

VP Bank's Strategy 2026 builds on its strong existing asset management business and develops it further in a targeted manner. With an open IT platform for investment-related services, traditional banking will be combined with the advantages of digital ecosystems. This way, the bank is also opening up new, future-oriented business opportunities.

Open Wealth Services

Strategy 2026 aims to enhance the range of services for intermediaries and private individuals and take it to a new level. Combining traditional wealth management business with the benefits of digital ecosystems and with relevant partnerships is at the heart of VP Bank's strategic development. An open IT and service infrastructure makes it possible to easily integrate our technology, sales and service partners into the core banking system. That way, the available market can be flexibly expanded, and the range of services can be increased using complementary third-party service providers. This enables VP Bank to respond quickly and agilely to rapidly evolving client needs and create appropriate services in a timely manner. In future, clients will be able to choose from a set of options that will include services provided not only by VP Bank but also those on offer from complementary third-party service providers. They will be able to do this seamlessly across all media, without necessarily having to be a banking or securities account holder with VP Bank.

The strategy builds on successful existing business with intermediaries and private individuals. Individual regional development plans are aimed at continued development of the existing business areas in the home market and at all five international locations in a targeted manner based on the respective local strengths.

Strategic focus areas and initiatives

VP Bank pursues its goals through four clearly defined strategic focus areas. With "Evolve", it further develops the existing group-wide business in the home market and at the international locations with a regional approach. With "Scale", bank-wide processes and systems are optimised and scaled, and the technical basis is created for enhancing the business model. With "Move", selective new business opportunities are opened up. "Enable" forms the foundation for all strategic focus areas. The implementation of the focus areas is based on twelve clearly defined strategic initiatives.

Evolve



The initiatives within "Evolve" promote profitable growth and the targeted further development of existing locations and business areas. The focus is on the following three strategic initiatives:

Value Proposition Excellence aims to strengthen VP Bank's value proposition for its clients. The existing product and price landscape will be harmonised and simplified, and clear market coverage will be defined. In addition, the advisory process for private clients will be modernised, and the range of services for intermediaries will be refined with a view to relevance.

Investing for Change aims to offer clients the greatest possible transparency and guidance with regard to the sustainability of their investments. Another focus area is the development of new, sustainable products and services.

With the **Regional Road Maps**, the Liechtenstein home market and the international locations are further developed on the basis of a regional approach. Growth through a focus on expanding both local networks and in-depth market knowledge is the goal.

Scale



With the initiatives within "Scale", VP Bank is striving to further increase effectiveness and efficiency within the Group. The focus is on the following two strategic initiatives:

Process Management is designed to ensure faster, simpler business processes for clients. In addition to the improvement of forms and processes, primary measures also include the introduction of digital tools for the opening of client relationships and master data management.

The **Infrastructure** initiative involved opening up the core banking system and creating the technical basis for the Open Wealth Service Platform. The initiative also includes

Strategy 2026



modernising the entire IT architecture and outsourcing the IT infrastructure to our technology partner Swisscom and industrialising it. Continually increasing the standardisation and use of data and transitioning to the use of cloud services also form part of this initiative.

Move



The initiatives within "Move" serve to develop additional sources of income through selective expansion into new business areas. Implementation is based on two initiatives.

The **Data Analytics** initiative aims to provide data-based, personalised client advice, based on the foundations of a data analysis platform.

With **Digital Assets**, VP Bank is the first regulated bank in Liechtenstein that can display real assets, for example, works of art, in a bankable manner. This blockchain-based client solution is being successively developed for the future.

Enable



"Enable" forms the foundation for the strategic development of VP Bank Group. It consists of the following two initiatives:

The **Financial Steering Framework** will automate the bank's reporting and will also improve the corresponding analytical processes. This is intended to further develop the bank's stable, financial steering and facilitate a more efficient and effective reporting system overall.

The **People Strategy** aims to support, further develop and appreciate employees. Regular training, targeted employee development, agile working practices, a culture of trust and entrepreneurial thinking are tools for achieving this. At the same time, VP Bank should be able to operate successfully as an attractive employer in today's and tomorrow's international labour market.

You can read more about the People Strategy on p. 65.

Regions and segments

Regional and segment-specific development plans set the basis for spurring VP Bank's growth. They are tailored to local growth opportunities and thus support profitable, sustainable growth.

With CHF 18.7 billion in assets under management and operating income of CHF 191.7 million for 2023, the Liechtenstein & BVI region is VP Bank's largest business unit. The International region (Europe and Asia) is the second-largest business unit, with CHF 15.2 billion in assets under management and operating income of CHF 146.5 million. In Asset Servicing, assets under management amounted to CHF 12.5 billion, with operating income of CHF 43.4 million.

Liechtenstein home market & BVI

The "Liechtenstein & BVI" business unit encompasses intermediary business with external asset managers and trustees, private banking, universal banking and lending business in Liechtenstein as well as private banking and lending business in the British Virgin Islands.

Liechtenstein

Liechtenstein has been the location of the Group's head office and VP Bank's home market since 1956. It is the Principality's third-largest bank and operates as a universal bank. Owing to its DNA in intermediary business, it occupies a leading position in business with external asset managers and trustees. More than half of assets under management in the Liechtenstein region are attributable to intermediary business, which underscores the importance of this business. Local as well as international private clients benefit from the bank's many years of experience in servicing a sophisticated, complex clientele.

In addition to clients in Liechtenstein, the bank also services a steadily growing clientele from abroad, who value the booking centre Liechtenstein with its stable financial centre and strong Swiss franc out of diversification considerations. The Principality of Liechtenstein has a rating of "AAA" from Moody's and Standard & Poor's, and the financial sector is a key pillar

in Liechtenstein's growing economy. The broadly diversified economy and political continuity and stability are decisive location advantages. Through its membership in the European Economic Area, Liechtenstein has outstanding access to the European market. In Liechtenstein, VP Bank is in possession of an EU passport for a variety of European markets. It thus has unrestricted access to its target markets and can offer comprehensive services.

For VP Bank to realise its growth ambitions in connection with Strategy 2026, cross-border business is also of major importance. Active target markets include the countries bordering on Liechtenstein, with clients from Germany and Switzerland in particular already constituting a significant portion of Liechtenstein business. Cross-border business is conducted directly from the home market in Liechtenstein.

Strategy and targets

As part of Strategy 2026, VP Bank is also pursuing a growth strategy in the Liechtenstein home market with the target markets of Liechtenstein, Germany and Switzerland, coupled with gaining market shares and expanding the comprehensive range of services. Select other international client domiciles will be cultivated in the sense of opportunistic markets. VP Bank has its roots in business with external asset managers and trustees, and they remain a key strategic focus – along with continued growth ambitions in private client business and in local retail banking.

As part of the 2026 strategy cycle, the focus is on strengthening the range of services for external asset managers and trustees and developing cross-border business with external asset managers and family offices. A key aspect of the strategic positioning is expanding the established digital platform for intermediary clients in order to increase efficiency and simplify operating processes. In private client business, the focus is on intensifying market cultivation in Germany and further expanding the wealth planning offering in Liechtenstein.

As a traditional Liechtenstein bank, VP Bank is well aware that providing comprehensive service to the local clientele will be of great importance in future as well. A target-based advisory process will strengthen the holistic advice that the bank provides to private clients. A further strategic success factor in private client business is putting greater emphasis on providing services to the next generation, with the aim of ensuring a successful transfer of wealth. In light of the impending generational change, catering to the needs of the next generation has high strategic relevance for the bank.

British Virgin Islands

VP Bank has been represented by a subsidiary in the British Virgin Islands (BVI) since 1995. It has a local full banking licence, which enables it to cultivate the market comprehensively with a broad range of products and services. It primarily operates in the BVI as a premium real estate and credit financier and is in possession of significant market shares in this area. The financing services are augmented with top-notch investment solutions and banking services for private clients. As the largest bank in the BVI, VP Bank is the first choice for private banking and is optimally positioned for offering wealth management services. The BVI are a centre for trustee and corporate services. VP Bank occupies a niche in the area of liquidation services and offers comprehensive asset management, custodial and transaction services to simplify the liquidation of companies.

The BVI economy is one of the most stable and prosperous in the Caribbean. It relies heavily on tourism and financial services, which has a direct effect on the needs of existing and potential VP Bank clients. The BVI are witnessing a growing demand for mortgage loans for prime real estate, both for personal use and as part of larger properties for holiday sites.

Strategy and targets

The market strategy of VP Bank (BVI) Ltd is focused on continued successful growth in the financing of prime real estate and on the defence of its market leadership in this attractive niche. In addition, the aim is to further expand the investment solutions for private clients with new offerings as a private bank in the Caribbean that provides holistic advice. In terms of new client acquisition, VP Bank (BVI) Ltd draws on a proven network of partnerships, which will be further expanded in future.

International regions

The “International” business unit includes the regions of Europe and Asia. It encompasses intermediary and private client business at the locations in Switzerland, Luxembourg, Singapore and Hong Kong.

Europe

In Europe, VP Bank is physically present in Switzerland and Luxembourg. Both VP Bank (Switzerland) Ltd and VP Bank (Luxembourg) SA were founded in 1988. VP Bank uses its DNA as an intermediary bank and its many years of experience in this segment to offer external asset managers and family offices a modern service platform. Its expertise and know-how with intermediary clients is also made available to European private clients. In addition to Luxembourg and Switzerland, target markets also include Germany and the Nordic countries, particularly Sweden and Denmark.

The client base is international. VP Bank provides services to a growing number of European external asset managers who are in search of an additional custodian bank at the Switzerland and Luxembourg international financial centres as a complement to their local custodian bank. There is rising demand from European private clients looking to diversify their existing currency and booking centres, especially among companies whose business activities require international solutions.

VP Bank (Luxembourg) SA is in possession of an EU passport for Germany, Sweden, Denmark and other EU markets classified as opportunistic markets. It thus has unrestricted access to its target markets and can offer comprehensive services. VP Bank (Switzerland) Ltd benefits from the opportunities afforded by a simplified exemption in Germany. This exemption allows it to directly and actively attract clients in Germany and to provide them with services on a cross-border basis. In addition, as the largest financial centre for international asset management business, Switzerland is an attractive, stable booking centre.

The competent supervisory authority in Switzerland is the Swiss Financial Market Supervisory Authority (FINMA). The competent supervisory authority in Luxembourg is the Commission de Surveillance du Secteur Financier (CSSF).

Strategy and targets

In line with the Group’s Strategy 2026, VP Bank is pursuing a growth strategy in Europe that ensures balanced growth in both its intermediary business and its private banking business. The German market plays a key role here. The strategic target client base consists of German external asset managers and banks that are in search of a custodian bank in Switzerland or Luxembourg for their clients.

Intact growth opportunities are also offered by the Nordic markets, where VP Bank has already become an established player in private banking business. The intent is to develop the business with external asset managers in coming years. The European private banking markets will continue to grow, albeit less strongly than the Asian markets. The aim is to gain market shares among private individuals and companies that have international needs and are in a life cycle phase that requires the services of multi-booking centres or services to facilitate the transfer of wealth between generations. In private client business, one focus is on expanding the range of wealth planning services and developing an advisory model for the female client segment.

Asia

The Asia region consists of two locations: Hong Kong and Singapore. VP Bank has been represented in Hong Kong as a wealth management service provider since 2006 and in Singapore since 2008. VP Bank offers a state-of-the-art service platform to a growing number of intermediary clients in this region as well as wealth management advice to wealthy clients.

Singapore and Hong Kong were combined into one region to create synergies between the two locations. In addition to Hong Kong and Singapore, the defined target markets in the Asia region are China, Indonesia, Malaysia, Taiwan and Thailand, which are being actively cultivated for sustainable growth.

Financial intermediaries are steadily expanding their presence and investing activities in the Asia region. VP Bank offers this client group the requisite extensive expertise and cultivates its target markets through cooperation arrangements. VP Bank’s commitment to intermediary business has been repeatedly underscored with the awarding of “Best Private Bank - Intermediaries”.

Strategy and targets

Asia is on the cusp of the greatest cross-generational transfer of wealth in history, and the opportunities in asset management are enormous. VP Bank has both the right talent and the right environment to exploit these opportunities.

With VP Bank’s strength in intermediary business, the Asia region with its Hong Kong and Singapore locations is pursuing a growth strategy with a strategic focus on this segment. To this end, the appropriate market know-how was developed over the past two years in a targeted manner in order to gain market shares on a continual basis. Intermediary business is another segment with great potential in Asia. The bank’s business with external asset managers is the focus of strategic development, but private banking business in Singapore is operated as a complement to it in order to make use of significant synergies between private banking and intermediary business.

Asset Servicing

Asset Servicing includes fund management and custodial activities within VP Bank Group. The two fund management companies VP Fund Solutions (Luxembourg) SA and VP Fund Solutions (Liechtenstein) AG, which were founded in 1998 and 1999, respectively, handle the fund management activities of VP Bank. They encompass the business with third-party funds, private label funds and proprietary funds. The custodial departments at VP Bank Ltd, Liechtenstein, and VP Bank (Luxembourg) SA take care of custodial activities.

The entire range of services for managing UCITS and AIFs is offered from a single source. This means a broadly diversified offering, from structuring advice to prospectus

preparation and coordination with the regulatory authorities to launching, but also regular fund price calculation, maintenance of the unit register, custody of fund assets and satisfaction of all supervisory reporting requirements. Clients thus have access to all services in a fund's value chain. Because the approach is modular, it is also possible to make use of only certain parts of it.

The main clientele include family offices, asset managers, banks, insurance companies and wealthy private clients who, for various reasons, would like to manage their assets in a fund structure but would primarily like to concentrate on portfolio management and distribution.

The main markets of Liechtenstein, Switzerland and Germany account for more than 70 per cent of fund assets under management. Other important markets are Luxem-

The segments and locations of VP Bank Group 2023



bourg, Scandinavia and Singapore. The fund assets managed by the two fund management companies consist largely of private label business with external clients; management of the funds of VP Bank Group accounts for less than 10 per cent of the business volume.

With the focus on the fund domiciles of Liechtenstein and Luxembourg, EU/EEA-conforming fund products can be offered at two locations, which because of their EU passport are optimally suited for distribution in Europe but also on other continents, such as Asia.

Strategy and targets

Asset Servicing is pursuing a growth strategy with the aim of gaining market shares and benefiting from the strongly growing market in both Luxembourg and Liechtenstein. In terms of market cultivation, the focus is primarily on the target markets of VP Bank Group, which will also enable the use of synergies in selling its range of services. In addition to further growth in the three main target markets of Luxembourg, Switzerland and Liechtenstein, growth in Scandinavia and Singapore is also being pursued more actively. To augment the sale of the bank's one-stop-shop offering, the focus is increasingly on collaboration with other management companies for whom fund administration and custodial functions can be taken on for their funds.

Financial targets

The interplay of the strategic initiatives and growth in the regions and segments forms the basis for the bank's financial targets as part of Strategy 2026. VP Bank aims to achieve net new money growth of over 4 per cent annually, revenue growth of 4 to 6 per cent annually and a cost/income ratio of below 75 per cent starting in 2026. The tier 1 ratio should always be above 20 per cent.

VP Bank's financial goals 2026

Growth		Profitability	Stability
Net new money (in % AUM)	Revenue growth	Cost/income ratio ²	Tier 1 ratio
4% p.a. ¹	4-6% p.a. ¹	<75%	>20%

¹ Over the cycle 2021-2026

² Operating expenses / operating income