

Segment reporting

Structure

VP Bank Group modified its organisational structure as of 1 January 2023. The front-office units were split into the segments "Liechtenstein & BVI", "International" (Region Europe & Asia) and "Asset Servicing" owing to the range of services being offered and the market position. The support units remain grouped under "Corporate Center". External segment reporting reflects the organisational structure of VP Bank Group as of 31 December 2023 and the internal reporting to management. These form the basis for assessing the financial performance of the segments and the allocation of resources to them.

Earnings and expenses as well as assets and liabilities are allocated to the business units based on the responsibilities for the clients. Insofar as a direct allocation is not possible, the positions in question are reported under Corporate Center. Consolidation entries are also included under Corporate Center.

The previous year's figures were aligned accordingly to ensure comparability.

Liechtenstein & BVI

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

International

The "International" (Region Europe & Asia) business unit encompasses intermediary and private client business in Switzerland, Luxembourg, Singapore and Hong Kong.

Asset Servicing

The "Asset Servicing" business unit encompasses 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, both of which are legally independent entities, handle fund management activities. The custodial departments at VP Bank Ltd, Liechtenstein, and VP Bank (Luxembourg) SA take care of custodial activities.

Corporate Center

The "Corporate Center" business unit encompasses Group Products & Services, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief Risk Officer. It is of great importance to banking operations and business development. In addition, those earnings and expenses of VP Bank Group that have no direct relationship to client-oriented business units, as well as consolidation adjustments, are reported under Corporate Center. The result of the Group's own financial investments, funds transfer pricing and value adjustments from hedging transactions are reported in this segment.

Business segment reporting 2023

in CHF 1,000	Liechtenstein & BVI	International	Asset Servicing	Corporate Center	Total Group
Total net interest income	114,413	75,940	8,695	-65,409	133,639
Total net income from commission business and services	63,092	48,918	31,787	-5,901	137,896
Income from trading activities	14,767	20,182	2,858	47,444	85,251
Income from financial instruments			54	5,984	6,038
Other income	-599	1,430	47	729	1,607
Total operating income	191,673	146,470	43,441	-17,153	364,431
Personnel expenses	24,891	52,996	11,720	86,164	175,771
General and administrative expenses	4,383	12,061	6,194	61,891	84,529
Depreciation of property, equipment and intangible assets	3,572	7,905	595	33,836	45,908
Credit loss expenses	4,822	332	-3	-200	4,951
Provisions and losses	865	285	757	462	2,369
Operating expenses	38,533	73,579	19,263	182,153	313,528
Earnings before income tax	153,140	72,891	24,178	-199,306	50,903
Taxes on income					6,694
Group net income					44,209
Segment assets (in CHF million)	4,021	1,410	36	5,982	11,450
Segment liabilities (in CHF million)	5,013	3,004	518	1,808	10,343
Client assets under management (in CHF billion) ¹	18.7	15.2	12.5		46.4
Net new money (in CHF billion)	-0.4	-0.2	0.6		0.0
Headcount (number of employees)	149	300	99	537	1,085
Headcount (expressed as full-time equivalents)	133.7	286.4	91.2	495.9	1,007.2

Segment reporting is subject to the same accounting principles as the consolidated financial statements

¹ Calculation in accordance with Table P of the Guidelines to the Liechtenstein Banking Ordinance issued by the Government of Liechtenstein (FL-BankO).

Business segment reporting 2022

in CHF 1,000	Liechtenstein & BVI	International	Asset Servicing	Corporate Center	Total Group
Total net interest income	72,668	44,703	2,458	1,664	121,493
Total net income from commission business and services	67,275	50,200	28,792	-6,686	139,581
Income from trading activities	15,844	15,217	2,728	31,718	65,507
Income from financial instruments			-398	9,760	9,362
Other income		2,145	32	-1,759	418
Total operating income	155,787	112,265	33,612	34,697	336,361
Personnel expenses	26,882	54,752	9,212	82,798	173,644
General and administrative expenses	4,260	13,648	5,109	53,614	76,631
Depreciation of property, equipment and intangible assets	3,606	8,970	568	27,825	40,969
Credit loss expenses	-2,163	-258		0	-2,421
Provisions and losses	1,830	198	320	0	2,348
Operating expenses	34,415	77,310	15,209	164,237	291,171
Earnings before income tax	121,372	34,955	18,403	-129,540	45,190
Taxes on income					5,030
Group net income					40,160
Segment assets (in CHF million)	4,066	1,656	37	6,872	12,631
Segment liabilities (in CHF million)	5,687	3,744	645	1,453	11,529
Client assets under management (in CHF billion) ¹	19.3	15.5	11.7		46.4
Net new money (in CHF billion)	-0.6	0.1	1.5		1.1
Headcount (number of employees)	174	278	72	487	1,011
Headcount (expressed as full-time equivalents)	154.4	264.5	66.8	449.3	935.0

Segment reporting is subject to the same accounting principles as the consolidated financial statements

¹ Calculation in accordance with Table P of the Guidelines to the Liechtenstein Banking Ordinance issued by the Government of Liechtenstein (FL-BankO).

Geographic segment reporting

in CHF 1,000	Liechtenstein	Rest of Europe	Other countries	Total Group
2023				
Total operating income	281,538	67,091	15,802	364,431
Total assets (in CHF million)	8,834	1,706	910	11,450
2022				
Total operating income	230,644	81,851	23,866	336,361
Total assets (in CHF million)	9,899	1,819	913	12,631

The reporting follows the principle of branch accounting.