely examined. Rounding, typeset or printing errors, however, cannot be ruled out.

Media Relations

VP Bank Ltd · Daniela Jenni
Head of Corporate Communications
Aeulestrasse 6 · 9490 Vaduz · Liechtenstein
T +423 235 65 22 · media@vpbank.com · www.vpbank.com

Investor Relations

VP Bank Ltd · Michèle Schnyder
Head of Investor Relations
Aeulestrasse 6 · 9490 Vaduz · Liechtenstein
T +423 235 60 80 · investor.relations@vpbank.com · www.vpbank.com

Text, layout and realisation
VP Bank Ltd, Vaduz

Picture credits
Christoph Schöch Photography GmbH, Ruggell: P. 7