

# Notes to the consolidated financial statement

## 1 Interest income

in CHF 1,000	2023	2022	Variance absolute	Variance in %
Discount income	7,195	2,269	4,926	217.1
Loan commissions with the character of interest	302	614	-312	-50.8
Interest income from banks	66,816	5,831	60,985	n.a.
Interest income from customers	157,491	91,080	66,411	72.9
Interest income from financial instruments measured at amortised cost	37,051	29,457	7,594	25.8
Interest income from financial liabilities	0	3,647	-3,647	-100.0
<b>Total interest income from financial instruments at amortised cost</b>	<b>268,855</b>	<b>132,898</b>	<b>135,957</b>	<b>102.3</b>
Interest-rate instruments	246	-48	294	n.a.
Trading derivatives (forward points)	46,881	30,462	16,419	53.9
Hedge accounting	74	-98	172	175.5
<b>Total other interest income</b>	<b>47,201</b>	<b>30,316</b>	<b>16,885</b>	<b>55.7</b>
<b>Total interest income</b>	<b>316,056</b>	<b>163,214</b>	<b>152,842</b>	<b>93.6</b>
Interest expenses on amounts due to banks	719	108	611	n.a.
Interest expenses on amounts due to customers	179,159	35,822	143,337	400.1
Interest expenses on medium-term notes	421	210	211	100.5
Interest expenses on debentures issued	1,777	1,777	0	0.0
Interest expenses from financial assets	65	3,578	-3,513	-98.2
Interest expenses on right-of-use assets	276	226	50	22.1
<b>Total interest expenses using the effective interest method</b>	<b>182,417</b>	<b>41,721</b>	<b>140,696</b>	<b>337.2</b>
<b>Total net interest income</b>	<b>133,639</b>	<b>121,493</b>	<b>12,146</b>	<b>10.0</b>
<b>Fair-value hedges</b>				
Movements arising from hedges	-577	2,022	-2,599	-128.5
• Micro fair-value hedges	-577	2,022	-2,599	-128.5
Movements in underlying transactions	651	-2,120	2,771	130.7
• Micro fair-value hedges	651	-2,120	2,771	130.7
<b>Total hedge accounting<sup>1</sup></b>	<b>74</b>	<b>-98</b>	<b>172</b>	<b>175.5</b>

<sup>1</sup> Hedge ineffectiveness, disclosed in the income statement: further details in note 37.

## 2 Income from commission business and services

in CHF 1,000	2023	2022	Variance absolute	Variance in %
Commission income from credit business	647	699	-52	-7.4
Asset management and investment business	60,923	64,803	-3,880	-6.0
Brokerage fees	23,519	25,434	-1,915	-7.5
Securities account fees	17,739	20,549	-2,810	-13.7
Fund management fees	56,618	53,568	3,050	5.7
Fiduciary commissions	2,465	839	1,626	193.8
Other commission and service income	19,822	19,115	707	3.7
<b>Total income from commission business and services</b>	<b>181,733</b>	<b>185,007</b>	<b>-3,274</b>	<b>-1.8</b>
Brokerage expenses	1,127	1,203	-76	-6.3
Other commission and services-related expenses	42,710	44,223	-1,513	-3.4
<b>Total expenses from commission business and services</b>	<b>43,837</b>	<b>45,426</b>	<b>-1,589</b>	<b>-3.5</b>
<b>Total net income from commission business and services</b>	<b>137,896</b>	<b>139,581</b>	<b>-1,685</b>	<b>-1.2</b>

The following table shows which components are included within the earnings position «asset management and investment business».

## 2 Income from commission business and services (continued)

in CHF 1'000	2023	2022	Veränderung absolut	Veränderung in %
Fees for securities settlement	9,042	8,392	650	7.7
Administration commissions	33,017	36,377	-3,360	-9.2
Management fees	10,659	10,914	-255	-2.3
Brokerage fees	13,802	16,426	-2,624	-16.0
Securities account fees	4,313	4,406	-93	-2.1
Administration fees	4,243	4,631	-388	-8.4
All-in fees	16,017	16,597	-580	-3.5
Miscellaneous fees	2,847	3,437	-590	-17.2
<b>Asset management and investment business</b>	<b>60,923</b>	<b>64,803</b>	<b>-3,880</b>	<b>-6.0</b>

## 3 Income from trading activities

in CHF 1,000	2023	2022	Variance absolute	Variance in %
Securities trading <sup>1</sup>	-5,152	-3,239	-1,913	-59.1
Interest income from trading portfolios	0	143	-143	-100.0
Foreign currency	89,844	67,697	22,147	32.7
Banknotes, precious metals and other	559	906	-347	-38.3
<b>Total income from trading activities</b>	<b>85,251</b>	<b>65,507</b>	<b>19,744</b>	<b>30.1</b>

<sup>1</sup> The income from derivatives for risk minimisation (except for interest rate derivatives) is included in this position.

## 4 Income from financial instruments

in CHF 1,000	2023	2022	Variance absolute	Variance in %
Income from financial instruments at fair value	6,206	8,980	-2,774	-30.9
Income from financial instruments at amortised cost (foreign exchange)	-168	382	-550	-144.0
<b>Total income from financial instruments</b>	<b>6,038</b>	<b>9,362</b>	<b>-3,324</b>	<b>-35.5</b>
<b>Income from financial instruments at fair value</b>				
Income from FVTPL assets	-1,234	813	-2,047	-251.8
Interest income from FVTPL financial instruments	356	818	-462	-56.5
Dividend income from FVTPL financial instruments	1,165	1,298	-133	-10.2
Dividend income from FVTOCI financial instruments	5,919	6,051	-132	-2.2
thereof from FVTOCI financial instruments sold	0	71	-71	-100.0
<b>Total</b>	<b>6,206</b>	<b>8,980</b>	<b>-2,774</b>	<b>-30.9</b>
<b>Income from financial instruments at amortised cost (foreign exchange)</b>				
Revaluation gains/losses on financial instruments at amortised cost	0	382	-382	-100.0
Realised gains/losses on financial instruments at amortised cost	-168	0	-168	0.0
<b>Total</b>	<b>-168</b>	<b>382</b>	<b>-550</b>	<b>-144.0</b>

## 5 Other income

in CHF 1,000	2023	2022	Variance absolute	Variance in %
Income from real estate	149	104	45	43.3
Income from joint venture companies	-1	0	-1	0.0
Miscellaneous other income <sup>1</sup>	3,611	695	2,916	419.6
Miscellaneous other expenses <sup>2</sup>	-2,152	-381	-1,771	-464.8
<b>Total other income</b>	<b>1,607</b>	<b>418</b>	<b>1,189</b>	<b>284.4</b>

<sup>1</sup> Includes in 2023 CHF 2.4 million from early termination of a lease liability as well as CHF 0.4 million from a reimbursement.

<sup>2</sup> Includes in 2023 CHF -1.8 million from legal expenses.

## 6 Personnel expenses

in CHF 1,000	2023	2022	Variance absolute	Variance in %
Salaries and wages	148,839	144,403	4,436	3.1
Social contributions required by law	13,228	12,392	836	6.7
Contributions to pension plans / defined-benefit plans	8,367	11,962	-3,595	-30.1
Contributions to pension plans / defined-contribution plans	2,839	2,994	-155	-5.2
Other personnel expenses	5,631	5,894	-263	-4.5
Capitalised personnel expenses <sup>1</sup>	-3,133	-4,001	868	21.7
<b>Total personnel expenses</b>	<b>175,771</b>	<b>173,644</b>	<b>2,127</b>	<b>1.2</b>

<sup>1</sup> In accordance with IAS 38, a portion of internally generated intangible assets such as software is capitalised. The amount that can be capitalised is reduced accordingly in personnel expenses.

## 7 General and administrative expenses

in CHF 1,000	2023	2022	Variance absolute	Variance in %
Occupancy expenses	3,883	2,950	933	31.6
Insurance	937	945	-8	-0.8
Professional fees	20,637	18,835	1,802	9.6
Financial information procurement	9,207	9,241	-34	-0.4
Telecommunication and postage	1,384	1,466	-82	-5.6
IT systems	34,893	29,624	5,269	17.8
Marketing and public relations	4,890	4,120	770	18.7
Capital taxes	811	751	60	8.0
Other general and administrative expenses	7,887	8,699	-812	-9.3
<b>Total general and administrative expenses</b>	<b>84,529</b>	<b>76,631</b>	<b>7,898</b>	<b>10.3</b>
Fees invoiced by the audit firm	2,036	1,596	440	27.5
thereof the audit of the annual financial statements	673	607	66	10.9
thereof other audit or assurance services	872	810	62	7.7
thereof tax advisory services	64	156	-92	-58.8
thereof other services	426	23	403	n.a.

## 8 Depreciation of property, equipment and intangible assets

in CHF 1,000	Note	2023	2022	Variance absolute	Variance in %
Depreciation and amortisation of property and equipment	22	14,829	15,728	-899	-5.7
Depreciation and amortisation of intangible assets	23	31,079	25,241	5,838	23.1
<b>Total depreciation and amortisation</b>		<b>45,908</b>	<b>40,969</b>	<b>4,939</b>	<b>12.1</b>

## 9 Valuation allowances, provisions and losses

in CHF 1,000	2023	2022	Variance absolute	Variance in %
Decrease/increase credit allowances <sup>1</sup>	4,951	-2,421	7,372	304.5
Legal and litigation risks	450	1,000	-550	-55.0
Other provisions and losses	1,919	1,348	571	42.4
<b>Total valuation allowances, provisions and losses</b>	<b>7,320</b>	<b>-73</b>	<b>7,393</b>	<b>n.a.</b>

<sup>1</sup> Including currency effects.

## 10a Taxes on income

in CHF 1,000	2023	2022
<b>Domestic</b>		
Current taxes	9,182	5,956
Deferred taxes	-3,773	-1,544
<b>Foreign</b>		
Current taxes	-131	457
Deferred taxes	1,416	161
<b>Total current taxes</b>	<b>9,051</b>	<b>6,413</b>
<b>Total deferred taxes</b>	<b>-2,357</b>	<b>-1,383</b>
<b>Total taxes on income</b>	<b>6,694</b>	<b>5,030</b>

The Group's effective payments for domestic and foreign income taxes amounted to CHF 8.9 million in 2023 (previous year: CHF 11.6 million).

**Statement of taxes on income**

All expected obligations from taxes on income for the reporting period are recognised in the financial statements. They are calculated in accordance with the tax laws applicable in the respective countries. The deferred tax liabilities arising from the different valuations between the financial statements prepared for tax purposes and the values used for consolidation purposes are recognised at the following tax rates:

	2023	2022
Liechtenstein	12.5%	12.5%
Switzerland	19.7%	19.7%
Luxembourg	24.9%	24.9%
British Virgin Islands	0.0%	0.0%
Singapore	17.0%	17.0%
Hong Kong	16.5%	16.5%

The pre-tax net income and the differences between the tax expense in accordance with the income statement and the tax expense based on an assumed average tax rate of 15 per cent (previous year: 15 per cent) are composed as follows:

in CHF 1,000	2023	2022
<b>Income before income tax</b>		
Domestic	18,441	33,214
Foreign	32,462	11,976
<b>Taxes on income using an assumed average charge</b>	<b>7,635</b>	<b>6,779</b>
<b>Reasons for increased/decreased taxable income</b>		
Effect on tax free income / effect on non taxable expenses	-1,265	-2,667
Difference between actual and assumed tax rates	2,822	1,158
Lower tax charges as a result of changes in laws or taxation agreements	0	-2
Tax income unrelated to accounting period	-1,036	57
Previously unrecognized tax losses now utilised	-1,462	-295
<b>Total income tax</b>	<b>6,694</b>	<b>5,030</b>

## 10b Deferred tax assets and liabilities

in CHF 1,000	Balance at the beginning of the financial year	Changes affecting the income statement	Changes affecting the other comprehensive income	Changes in scope of consolidation/acquisitions	Total 2023
<b>Deferred tax assets</b>					
Property, equipment and intangible assets	6,541	472	0	0	7,013
Valuation allowances for credit risks	704	0	0	0	704
Tax loss carry-forwards <sup>1</sup>	2,430	1,756	0	0	4,186
Defined-benefit pension plans	1,217	-379	1,078	0	1,916
Financial instruments	167	-13	-106	0	48
Other	670	-186	0	0	484
<b>Total deferred tax assets</b>	<b>11,729</b>	<b>1,650</b>	<b>972</b>	<b>0</b>	<b>14,351</b>
Offsetting	-3,427	849	59	0	-2,519
<b>Total deferred tax assets after offsetting</b>	<b>8,302</b>	<b>2,499</b>	<b>1,031</b>	<b>0</b>	<b>11,832</b>
<b>Deferred tax liabilities</b>					
Property, equipment and intangible assets	1,647	-630	0	0	1,017
Financial instruments	59	0	0	0	59
Financial instruments directly offset within shareholders' equity	24	-10	-4	0	10
Valuation allowances for credit risks	23	-4	0	0	19
Other	2,975	-59	0	0	2,916
<b>Total deferred tax liabilities</b>	<b>4,728</b>	<b>-703</b>	<b>-4</b>	<b>0</b>	<b>4,021</b>
Offsetting	-3,427	849	59	0	-2,519
<b>Total deferred tax liabilities after offsetting</b>	<b>1,301</b>	<b>146</b>	<b>55</b>	<b>0</b>	<b>1,502</b>

<sup>1</sup> Where the realisation of tax benefits is considered probable, there is an obligation to capitalise. Offsetting only applies if the deferred tax assets and liabilities relate to the same tax authority.

in CHF 1,000	Balance at the beginning of the financial year	Changes affecting the income statement	Changes affecting the other comprehensive income	Changes in scope of consolidation/ other	Total 2022
<b>Deferred tax assets</b>					
Property, equipment and intangible assets	6,171	370	0	0	6,541
Valuation allowances for credit risks	860	-156	0	0	704
Tax loss carry-forwards <sup>1</sup>	2,642	-212	0	0	2,430
Defined-benefit pension plans	2,253	179	-1,215	0	1,217
Financial instruments	51	18	98	0	167
Other	1,046	-376	0	0	670
<b>Total deferred tax assets</b>	<b>13,023</b>	<b>-177</b>	<b>-1,117</b>	<b>0</b>	<b>11,729</b>
Offsetting	-5,431	1,941	63	0	-3,427
<b>Total deferred tax assets after offsetting</b>	<b>7,592</b>	<b>1,764</b>	<b>-1,054</b>	<b>0</b>	<b>8,302</b>
<b>Deferred tax liabilities</b>					
Property, equipment and intangible assets	2,434	-787	0	0	1,647
Financial instruments	782	-723	0	0	59
Financial instruments directly offset within shareholders' equity	24	0	0	0	24
Valuation allowances for credit risks	36	-13	0	0	23
Other	3,014	-39	0	0	2,975
<b>Total deferred tax liabilities</b>	<b>6,290</b>	<b>-1,562</b>	<b>0</b>	<b>0</b>	<b>4,728</b>
Offsetting	-5,431	1,941	63	0	-3,427
<b>Total deferred tax liabilities after offsetting</b>	<b>859</b>	<b>379</b>	<b>63</b>	<b>0</b>	<b>1,301</b>

<sup>1</sup> Where the realisation of tax benefits is considered probable, there is an obligation to capitalise. Offsetting only applies if the deferred tax assets and liabilities relate to the same tax authority.

The deferred taxes are due to temporary differences resulting from different valuations between the IFRS and statutory financial statements.

in CHF 1,000	2023	2022
Loss carry-forwards not reflected in the balance sheet expire as follows:		
Within 1 year	0	0
Within 1 to 5 years	0	0
Within 5 to 10 years	0	0
No expiration	0	220
<b>Total</b>	<b>0</b>	<b>220</b>

## 10c Tax assets and liabilities

in CHF 1,000	Note	31.12.2023	31.12.2022
<b>Tax assets</b>			
Amounts receivable arising on current taxes on income		31	230
Deferred tax assets	10b	11,832	8,302
<b>Total tax assets</b>		<b>11,863</b>	<b>8,532</b>
<b>Tax liabilities</b>			
Liabilities arising on current taxes on income		5,424	5,783
Deferred tax liabilities	10b	1,502	1,301
<b>Total tax liabilities</b>		<b>6,926</b>	<b>7,084</b>

## 10d Tax effects on other comprehensive income

in CHF 1,000	Amount before tax	Tax yield / tax expenses	31.12.2023 Amount net of tax
Changes in foreign-currency translation differences	-6,962	0	-6,962
Foreign-currency translation difference transferred to the income statement from shareholders' equity	0	0	0
Changes in value of FVTOCI financial instruments	2,724	-102	2,622
Actuarial gains/losses from defined-benefit pension plans	-8,783	1,078	-7,705
<b>Total comprehensive income in shareholders' equity</b>	<b>-13,021</b>	<b>976</b>	<b>-12,045</b>
			31.12.2022
Changes in foreign-currency translation differences	868	0	868
Foreign-currency translation difference transferred to the income statement from shareholders' equity	0	0	0
Changes in value of FVTOCI financial instruments	-6,268	98	-6,170
Actuarial gains/losses from defined-benefit pension plans	9,523	-1,215	8,308
<b>Total comprehensive income in shareholders' equity</b>	<b>4,123</b>	<b>-1,117</b>	<b>3,006</b>

## 11 Earnings per share

	31.12.2023	31.12.2022
<b>Consolidated earnings per share of VP Bank Ltd, Vaduz</b>		
Group net income (in CHF 1,000) <sup>1</sup>	44,209	40,160
Weighted average of registered shares A issued	6,015,000	6,015,000
Weighted average of registered shares B issued	6,004,167	6,004,167
Less weighted average number of treasury shares A	432,185	467,581
Less weighted average number of treasury shares B	351,084	349,461
Weighted average number of registered shares A (undiluted)	5,582,815	5,547,419
Weighted average number of registered shares B (undiluted)	5,653,083	5,654,706
Total weighted average number of shares (registered shares A)	6,148,124	6,112,889
Undiluted consolidated earnings per registered share A	7.19	6.57
Undiluted consolidated earnings per registered share B	0.72	0.66
<b>Diluted consolidated earnings per share of VP Bank Ltd, Vaduz</b>		
Group net income (in CHF 1,000) <sup>1</sup>	44,209	40,160
Dilution effect number of registered shares A <sup>2</sup>	26,107	26,549
Number of shares used to compute the fully diluted consolidated net income	6,174,231	6,139,438
Diluted consolidated earnings per registered share A	7.16	6.54
Diluted consolidated earnings per registered share B	0.72	0.65

<sup>1</sup> Based on the group net income attributable to shareholders of VP Bank Ltd, Vaduz.

<sup>2</sup> The dilution effect results from outstanding management stock-ownership plans (Note 43).

## 12 Dividend

	2023	2022
<b>Approved and paid dividend of VP Bank Ltd, Vaduz</b>		
Dividend (in CHF 1,000) for the financial year 2022 (2021)	33,077	33,077
Dividend per registered share A	5.00	5.00
Dividend per registered share B	0.50	0.50
Payout ratio (in %)	76.1	60.0
<b>Proposed dividend to be approved by the annual general meeting of VP Bank Ltd, Vaduz (not reflected as a liability as of 31 December)</b>		
Dividend (in CHF 1,000) for the financial year 2023	33,077	
Dividend per registered share A	5.00	
Dividend per registered share B	0.50	
Payout ratio (in %) <sup>1</sup>	69.5	

<sup>1</sup> Dividend per registered share A / group net income per registered share A.

## 13 Cash and cash equivalents

in CHF 1,000	31.12.2023	31.12.2022
Cash on hand	19,508	30,474
At-sight balances with national and central banks	1,591,475	2,178,286
Expected credit loss	-24	-27
<b>Total cash and cash equivalents</b>	<b>1,610,959</b>	<b>2,208,733</b>

## 14 Receivables arising from money market papers

in CHF 1,000	31.12.2023	31.12.2022
Money market paper (qualifying for refinancing purposes)	170,902	197,004
Expected credit loss	-8	-11
<b>Total receivables arising from money market papers</b>	<b>170,894</b>	<b>196,993</b>

## 15 Due from banks and customers

in CHF 1,000	Note	31.12.2023	31.12.2022
<b>By type of exposure</b>			
Due from banks - at-sight balances		549,599	465,812
Due from banks - term balances		804,271	1,074,211
Valuation allowances for credit risks	16	-87	-94
<b>Due from banks</b>		<b>1,353,783</b>	<b>1,539,929</b>
Mortgage receivables		3,288,612	3,199,908
Other receivables		2,200,778	2,582,100
Valuation allowances for credit risks	16	-21,872	-23,097
<b>Due from customers</b>		<b>5,467,518</b>	<b>5,758,911</b>
<b>Total due from banks and customers</b>		<b>6,821,301</b>	<b>7,298,840</b>
<b>Due from customers by type of collateral</b>			
Mortgage collateral		3,305,469	3,193,705
Other collateral		1,911,437	2,146,092
Without collateral		272,484	442,211
<b>Subtotal</b>		<b>5,489,390</b>	<b>5,782,008</b>
Valuation allowances for credit risks		-21,872	-23,097
<b>Total due from customers</b>		<b>5,467,518</b>	<b>5,758,911</b>

## 16 Allowances for credit risk

The detailed information on credit risk is disclosed in the section "Risk management of VP Bank Group" (→ pages 138 et seq.).

## 17 Trading portfolios

in CHF 1,000	31.12.2023	31.12.2022
<b>Debt securities valued at fair value</b>		
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Equity securities / investment-fund units valued at fair value</b>		
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Other</b>	<b>213</b>	<b>172</b>
<b>Total trading portfolios</b>	<b>213</b>	<b>172</b>

## 18 Derivative financial instruments

31.12.2023 in CHF 1,000	Positive replacement values	Negative replacement values	Contract volumes
<b>Interest-rate instruments</b>			
Swaps	24	353	32,000
<b>Total interest-rate instruments 31.12.2023</b>	<b>24</b>	<b>353</b>	<b>32,000</b>
<b>Foreign currencies</b>			
Forward contracts	6,423	10,719	611,286
Combined interest-rate/currency swaps	13,882	71,148	3,551,399
Options (OTC)	20,588	20,612	959,641
<b>Total foreign currencies 31.12.2023</b>	<b>40,893</b>	<b>102,479</b>	<b>5,122,326</b>
<b>Equity securities/indices</b>			
Options (OTC)	491		567,374
Options (Exchange-traded)		904	3,197
<b>Total equity securities/indices 31.12.2023</b>	<b>491</b>	<b>904</b>	<b>570,571</b>
<b>Precious metals</b>			
Forward contracts	5	5	2,732
Options (OTC)	547	547	19,083
<b>Total precious metals 31.12.2023</b>	<b>552</b>	<b>552</b>	<b>21,815</b>
<b>Total derivative financial instruments 31.12.2023</b>	<b>41,960</b>	<b>104,288</b>	<b>5,746,712</b>

The fair value for derivative financial instruments without market value is determined using recognised models. These valuation models take account of the relevant parameters such as contract specifications, the market price of the underlying security, the yield curve and volatility.



## 18 Derivative financial instruments (continued)

31.12.2022 in CHF 1,000	Positive replacement values	Negative replacement values	Contract volumes
<b>Interest-rate instruments</b>			
Swaps	241	639	46,000
<b>Total interest-rate instruments 31.12.2022</b>	<b>241</b>	<b>639</b>	<b>46,000</b>
<b>Foreign currencies</b>			
Forward contracts	23,193	27,177	2,805,648
Combined interest-rate/currency swaps	16,556	43,056	4,246,778
Options (OTC)	14,810	14,809	985,828
<b>Total foreign currencies 31.12.2022</b>	<b>54,559</b>	<b>85,042</b>	<b>8,038,254</b>
<b>Equity securities/indices</b>			
Options (OTC)	1,042	1,042	68,968
Options (Exchange-traded)		157	3,215
<b>Total equity securities/indices 31.12.2022</b>	<b>1,042</b>	<b>1,199</b>	<b>72,183</b>
<b>Precious metals</b>			
Forward contracts	34	2	2,520
Options (OTC)	2,664	2,664	112,456
<b>Total precious metals 31.12.2022</b>	<b>2,698</b>	<b>2,666</b>	<b>114,976</b>
<b>Total derivative financial instruments 31.12.2022</b>	<b>58,540</b>	<b>89,546</b>	<b>8,271,413</b>

## 19 Financial instruments at fair value

in CHF 1,000	31.12.2023	31.12.2022
<b>Debt instruments</b>		
Exchange-listed	4,182	6,591
Non-exchange-listed	1	1
<b>Total</b>	<b>4,183</b>	<b>6,592</b>
<b>Equity shares / investment fund units</b>		
Exchange-listed	6,004	13,115
Non-exchange-listed	42,591	35,124
<b>Total</b>	<b>48,595</b>	<b>48,239</b>
<b>Equity shares, through other comprehensive income (FVTOCI)</b>		
Exchange-listed	127,074	121,587
Non-exchange-listed	2,341	3,122
<b>Total</b>	<b>129,415</b>	<b>124,709</b>
<b>Structured products</b>		
Exchange-listed	391	473
<b>Total</b>	<b>391</b>	<b>473</b>
<b>Total financial instruments at fair value</b>	<b>182,584</b>	<b>180,013</b>

The fair value of non-exchange-listed financial instruments is determined only on the basis of external traders' quotes or pricing models which are based on prices and interest rates in an observable, active and liquid market. Management is satisfied that the prices determined on the basis of these techniques represent the best value calculated at the date of the financial statements for the balance sheet as well as the valuation entries in the income statement that depend on them.

## 20 Financial instruments at amortised cost

in CHF 1,000	31.12.2023	31.12.2022
<b>Debt instruments</b>		
Exchange-listed	2,372,730	2,437,944
Expected credit loss	-1,047	-1,294
<b>Total financial instruments at amortised cost</b>	<b>2,371,683</b>	<b>2,436,650</b>

## 21 Joint venture

in CHF 1,000	2023	2022
<b>Balance at the beginning of the financial year</b>	<b>24</b>	<b>24</b>
Additions	-1	0
Value impairments	0	0
<b>Balance as of balance sheet date</b>	<b>23</b>	<b>24</b>

### Details of companies reflected in the consolidation using the equity method

Name	Registered office	Activity	Share capital	31.12.2023	Capital held in % 31.12.2022
Data Info Services AG	Vaduz	Procurement, trade and exchange of goods and services	CHF 50,000	50	50

## 22 Property and equipment

in CHF 1,000	Right of use assets <sup>1</sup>	Bank buildings	Other real estate	Furniture and equipment	IT systems	Total 2023
<b>Acquisition cost</b>						
Balance on 01.01.2023	38,375	197,617	3,177	22,314	22,905	284,387
Additions	6,210	653	189	1,642	1,038	9,732
Disposals/derecognitions <sup>2</sup>	-8,815	-115		-144	-12,844	-21,918
Foreign-currency translation	-612			-354	-62	-1,028
Other adjustments	-85					-85
<b>Balance on 31.12.2023</b>	<b>35,073</b>	<b>198,155</b>	<b>3,366</b>	<b>23,458</b>	<b>11,037</b>	<b>271,088</b>
<b>Accumulated depreciation and amortisation</b>						
Balance on 01.01.2023	-22,159	-142,783	-25	-16,315	-18,788	-200,069
Depreciation and amortisation	-5,241	-5,631	-6	-1,857	-2,269	-15,004
Valuation allowances	0					0
Disposals/derecognitions <sup>2</sup>	8,815	115		144	12,844	21,918
Foreign-currency translation	276			201	47	524
<b>Balance on 31.12.2023</b>	<b>-18,309</b>	<b>-148,299</b>	<b>-31</b>	<b>-17,827</b>	<b>-8,166</b>	<b>-192,631</b>
<b>Net book values on 31.12.2023</b>	<b>16,764</b>	<b>49,856</b>	<b>3,335</b>	<b>5,631</b>	<b>2,871</b>	<b>78,457</b>

<sup>1</sup> Total in accordance with the table below.

<sup>2</sup> Includes derecognitions of fully depreciated property, plant and equipment.

### Right of use assets

in CHF 1,000	Buildings and premises	Motor vehicles	Total 2023
<b>Acquisition cost</b>			
Balance on 01.01.2023	36,461	1,914	38,375
Additions	6,007	203	6,210
Disposals/derecognitions	-8,728	-87	-8,815
Foreign-currency translation	-604	-8	-612
Other adjustments	0	-85	-85
<b>Balance on 31.12.2023</b>	<b>33,136</b>	<b>1,937</b>	<b>35,073</b>
<b>Accumulated depreciation and amortisation</b>			
Balance on 01.01.2023	-20,913	-1,246	-22,159
Depreciation and amortisation	-4,922	-319	-5,241
Valuation allowances	0	0	0
Disposals/derecognitions	8,728	87	8,815
Foreign-currency translation	276	0	276
<b>Balance on 31.12.2023</b>	<b>-16,831</b>	<b>-1,478</b>	<b>-18,309</b>
<b>Net book values on 31.12.2023</b>	<b>16,305</b>	<b>459</b>	<b>16,764</b>

## 22 Property and equipment (continued)

in CHF 1,000	Right of use assets <sup>1</sup>	Bank buildings	Other real estate	Furniture and equipment	IT systems	Total 2022
<b>Acquisition cost</b>						
Balance on 01.01.2022	38,205	196,559	2,899	22,568	26,349	286,579
Additions	470	1,058	278	145	3,037	4,988
Disposals/derecognitions <sup>2</sup>	-145			-440	-6,489	-7,074
Foreign-currency translation	77			41	8	126
Other adjustments	-232					-232
<b>Balance on 31.12.2022</b>	<b>38,375</b>	<b>197,617</b>	<b>3,177</b>	<b>22,314</b>	<b>22,905</b>	<b>284,387</b>
<b>Accumulated depreciation and amortisation</b>						
Balance on 01.01.2022	-16,820	-137,652	-16	-15,151	-21,749	-191,387
Depreciation and amortisation	-5,507	-5,131	-9	-1,561	-3,520	-15,728
Valuation allowances	0					0
Disposals/derecognitions <sup>2</sup>	145			440	6,489	7,074
Foreign-currency translation	23			-43	-8	-28
<b>Balance on 31.12.2022</b>	<b>-22,159</b>	<b>-142,783</b>	<b>-25</b>	<b>-16,315</b>	<b>-18,788</b>	<b>-200,069</b>
<b>Net book values on 31.12.2022</b>	<b>16,216</b>	<b>54,834</b>	<b>3,152</b>	<b>5,999</b>	<b>4,117</b>	<b>84,318</b>

<sup>1</sup> Total in accordance with the table below.

<sup>2</sup> Includes derecognitions of fully depreciated property, plant and equipment.

### Right of use assets

in CHF 1,000	Buildings and premises	Motor vehicles	Total 2022
<b>Acquisition cost</b>			
Balance on 01.01.2022	36,504	1,701	38,205
Additions	112	358	470
Disposals/derecognitions	0	-145	-145
Foreign-currency translation	77	0	77
Other adjustments	-232	0	-232
<b>Balance on 31.12.2022</b>	<b>36,461</b>	<b>1,914</b>	<b>38,375</b>
<b>Accumulated depreciation and amortisation</b>			
Balance on 01.01.2022	-15,781	-1,039	-16,820
Depreciation and amortisation	-5,155	-352	-5,507
Valuation allowances	0	0	0
Disposals/derecognitions	0	145	145
Foreign-currency translation	23	0	23
<b>Balance on 31.12.2022</b>	<b>-20,913</b>	<b>-1,246</b>	<b>-22,159</b>
<b>Net book values on 31.12.2022</b>	<b>15,548</b>	<b>668</b>	<b>16,216</b>

### Additional information regarding property and equipment

in CHF 1,000	2023	2022
Fire insurance value of real estate	167,565	157,075
Fire insurance value of other property and equipment	43,588	43,747
Fair value of other real estate	3,335	3,152

There is no property, plant and equipment from financial leasing.

## 23 Goodwill and other intangible assets

in CHF 1,000	Software	Customer relationships	Goodwill	Total
<b>Acquisition cost</b>				
Balance on 01.01.2023	235,803	56,720	53,670	346,193
Additions	18,625			18,625
Disposals/derecognitions	-17,938			-17,938
Foreign-currency translation	-395			-395
<b>Balance on 31.12.2023</b>	<b>236,095</b>	<b>56,720</b>	<b>53,670</b>	<b>346,485</b>
<b>Accumulated amortisation</b>				
Balance on 01.01.2023	-178,334	-41,905	-35,302	-255,541
Depreciation and amortisation	-26,470	-4,609		-31,079
Impairment				0
Disposals/derecognitions	17,938			17,938
Foreign-currency translation	383			383
<b>Balance on 31.12.2023</b>	<b>-186,483</b>	<b>-46,514</b>	<b>-35,302</b>	<b>-268,299</b>
<b>Net book values on 31.12.2023</b>	<b>49,612</b>	<b>10,206</b>	<b>18,368</b>	<b>78,186</b>
<b>in CHF 1,000</b>				
<b>Acquisition cost</b>				
Balance on 01.01.2022	228,687	56,720	53,670	339,077
Additions	31,780			31,780
Disposals/derecognitions	-24,729			-24,729
Foreign-currency translation	65			65
<b>Balance on 31.12.2022</b>	<b>235,803</b>	<b>56,720</b>	<b>53,670</b>	<b>346,193</b>
<b>Accumulated amortisation</b>				
Balance on 01.01.2022	-183,523	-36,144	-35,302	-254,969
Depreciation and amortisation	-19,480	-4,753		-24,233
Impairment		-1,008		-1,008
Disposals/derecognitions	24,729			24,729
Foreign-currency translation	-60			-60
<b>Balance on 31.12.2022</b>	<b>-178,334</b>	<b>-41,905</b>	<b>-35,302</b>	<b>-255,541</b>
<b>Net book values on 31.12.2022</b>	<b>57,469</b>	<b>14,815</b>	<b>18,368</b>	<b>90,652</b>

No other intangible assets with an indefinite useful life are capitalised in the consolidated balance sheet of VP Bank Group.

### Goodwill impairment test

The goodwill of CHF 18.4 million results from the existing goodwill of CHF 10.8 million from the acquisition of VP Bank (Luxembourg) SA in 2001, which is allocated to the cash-generating unit (CGU) VP Bank (Luxembourg) SA. This goodwill has not been amortised since 1 January 2005, but is subject to an annual impairment test. Since 2019, there has been further goodwill of CHF 6.8 million from the acquisition of the Luxembourg private banking activities of Catella Bank by VP Bank (Luxembourg) SA. Further goodwill of CHF 0.8 million was added in the 2021 financial year from the acquisition of the client business of Öhman Bank S.A., which has its registered office in Luxembourg. Both instances of goodwill are also allocated to the CGU VP Bank (Luxembourg) SA.

The determination of the realisable amount in connection with the impairment test in the 2023 financial year was based on the fair value (Level 3) less costs to sell. The carrying value of existing goodwill as well as intangible assets is tested using the market multiples method from comparable listed enterprises or from comparable transactions. The multiple used is the so-called goodwill multiple, which is defined as the ratio of the difference between the market capitalisation and the carrying value of equity capital to the existing assets under management and is used for the valuation of companies in the wealth management sector. The realisable amount exceeded the carrying value (posted equity capital plus carrying value of acquired intangible assets after deferred taxes plus carrying value of goodwill) of the CGU to such an extent that an impairment of goodwill could be considered unlikely. An additional calculation of the realisable amount, based on the value in use, as well as a sensitivity analysis was therefore waived.

## 24 Other assets

in CHF 1,000	31.12.2023	31.12.2022
Value-added taxes and other tax receivables	6,241	9,371
Prepaid retirement pension contributions	0	240
Settlement accounts	16,363	9,867
Miscellaneous other assets <sup>1</sup>	1,884	2,791
<b>Total other assets</b>	<b>24,488</b>	<b>22,269</b>

<sup>1</sup> Adjustment accounts, other miscellaneous assets.

## 25 Medium-term notes

in CHF 1,000	0-0.9999% Interest rate	1-1.9999% Interest rate	2-2.9999% Interest rate	3-3.9999% Interest rate	4-4.9999% Interest rate	Total
2024	3,571	426	866	0	0	4,862
2025	3,546	4,270	875	954	45	9,689
2026	12,808	1,854	46	9	0	14,718
2027	4,952	937	46	842	0	6,777
2028	938	4,396	200	0	0	5,534
2029	96	10,040	0	0	0	10,136
2030	142	30	0	0	0	172
2031	76	40	93	0	0	209
2032	117	790	-0	0	0	907
2033	0	0	0	0	0	0
<b>Total 31.12.2023</b>	<b>26,246</b>	<b>22,783</b>	<b>2,126</b>	<b>1,805</b>	<b>45</b>	<b>53,005</b>
<b>Total 31.12.2022</b>	<b>33,372</b>	<b>3,787</b>	<b>4,021</b>	<b>0</b>	<b>0</b>	<b>41,180</b>

The average payment of interest as at 31 December 2023 was 0.9 per cent (previous year: 0.5 per cent).

## 26 Debentures, VP Bank Ltd, Vaduz

Year of issue	ISIN	Interest rate in %	Currency	Maturity	in CHF 1,000		
					Nominal amount	Total 31.12.2023	Total 31.12.2022
2015	CH0262888941	0.875	CHF	07.10.2024	100,000	100,043	100,098
2019	CH0461238880	0.600	CHF	29.11.2029	155,000	154,985	154,983
<b>Total</b>					<b>255,000</b>	<b>255,028</b>	<b>255,081</b>

Issued debt instruments are recorded at fair value plus transaction costs upon initial recognition. Fair value corresponds to the consideration received. They are subsequently accounted for at amortised cost. In this connection, the market yield method (0.82 per cent bond 2024; 0.60 per cent bond 2029) is employed in order to amortise the difference between the issue price and redemption amount over the term of the debt instrument.

## 27 Other liabilities

in CHF 1,000	31.12.2023	31.12.2022
Value-added taxes and other tax receivables	8,314	15,197
Accrued retirement pension contributions	13,047	7,062
Other long-term employee benefits <sup>1</sup>	3,065	3,201
Settlement accounts	25,346	26,908
Miscellaneous other liabilities <sup>2</sup>	15,846	23,339
<b>Total other liabilities</b>	<b>65,618</b>	<b>75,707</b>

<sup>1</sup> Note 40.

<sup>2</sup> Adjustment accounts, other miscellaneous liabilities.

## 28 Provisions

in CHF 1,000	Default risk	Legal and litigation risks	Other provisions	Restructuring provisions	Total 2023
Carrying value at the beginning of the financial year	303	1,000	719	0	2,022
Utilisation in accordance with purpose		-93	-19		-112
New provisions charged to income statement	485	450	262		1,197
Provisions releases to income statement	-504		-152		-656
Reclassification		-1,000	1,000		0
Foreign-currency translation differences and other adjustments	-32		-40		-72
<b>Carrying value at the end of the financial year</b>	<b>252</b>	<b>357</b>	<b>1,770</b>	<b>0</b>	<b>2,379</b>
<b>Maturity of provisions</b>					
• within one year					2,155
• over one year					224

in CHF 1,000	Default risk	Legal and litigation risks	Other provisions	Restructuring provisions	Total 2022
Carrying value at the beginning of the financial year	148	0	977	0	1,125
Utilisation in accordance with purpose			-229		-229
New provisions charged to income statement	547	1,000	4		1,551
Provisions releases to income statement	-390		-27		-417
Foreign-currency translation differences and other adjustments	-2		-6		-8
<b>Carrying value at the end of the financial year</b>	<b>303</b>	<b>1,000</b>	<b>719</b>	<b>0</b>	<b>2,022</b>
<b>Maturity of provisions</b>					
• within one year					1,781
• over one year					241

## 29 Share capital

	31.12.2023		31.12.2022	
	No. of shares	Nominal CHF	No. of shares	Nominal CHF
Registered shares A of CHF 10.00 nominal value	6,015,000	60,150,000	6,015,000	60,150,000
Registered shares B of CHF 1.00 nominal value	6,004,167	6,004,167	6,004,167	6,004,167
<b>Total share capital</b>		<b>66,154,167</b>		<b>66,154,167</b>

All shares are fully paid up.

## 30 Treasury shares

	31.12.2023		31.12.2022	
	No. of shares	in CHF 1,000	No. of shares	in CHF 1,000
Registered shares A at the beginning of the financial year	454,784	47,763	488,934	51,350
Purchases	2	0	0	0
Sales	-38,171	-4,008	-34,150	-3,587
<b>Balance of registered shares A as of balance sheet date</b>	<b>416,615</b>	<b>43,755</b>	<b>454,784</b>	<b>47,763</b>
Registered shares B at the beginning of the financial year	350,769	5,457	348,869	5,440
Purchases	1,500	13	1,900	17
Sales	-100	-1	0	0
<b>Balance of registered shares B as of balance sheet date</b>	<b>352,169</b>	<b>5,469</b>	<b>350,769</b>	<b>5,457</b>

### 31 Assets pledged or assigned to secure own liabilities and assets subject to retention of title

in CHF 1,000	31.12.2023		31.12.2022	
	Market value	Actual liability	Market value	Actual liability
Securities	736,825	0	633,802	0
Money market papers	0	0	0	0
Other	4,032	1,911	1,778	0
<b>Total pledged assets</b>	<b>740,857</b>	<b>1,911</b>	<b>635,580</b>	<b>0</b>

The assets are pledged for repo limits with national and central banks, for stock exchange deposits and to secure the business activities of the foreign organisations in accordance with local legal requirements. Assets pledged or assigned as part of lending or repo transactions are not included in the above list. They are shown in the table "Lending transactions and repurchase agreements with securities" (Note 44).

### 32 Leasing

The Group rents various office and warehouse buildings, as well as vehicles. Rental agreements are usually concluded for fixed periods of two to eight years, but options to extend may be included.

#### Leases in the balance sheet

in CHF 1,000	31.12.2023	31.12.2022	Variance absolute	Variance in %
<b>Property and equipment</b>				
Right of use - buildings and premises	16,305	15,548	757	4.9
Right of use - motor vehicles	459	668	-209	-31.3
<b>Total assets</b>	<b>16,764</b>	<b>16,216</b>	<b>548</b>	<b>3.4</b>
Remaining duration of up to 1 year	4,884	5,544	-660	-11.9
Remaining duration of 1 to 5 years	13,550	15,125	-1,575	-10.4
Remaining duration of over 5 years	0	0	0	0.0
<b>Total lease liabilities</b>	<b>18,434</b>	<b>20,669</b>	<b>-2,235</b>	<b>-10.8</b>

#### Leases in the profit and loss statement

in CHF 1,000	2023	2022	Variance absolute	Variance in %
<b>Net interest income</b>				
Interest expense on lease liabilities	276	226	50	22.1
Expenses relating to leases of low-value assets	488	317	171	53.9
<b>Depreciation of property and equipment</b>				
Depreciation and impairment on right-of-use assets	5,241	5,507	-266	-4.8

### 33 Litigation

As part of its ordinary banking activities, VP Bank Group is involved in various legal proceedings. The legal and regulatory environment in which VP Bank Group operates involves significant litigation, compliance, reputational and other risks in connection with legal disputes and regulatory proceedings. The impact of these proceedings on the financial strength and/or profitability of VP Bank Group is dependent on the status of the proceedings and their outcome. VP Bank Group employs the relevant processes, reports and committees to monitor and manage these risks. It also establishes provisions for ongoing and threatened proceedings if the probability that such proceedings will entail a financial loss is judged to be greater than the probability of this not being the case. In isolated cases in which the amount cannot be reliably estimated, for instance because of the early stage or the complexity of the proceedings or other factors, no provision is established, but contingent liabilities may be created. The risks described below are not necessarily the only ones to which VP Bank Group is exposed. Additional risks which are presently unknown or risks and proceedings which are currently considered insignificant may equally impact the future course of business, operating results and the outlook of VP Bank Group.

In the case before the High Court of Justice in London, the court served a civil suit on VP Bank (Switzerland) Ltd at the beginning of 2020. VP Bank Ltd is also named as a defendant and was notified of the action in March 2020. The main defendant is a former governing body of a foreign pension fund. The latter is said to have acted unlawfully in its role by accepting distribution remunerations for investment funds. The action names more than 40 defendants, among them various other banks and individuals that processed payments or paid distribution remunerations. VP Bank Ltd and VP Bank (Switzerland) Ltd are accused of a violation of due diligence obligations. They are also accused of involvement in the processing of questionable third-party fees and commissions of at least USD 46 million, meaning they would have to assume non-contractual collective liability for the damages incurred. VP Bank Group is disputing the accusations and the place of jurisdiction. Two defendant banks in Switzerland successfully challenged the UK jurisdiction.

VP Bank Group considers the risk of outflow of funds to be small in the above cases, which is why no provision has been formed.

### 34 Balance sheet per currency

in CHF 1,000	CHF	USD	EUR	Other	Total 2023
<b>Assets</b>					
Cash and cash equivalents	1,343,392	497	263,143	3,927	1,610,959
Receivables arising from money market papers		66,821		104,073	170,894
Due from banks	250,015	434,353	193,655	475,760	1,353,783
Due from customers	4,125,394	591,137	503,352	247,635	5,467,518
Trading portfolios				213	213
Derivative financial instruments	18,852	4,484	4,315	14,309	41,960
Financial instruments at fair value	75,844	10,020	91,139	5,581	182,584
Financial instruments at amortised cost	609,983	941,790	790,597	29,313	2,371,683
Joint venture companies	23				23
Property and equipment	72,007	5,585		865	78,457
Intangible assets	78,021	165			78,186
Tax receivables			31		31
Deferred tax assets	11,823			9	11,832
Accrued liabilities and deferred items	30,730	14,003	10,709	1,840	57,282
Other assets	18,036	1,275	2,372	2,805	24,488
<b>Total assets 31.12.2023</b>	<b>6,634,120</b>	<b>2,070,130</b>	<b>1,859,313</b>	<b>886,330</b>	<b>11,449,893</b>
<b>Liabilities and shareholders' equity</b>					
Due to banks	225,805	12,703	34,533	20,202	293,243
Due to customers - savings and deposits	421,576		719		422,295
Due to customers - other liabilities	2,438,351	3,527,226	2,035,054	1,082,139	9,082,770
Derivative financial instruments	81,525	3,836	4,596	14,331	104,288
Medium-term notes	48,406	2,002	2,597	0	53,005
Debenture issues	255,028				255,028
Tax liabilities	4,461			963	5,424
Deferred tax liabilities	1,502				1,502
Accrued liabilities and deferred items	35,357	12,427	4,371	5,034	57,189
Other liabilities	35,605	19,142	9,744	1,127	65,618
Provisions	1,751	241	164	223	2,379
<b>Total liabilities</b>	<b>3,549,367</b>	<b>3,577,577</b>	<b>2,091,778</b>	<b>1,124,019</b>	<b>10,342,741</b>
<b>Total shareholders' equity</b>	<b>1,030,682</b>	<b>71,396</b>	<b>0</b>	<b>5,074</b>	<b>1,107,152</b>
<b>Total liabilities and shareholders' equity 31.12.2023</b>	<b>4,580,049</b>	<b>3,648,973</b>	<b>2,091,778</b>	<b>1,129,093</b>	<b>11,449,893</b>



## 34 Balance sheet per currency (continued)

in CHF 1,000	CHF	USD	EUR	Other	Total 2022
<b>Assets</b>					
Cash and cash equivalents	1,885,292	794	318,350	4,297	2,208,733
Receivables arising from money market papers	24,968	65,165	4,938	101,922	196,993
Due from banks	844,043	284,309	184,053	227,524	1,539,929
Due from customers	3,875,908	876,970	689,574	316,459	5,758,911
Trading portfolios				172	172
Derivative financial instruments	37,918	3,987	7,741	8,894	58,540
Financial instruments at fair value	69,178	14,737	90,352	5,746	180,013
Financial instruments at amortised cost	662,912	920,092	810,658	42,988	2,436,650
Joint venture companies	24				24
Property and equipment	81,599	1,001		1,718	84,318
Intangible assets	90,580	72			90,652
Tax receivables			230		230
Deferred tax assets	8,220			82	8,302
Accrued liabilities and deferred items	28,006	10,134	6,013	1,172	45,325
Other assets	11,813	1,286	7,028	2,142	22,269
<b>Total assets 31.12.2022</b>	<b>7,620,461</b>	<b>2,178,547</b>	<b>2,118,937</b>	<b>713,116</b>	<b>12,631,061</b>
<b>Liabilities and shareholders' equity</b>					
Due to banks	90,536	49,398	22,987	15,855	178,776
Due to customers - savings and deposits	502,492		830		503,322
Due to customers - other liabilities	2,699,348	3,848,793	2,554,681	1,227,518	10,330,340
Derivative financial instruments	70,315	2,513	8,326	8,392	89,546
Medium-term notes	36,355	2,950	1,875		41,180
Debenture issues	255,081				255,081
Tax liabilities	5,739			44	5,783
Deferred tax liabilities	1,301				1,301
Accrued liabilities and deferred items	33,910	5,938	1,890	4,140	45,878
Other liabilities	39,852	20,461	12,217	3,177	75,707
Provisions	1,298	288	195	241	2,022
<b>Total liabilities</b>	<b>3,736,227</b>	<b>3,930,341</b>	<b>2,603,001</b>	<b>1,259,367</b>	<b>11,528,936</b>
<b>Total shareholders' equity</b>	<b>1,028,633</b>	<b>63,957</b>	<b>0</b>	<b>9,535</b>	<b>1,102,125</b>
<b>Total liabilities and shareholders' equity 31.12.2022</b>	<b>4,764,860</b>	<b>3,994,298</b>	<b>2,603,001</b>	<b>1,268,902</b>	<b>12,631,061</b>

## 35 Maturity structure of assets and liabilities

in CHF 1,000	At sight	Callable	1 year	Due within 1 to 5 years	Over 5 years	Total 2023
<b>Assets</b>						
Cash and cash equivalents	1,609,048	1,911				1,610,959
Receivables arising from money market papers			170,894			170,894
Due from banks	549,599		783,144	21,040		1,353,783
Due from customers	185,477	107,804	3,944,842	895,634	333,761	5,467,518
Trading portfolios	213					213
Derivative financial instruments	41,960					41,960
Financial instruments at fair value	53,145				129,439	182,584
Financial instruments at amortised cost			371,860	1,380,553	619,270	2,371,683
Joint venture companies					23	23
Property and equipment	77,592			865		78,457
Intangible assets	78,186					78,186
Tax receivables	31					31
Deferred tax assets	486			11,346		11,832
Accrued liabilities and deferred items	57,282					57,282
Other assets	23,741	747				24,488
<b>Total assets 31.12.2023</b>	<b>2,676,760</b>	<b>110,462</b>	<b>5,270,740</b>	<b>2,309,438</b>	<b>1,082,493</b>	<b>11,449,893</b>

## 35 Maturity structure of assets and liabilities (continued)

in CHF 1,000	At sight	Callable	1 year	Due within 1 to 5 years	Over 5 years	Total 2023
<b>Liabilities</b>						
Due to banks	293,243					293,243
Due to customers - savings and deposits		422,295				422,295
Due to customers - other liabilities	4,086,816	2,435,511	2,559,665	778		9,082,770
Derivative financial instruments	104,288					104,288
Medium-term notes			4,862	36,719	11,424	53,005
Debenture issues				100,043	154,985	255,028
Tax liabilities	5,424					5,424
Deferred tax liabilities				1,502		1,502
Accrued liabilities and deferred items	57,189					57,189
Other liabilities	65,300		318			65,618
Provisions	2,155			224		2,379
<b>Total liabilities 31.12.2023</b>	<b>4,614,415</b>	<b>2,857,806</b>	<b>2,564,845</b>	<b>139,266</b>	<b>166,409</b>	<b>10,342,741</b>

in CHF 1,000	At sight	Callable	1 year	Due within 1 to 5 years	Over 5 years	Total 2022
<b>Assets</b>						
Cash and cash equivalents	2,208,733					2,208,733
Receivables arising from money market papers			196,993			196,993
Due from banks	465,812		1,074,117			1,539,929
Due from customers	225,202	110,932	4,239,659	782,029	401,089	5,758,911
Trading portfolios	172					172
Derivative financial instruments	58,540					58,540
Financial instruments at fair value	55,074				124,939	180,013
Financial instruments at amortised cost			304,976	1,485,466	646,208	2,436,650
Joint venture companies	24					24
Property and equipment					84,318	84,318
Intangible assets					90,652	90,652
Tax receivables	230					230
Deferred tax assets				8,302		8,302
Accrued liabilities and deferred items	45,325					45,325
Other assets	21,037	1,232				22,269
<b>Total assets 31.12.2022</b>	<b>3,080,149</b>	<b>112,164</b>	<b>5,815,745</b>	<b>2,275,797</b>	<b>1,347,206</b>	<b>12,631,061</b>

<b>Liabilities</b>						
Due to banks	178,776					178,776
Due to customers - savings and deposits		503,322				503,322
Due to customers - other liabilities	6,716,741	1,816,444	1,468,621	328,534		10,330,340
Derivative financial instruments	89,546					89,546
Medium-term notes			11,315	27,597	2,268	41,180
Debenture issues				100,098	154,983	255,081
Tax liabilities	5,783					5,783
Deferred tax liabilities				1,301		1,301
Accrued liabilities and deferred items	45,878					45,878
Other liabilities	74,819		888			75,707
Provisions	1,781			241		2,022
<b>Total liabilities 31.12.2022</b>	<b>7,113,324</b>	<b>2,319,766</b>	<b>1,480,824</b>	<b>457,771</b>	<b>157,251</b>	<b>11,528,936</b>

## 36 Classification of assets by country or groups of countries

	31.12.2023		31.12.2022	
	in CHF 1,000	Proportion in %	in CHF 1,000	Proportion in %
Liechtenstein and Switzerland	6,840,801	59.7	7,846,051	62.1
Rest of Europe	2,188,439	19.1	2,283,388	18.1
North America	902,365	7.9	753,538	6.0
Other countries	1,518,288	13.3	1,748,084	13.8
<b>Total assets</b>	<b>11,449,893</b>	<b>100.0</b>	<b>12,631,061</b>	<b>100.0</b>

The breakdown is based on the domicile principle of the counterparties. The diversified collateral mainly in connection with Lombard loans is not taken into account.

## 37 Financial instruments

### Fair value of financial instruments

The following table shows the fair values of financial instruments based on the valuation methods and assumptions set out below. This table is presented because not all financial instruments are disclosed at their fair values in the consolidated financial statements. The fair value equates to the price at the date of measurement which could be realised from the sale of the asset, or which must be settled for the transfer of the liability, in an orderly transaction between market participants.

in CHF million	Carrying value 31.12.2023	Fair value 31.12.2023	Variance	Carrying value 31.12.2022	Fair value 31.12.2022	Variance
<b>Assets</b>						
Cash and cash equivalents	1,611	1,611	0	2,209	2,209	0
Receivables arising from money market papers	171	171	0	197	197	0
Due from banks	1,354	1,354	0	1,540	1,540	0
Due from customers	5,468	5,499	31	5,759	5,744	-15
Trading portfolios	0	0	0	0	0	0
Derivative financial instruments	42	42	0	59	59	0
Financial instruments at fair value	183	183	0	180	180	0
of which designated on initial recognition	0	0	0	0	0	0
of which mandatory under IFRS 9	53	53	0	55	55	0
of which recognised in other comprehensive income with no effect on net income	129	129	0	125	125	0
Financial instruments at amortised cost	2,372	2,290	-82	2,437	2,270	-167
<b>Subtotal</b>			<b>-51</b>			<b>-182</b>
<b>Liabilities</b>						
Due to banks	293	293	0	179	179	0
Due to customers	9,505	9,442	63	10,834	10,677	157
Derivative financial instruments	104	104	0	90	90	0
Medium-term notes	53	53	0	41	40	1
Debentures issued	255	243	12	255	230	25
<b>Subtotal</b>			<b>75</b>			<b>183</b>
<b>Total variance</b>			<b>24</b>			<b>1</b>

The following valuation methods are used to determine the fair value of on-balance-sheet financial instruments:

#### Cash and cash equivalents, money market papers

For the balance sheet items "Cash and cash equivalents" and "Receivables arising from money market papers", which do not have a published market value on a recognised stock exchange or on a representative market, the fair value corresponds to the amount payable at the balance sheet date.

#### Due from/to banks and customers, medium-term notes, bonds

In determining the fair value of amounts due from banks, due from customers (including mortgage receivables and due to customers in the form of savings and deposits), as well as of medium-term notes and bonds with a fixed maturity or a refinancing profile, the net present value method is applied (discounting of cash flows with swap rates corresponding to the respective term). For products whose interest or payment flows cannot be determined in advance, replicating portfolios are used.

#### Trading portfolios, trading portfolios pledged as security, financial instruments at fair value

Fair value corresponds to market value for the majority of these financial instruments. The fair value of non-exchange-listed financial instruments (in particular for structured credit notes) is determined only on the basis of external traders' quotes or pricing models which are based on prices and interest rates in an observable, active and liquid market.

#### Derivative financial instruments

For the majority of the positive and negative replacement values (see note 18), the fair value equates to the market value. The fair value for derivative instruments without market value is determined using uniform models. These valuation models take account of the relevant parameters such as contract specifications, the market price of the underlying security, the yield curve and volatility.

**Fair value hedges (hedging of interest-rate risk)**

in CHF 1,000 31.12.2023	Nominal value of hedging instruments	Book value of hedging instruments		Balance sheet position under which hedging instruments are disclosed
		Assets	Liabilities	
		Interest-rate swaps	32,000	
Change in value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period <sup>1</sup>				-577

<sup>1</sup> Ineffectiveness mainly results from variations in duration, such as due to different interest rates, interest payment dates or due dates of transactions.

in CHF 1,000 31.12.2022	Nominal value of hedging instruments	Book value of hedging instruments		Balance sheet position under which hedging instruments are disclosed
		Assets	Liabilities	
		Interest-rate swaps	32,000	
Change in value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period <sup>1</sup>				2,022

<sup>1</sup> Ineffectiveness mainly results from variations in duration, such as due to different interest rates, interest payment dates or due dates of transactions.

in CHF 1,000 31.12.2023	Book value of underlying transactions		Accumulated valuation adjustments, included in the book value of the underlying transactions		Balance sheet position under which underlying transactions are disclosed
	Assets	Liabilities	Assets	Liabilities	
	Client receivables	33,444	0	-356	
of which active hedge relationships	31,641	0	-359	0	Due from customers
of which closed hedge relationships (client receivables)	1,803	0	3	0	Due from customers

in CHF 1,000 31.12.2022	Book value of underlying transactions		Accumulated valuation adjustments, included in the book value of the underlying transactions		Balance sheet position under which underlying transactions are disclosed
	Assets	Liabilities	Assets	Liabilities	
	Client receivables	34,378	0	-995	
of which active hedge relationships	30,991	0	-1,009	0	Due from customers
of which closed hedge relationships (client receivables)	3,388	0	15	0	Due from customers

**Maturity of interest-rate swaps**

in CHF million	1 year	Due within 1 to 5 years	Over 5 years	Total 2023
	<b>Fair value hedges</b>			
Hedging of interest-rate risk				
Interest-rate swaps	10	22	0	32
<b>Fair value hedges</b>				
Hedging of interest-rate risk				
Interest-rate swaps	0	32	0	32

**Valuation methods for financial instruments**

The fair value of listed securities held in trading portfolios or as financial instruments, as well as that of listed derivatives and other financial instruments with quotes established in an active market, is determined on the basis of current market value (Level 1). Valuation methods or pricing models are used to determine the fair value of financial instruments if no direct market prices are available. If possible, the underlying assumptions are based on observed market prices or other market indicators as at the balance sheet date (Level 2). For most of the derivatives traded over the counter, as well as for other financial instruments that are not traded in an active market, fair value is determined by means of valuation methods or pricing models. Among the most frequently applied of those methods and models are discounted-cash-flow-based forward pricing and swap models, as well as options pricing models such as the Black-Scholes model or deriva-

tions thereof. The fair values arrived at on the basis of these methods and models are influenced to a significant degree by the choice of the specific valuation model and the underlying assumptions applied, for example the amounts and time sequence of future cash flows, discount rates, volatilities and/or credit risks.

If neither current market prices nor valuation methods/models based on observable market data can be drawn on for the purpose of determining fair value, then valuation methods or pricing models supported by realistic assumptions derived from actual market data are used (Level 3). Level 3 principally includes investment funds or items for which a reliable net asset value is not published at least on a quarterly basis. The fair value of these positions is, as a rule, computed on the basis of external estimates by experts in relation to the level of the future payout of the fund units, or equates to the acquisition cost of the securities less any applicable valuation haircuts.

**Valuation methods for financial instruments**

in CHF million at fair value	Quoted market prices, Level 1	Valuation methods based on market data, Level 2	Valuation methods with assumptions based on market data, Level 3	Total 31.12.2023
<b>Assets</b>				
Cash and cash equivalents	1,611			1,611
Receivables arising from money market papers	171			171
Due from banks		1,354		1,354
Due from customers		5,499		5,499
Trading portfolios	0			0
Derivative financial instruments		42		42
Financial instruments at fair value	129	49	4	183
Financial instruments at amortised cost	2,290			2,290
<b>Liabilities</b>				
Due to banks		293		293
Due to customers		9,442		9,442
Derivative financial instruments		104		104
Medium-term notes		53		53
Debentures issued	243			243

There were no reclassifications in the 2023 financial year. Level 3 decreased mainly due to current values.

in CHF million at fair value	Quoted market prices, Level 1	Valuation methods based on market data, Level 2	Valuation methods with assumptions based on market data, Level 3	Total 31.12.2022
<b>Assets</b>				
Cash and cash equivalents	2,209			2,209
Receivables arising from money market papers	197			197
Due from banks		1,540		1,540
Due from customers		5,744		5,744
Trading portfolios	0			0
Derivative financial instruments		59		59
Financial instruments at fair value	130	43	7	180
Financial instruments at amortised cost	2,270			2,270
<b>Liabilities</b>				
Due to banks		179		179
Due to customers		10,677		10,677
Derivative financial instruments		90		90
Medium-term notes		40		40
Debentures issued	230			230

Level 3 financial instruments in CHF million	2023	2022
<b>Balance sheet</b>		
Holdings at the beginning of the year	6.9	28.7
Investments	0.0	0.0
Disposals	-0.1	-21.8
Losses recognised in the income statement	-2.4	0.0
<b>Total book value at balance sheet date</b>	<b>4.4</b>	<b>6.9</b>
<b>Income on holdings at balance sheet date</b>		
Unrealised losses recognised in income from financial instruments	-2.4	0.0
Unrealised losses recognised as other comprehensive income	0.0	0.0
Unrealised gains recognised in income from financial instruments	0.0	0.0
Unrealised gains recognised as other comprehensive income	0.0	0.0

No deferred day 1 profit or loss (difference between the transaction price and the fair value calculated on the transaction day) was reported for Level 3 positions as of 31 December 2023 or 31 December 2022.

**Sensitivity of fair values of Level 3 financial instruments**

Changes in the net asset values of investment funds lead to corresponding changes in the fair values of these financial instruments. A realistic change in the basic assumptions or estimated values has no material impact on the statement of income, other comprehensive income or the shareholders' equity of VP Bank Group.

**Netting agreements**

In order to reduce the credit risks in connection with financial derivatives, repurchase and reverse agreements as well as securities lending and borrowing transactions, VP Bank Group enters into international offset agreements or similar arrangements (netting agreements) with its counterparties.

These include ISDA Master Netting Agreements, Global Master Securities Lending Agreements and Global Master Repurchasing Agreements. Using netting agreements, VP Bank Group can protect itself against losses arising from possible insolvency proceedings or other circumstances in which the counterparty is unable to meet its obligations. In such cases, netting agreements stipulate the immediate offset and/or settlement of all financial instruments falling under the related agreement. A right of offset, in principle, exists only whenever a default in payment or other circumstances occur which are not expected in the ordinary course of business. Financial instruments falling under a netting agreement do not meet the set-off requirements for balance sheet purposes, which is why the related financial instruments are not netted in the balance sheet.

**Netting agreements**

31.12.2023 in CHF 1,000	Balance sheet netting Amount prior to balance sheet netting	Balance sheet netting	Carrying value	Netting potential Financial liabilities	Collateral received	Assets after taking account of netting potential
<b>Financial assets</b>						
Reverse repurchase transactions			0			0
Positive replacement values	41,960		41,960	18,365		23,594
Collateral deposited for transactions with derivatives	49,342		49,342	44,177		5,165
<b>Total assets</b>	<b>91,302</b>	<b>0</b>	<b>91,302</b>	<b>62,542</b>	<b>0</b>	<b>28,759</b>

31.12.2023 in CHF 1,000	Balance sheet netting Amount prior to balance sheet netting	Balance sheet netting	Carrying value	Netting potential Financial assets	Collateral provided	Liabilities after taking account of netting potential
<b>Financial liabilities</b>						
Repurchase transactions			0			0
Negative replacement values	104,288		104,288	18,365	37,701	48,222
Collateral received from transactions with derivatives			0			0
<b>Total liabilities</b>	<b>104,288</b>	<b>0</b>	<b>104,288</b>	<b>18,365</b>	<b>37,701</b>	<b>48,222</b>

31.12.2022 in CHF 1,000	Balance sheet netting Amount prior to balance sheet netting	Balance sheet netting	Carrying value	Netting potential Financial assets	Collateral provided	Assets after taking account of netting potential
<b>Financial assets</b>						
Reverse repurchase transactions			0			0
Positive replacement values	58,540		58,540	39,594	150	18,796
Collateral deposited for transactions with derivatives	52,552		52,552	47,757		4,795
<b>Total assets</b>	<b>111,092</b>	<b>0</b>	<b>111,092</b>	<b>87,351</b>	<b>150</b>	<b>23,590</b>

31.12.2022 in CHF 1,000	Balance sheet netting Amount prior to balance sheet netting	Balance sheet netting	Carrying value	Netting potential Financial assets	Collateral provided	Liabilities after taking account of netting potential
<b>Financial liabilities</b>						
Repurchase transactions			0			0
Negative replacement values	89,546		89,546	39,594	41,659	8,292
Collateral received from transactions with derivatives	250		250	227		23
<b>Total liabilities</b>	<b>89,796</b>	<b>0</b>	<b>89,796</b>	<b>39,821</b>	<b>41,659</b>	<b>8,315</b>

### 38 Scope of consolidation

Company	Registered office	Base currency	Capital	Group share of equity
VP Bank Ltd	Vaduz	CHF	66,154,167	100%
VP Fund Solutions (Liechtenstein) AG	Vaduz	CHF	1,000,000	100%
VP Wealth Management (Hong Kong) Ltd	Hong Kong	HKD	43,000,000	100%
VP Bank (Luxembourg) SA	Luxembourg	CHF	20,000,000	100%
• which holds the following sub-participation:				
• VP Fund Solutions (Luxembourg) SA	Luxembourg	CHF	5,000,000	100%
VP Bank (Switzerland) Ltd	Zurich	CHF	20,000,000	100%
VP Bank (BVI) Ltd	Tortola	USD	10,000,000	100%
Shareholdings excluded from the scope of consolidation	none			
Joint venture companies excluded from the scope of consolidation	none			
Joint venture companies	Data Info Services AG, Vaduz			
Companies integrated during the financial year	none			
Shareholdings accounted for the first time in accordance with the equity method	none			
Asset transfer during the financial year	none			

### 39 Business transactions with related companies and persons

Related companies and persons include the Members of the Board of Directors and Group Executive Management as well as their close relatives and companies in which these persons either hold a majority interest or have a significant influence as a result of their role as a member of the Board of Directors and/or Executive Board.

in CHF 1,000	2023	2022
<b>Remuneration of the members of the Board of Directors<sup>1, 2</sup></b>		
Remuneration due in the short term	1,141	1,083
Share-based payment <sup>3</sup>	381	362
<b>Remuneration of the members of Group Executive Management<sup>2</sup></b>		
Remuneration due in the short term	4,005	3,726
Post-employment benefits	436	448
Other long-term remuneration due	176	383
Remuneration due upon termination of contract of employment	72	
Share-based payments <sup>4</sup>	986	765

<sup>1</sup> Social security contributions on the remuneration of the members of the Board of Directors are not included.

<sup>2</sup> Expense allowances are not included.

<sup>3</sup> The shares are not subject to a holding period (Notes 42 and 43).

<sup>4</sup> Performance and restricted shares with conditional rights to subscribe to VP Bank registered shares A.

VP Bank Group also remunerates related parties within the scope of customary intermediary services and purchased advisory services. Such compensation is in line with standard market conditions. The total amount of these remunerations and professional fees was CHF 0.6 million in 2023 (previous year: CHF 0.7 million). As at 31 December 2023, the Board of Directors, Group Executive Management, persons closely associated with them (excluding qualifying parties) as well as the pension funds held 39,205 registered shares A of VP Bank Ltd, Vaduz (previous year: 43,161 registered shares A).

Loans to related companies and persons developed as follows (from an effective date perspective):

in CHF 1,000	2023	2022
Mortgages and loans at the beginning of the financial year	0	0
Additions	0	0
Repayments	0	0
<b>Mortgages and loans at the end of the financial year</b>	<b>0</b>	<b>0</b>

Loans to members of the Board of Directors and of Group Executive Management developed as follows (from an effective date perspective):

in CHF 1,000	2023	2022
Mortgages and loans at the beginning of the financial year	5,519	4,365
Additions	1,500	1,154
Repayments	-2,135	0
<b>Mortgages and loans at the end of the financial year</b>	<b>4,884</b>	<b>5,519</b>

In principle, the same conditions apply to the Members of the Board of Directors and Group Executive Management as to all other employees. They correspond to the market conditions excluding a credit margin. Loans to related companies and persons are transacted at customary market conditions. A guarantee in the amount of CHF 53.923 million (previous year: CHF 57.269 million) was issued for a related person. The securing of the guarantee is significantly above the usual market requirements.

## 40 Retirement pension plans

### Benefits after termination of employment

The Group maintains a number of pension plans in the Principality of Liechtenstein and abroad for employees meeting the criteria for admission to the pension plans. Among these are both defined-benefit and defined-contribution plans which insure most employees against the effects of death, invalidity and retirement. In addition, there are schemes for service anniversaries which qualify as other long-term employee benefits.

### Defined-contribution pension plans

The Group offers defined-contribution pension plans to those employees who meet the appropriate admission criteria. The company is obligated to transfer a predetermined percentage of the annual salary to the pension plans. For certain plans, the employees are also obligated to make contributions. These contributions are typically deducted by the employer from the salary each month and also passed on to the pension plans. Apart from the payment of contributions and the transfer of employee contributions, there are presently no further obligations incumbent on the employer.

The employer contributions to contribution-defined pension plans for the 2023 financial year amounted to CHF 2.8 million (previous year: CHF 3.0 million).

### Defined-benefit pension plans

The Group finances defined-benefit pension plans for employees who meet the admission criteria. The most significant of such plans are located in the Principality of Liechtenstein and in Switzerland.

For employees in the Principality of Liechtenstein and Switzerland, the Group operates several pension plans with fixed, predefined admission criteria. The largest of the plans is operated using an autonomous foundation, the remaining plans are handled using collective foundations of insurance companies. In these foundations, the assets available to meet the pension obligations are segregated out.

For the pension plans which are operated using collective foundations, there are pension commissions which comprise an equal number of representatives. The Foundation Board of the autonomous pension plan is also made up of an equal number of employer and employee representatives. On the basis of the law and the rules of the pension fund, the Foundation Board is obligated to act solely in the interests of the Foundation and of the beneficiaries (current actively insured employees and pensioners).

Thus, in this plan, the employer cannot himself determine pension benefits and their financing, but resolutions are taken on an equal representation basis. The Foundation Board is responsible for setting the investment strategy, for changes to the rules of the pension fund and, in particular, also for determining how pension benefits are to be financed.

Retirement benefits in this plan are based upon the balance of accumulated capital savings. Annual savings credits and interest (no negative interest is possible) are added to the employee's capital savings account. Upon retirement, the insured person has the option between a lifetime pension which includes a reversionary spouse's pension, or the payment of a capital sum.

In addition to retirement benefits, employee benefits also include an invalidity pension, a partner pension and an orphan's pension. These are computed as a percentage of the insured annual salary. An insured person can also purchase additional benefits to improve his/her pension situation up to a maximum allowed under the pension rules. Upon termination of employment, the accumulated savings capital is transferred to the pension plan of the new employer or to a vested benefits scheme. This form of employment benefit can lead to a situation where pension payments may vary significantly between the various years.

The minimum provisions of the Law on Occupational Pension Plans (BPVG) or the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA) and their implementing provisions are to be observed in determining employee benefits. The minimum insurable salary and the minimum savings credits are laid down in the BPVG. The OPA includes more extensive stipulations.

As a result of the form of the pension plan and the legal provisions of the BPVG and OPA respectively, the employer is exposed to actuarial risks, the most significant of which are investment risk, interest rate risk, invalidity risk and longevity risk. The employee and employer contributions are laid down by the Foundation Boards. In this regard, the employer must bear, at a minimum, half of all contributions. In the event of a funding deficit, restructuring contributions to eliminate the funding deficit may be demanded both from the employer and employees.

The latest actuarial valuation of the current value of the defined-benefit obligations and service costs was carried out as of 31 December 2023 by independent actuaries using the projected unit credit method. The fair value of plan assets as of 31 December 2023 was determined based upon information available at the time of preparation of the annual financial statements.

The most significant assumptions underlying the actuarial computations may be summarised as follows:

	31.12.2023	31.12.2022
Discount rate	1.52%	2.25%
Rate of future salary increases	1.75%	1.75%
Rate of future pension increases	0.00%	0.00%
Lump sum payments at retirement	40.00%	37.50%
Actuarial fundamentals	BVG 2020 generation-tables	BVG 2020 generation-tables
Life expectancy at the age of 65, in years		
Year of birth	1958	1957
men	22.82	22.70
women	24.59	24.48
Year of birth	1978	1977
men	25.07	24.97
women	26.58	26.49



The amounts recognised in the income statement and in equity capital can be summarised as follows:

### Pension costs

in CHF 1,000	2023	2022
<b>Pension expenses recognised in income statement</b>		
Service cost		
• current service cost	9,209	11,708
• past service cost incl. effects from curtailments	-1,030	0
• plan settlements	0	0
Net interest expenses	-52	20
Administrative costs	240	234
<b>Total pension cost expenses of the period</b>	<b>8,367</b>	<b>11,962</b>
<b>Revaluation components recognised in comprehensive income</b>		
Actuarial gains/losses		
Result of changes to demographic assumptions	-104	0
Result of changes to financial assumptions	21,483	-69,182
Experience adjustments	-1,974	7,526
Return on plan assets (excluding amounts in net interest expenses)	-8,253	49,816
Changes in asset ceiling	-2,369	2,317
<b>Total expenses recognised in comprehensive income</b>	<b>8,783</b>	<b>-9,523</b>
<b>Total pension cost</b>	<b>17,150</b>	<b>2,439</b>

The development of the pension liabilities and pension assets can be summarised as follows:

### Movement in present value of defined-benefit obligations

in CHF 1,000	2023	2022
Present value of defined-benefit obligations at the beginning of the financial year	321,810	375,873
Current service cost	9,209	11,708
Employee contributions	7,348	6,908
Interest expenses on present value of pension obligations	7,144	1,110
Actuarial gains/losses	19,405	-61,656
(Gains)/losses from curtailment	0	0
Transfer of assets through compensation	-1,030	0
Transition pension plan	0	18
Plan settlement	0	0
Pension payments financed by plan assets	-8,576	-12,151
<b>Balance at the end of the financial year</b>	<b>355,310</b>	<b>321,810</b>

### Movement in plan assets

in CHF 1,000	2023	2022
Plan assets at the beginning of the financial year	317,305	360,775
Employee contributions	7,348	6,908
Employer contributions	10,925	10,733
Interest income on plan assets	7,248	1,090
Return on plan assets (excluding amounts under interest income)	8,253	-49,816
Acquisitions	0	0
Transfer of assets through compensation	0	0
Pension payments financed by plan assets	-8,576	-12,151
Administrative costs	-240	-234
<b>Balance at the end of the financial year</b>	<b>342,263</b>	<b>317,305</b>

The employer contributions for 2022 include an extraordinary employer contribution of CHF 0.404 million.

The net position from pension liabilities recognised in the balance sheet can be summarised as follows:

### Net position of pension obligations recognised in balance sheet

in CHF 1,000	31.12.2023	31.12.2022
Present value of pension obligations financed through a fund	355,310	321,810
Market value of plan assets	-342,263	-317,305
<b>Lack / excess of funding</b>	<b>13,047</b>	<b>4,505</b>
Present value of pension obligations not financed through a fund	0	0
Unrecognised assets	0	2,317
<b>Active deferral of pension costs</b>	<b>0</b>	<b>240</b>
<b>Recognised pension obligations</b>	<b>13,047</b>	<b>7,062</b>

In the case of the autonomous pension plan, the Foundation Council issues investment guidelines for the investment of the plan's assets which contain the tactical asset allocation and the benchmarks for comparing the results with those of the general investment universe. The plan assets are well diversified and, in addition, the legal provisions of the BPVG are to be observed. In the case of collective foundations, the Foundation's Board of Trustees of the collective foundation issues the investment guidelines. The Foundation's Board of Trustees reviews on an ongoing basis whether the investment strategy chosen is appropriate to cover the pension benefits and whether the risk budget corresponds to the demographic structure. Compliance with investment guidelines and the investment performance of investment advisors are also subject to ongoing review.

Plan assets primarily consist of the following categories of securities:

in CHF 1,000	31.12.2023	31.12.2022
Equity shares	125,250	114,814
thereof quoted market prices (Level 1)	125,250	114,814
Bonds	128,470	115,562
thereof quoted market prices (Level 1)	128,470	115,562
Alternative financial investments	34,858	34,961
thereof quoted market prices (Level 1)	8,435	8,287
Real estate	26,708	25,021
thereof quoted market prices (Level 1)	15,085	13,561
Qualifying insurance papers	9,682	9,242
Cash equivalents	14,705	18,063
Other financial investments	2,590	-358
<b>Total</b>	<b>342,263</b>	<b>317,305</b>
· thereof quoted market prices (Level 1)	277,240	252,224

The pension funds hold shares in VP Bank Ltd, Vaduz, with a market value of CHF 1.4 million (previous year: CHF 1.4 million). In 2023, a loss of CHF 15.5 million was recorded on the assets (previous year: a gain of CHF -48.7 million). The expected employer contribution for 2024 amounts to CHF 11.2 million.

The defined benefit obligations are divided between active insured, vested leavers and pensioners as follows, resulting in the following term of the obligations:

in CHF 1,000	31.12.2023	31.12.2022
Current actively insured employees	263,191	236,002
Pensioners	92,119	85,808
<b>Total</b>	<b>355,310</b>	<b>321,810</b>

The term of obligations amount to approximately 13.1 years (previous year: 12.6 years).

Presented in the following table are the sensitivities for the most important factors in the computation of the current value of pension obligations. Due to the expected interest volatility in CHF, sensitivities are stated as 25 basis points. For the first time, sensitivities relating to lump sum payments at retirement are stated at 500 basis points. Sensitivities are shown for changes in life expectancy with +/- 1 year. In each case, only the assumption stated is changed, all other assumptions remaining unchanged.

### Changes in present value of defined-benefit obligations

in CHF 1,000	Variance	31.12.2023		31.12.2022	
		0.25%	-0.25%	0.25%	-0.25%
Discount rate		-10,195	10,748	-8,663	9,433
Interest on pension capital accounts		2,638	-2,580	2,337	-2,276
Rate of future salary increases		1,237	-1,263	1,098	-1,107
Pension indexation (pensions cannot be reduced)		6,349	0	5,422	0
Variance		5.00%	-5.00%	5.00%	-5.00%
Lump sum payments at retirement		-1,097	1,096	-295	293
Variance		+1 year	-1 year	+1 year	-1 year
Life expectancy		6,601	-6,650	5,424	-5,447

### Other employee benefits payable in the long term

in CHF 1,000	2023	2022
Balance at the beginning of the financial year	3,201	3,444
Expenses financial year	277	119
Acquisitions	0	0
Employee payments	-410	-364
Exchange differences	-3	2
<b>Balance at the end of the financial year</b>	<b>3,065</b>	<b>3,201</b>

Other employee benefits payable in the long term exist in the form of long service awards. Analogously to the defined-benefit pension plans, actuarial calculations have been performed and accrued expenses have been recognised for these benefits. The Group introduced a uniform regulation for the calculation of benefits from long service awards for most Group employees. For some employees abroad, separate regulations apply. These regulations qualify as plans for other employee benefits payable in the long term.

### 41 Significant foreign exchange rates

The following exchange rates were used for the most important currencies:

	Year-end rates		Annual average rates	
	31.12.2023	31.12.2022	2023	2022
USD/CHF	0.8417	0.9252	0.89902	0.95513
EUR/CHF	0.9297	0.9874	0.97166	1.00462
SGD/CHF	0.6380	0.6898	0.66929	0.69242
HKD/CHF	0.1078	0.1185	0.11483	0.12197
GBP/CHF	1.0729	1.1129	1.11722	1.17895

### 42 Employee stock-ownership plan

The stock-ownership plan enables employees to subscribe annually to a defined number of bearer shares of VP Bank Ltd, Vaduz, at a preferential price subject to a three-year restriction on selling these shares. Upon expiration of the sales restriction period, or at the time of resignation from VP Bank Group, the related shares become freely available. As the employees are therefore ultimately able to take up the shares at any time and in full, the expense arising from the employee stock-ownership plans is recorded in full at the time of their respective allocation. Half of the number of registered shares A to be subscribed is based on length of service and is proportional to the amount of the annual fixed salary, whereby fixed salary components in excess of CHF 120,000 and variable salary components are not taken into account. The purchase price is determined annually in relation to the market value of the bearer shares on SIX Swiss Exchange (ex-dividend). The shares issued in this manner derive either from holdings of VP Bank Group or must be purchased for this purpose over the exchange. The expense thereby incurred is charged directly to personnel costs. A total of 19,433 shares (previous year: 16,827 shares) were subscribed at a preferential price in 2023. Share issue expenses in 2023 were CHF 0.9 million (previous year: CHF 0.8 million). There is no stock-ownership plan for the Board of Directors. Its members, however, receive a part of their compensation in the form of equity shares which are not subject to any lock-up period (note 39). A management stock-ownership plan exists for Group Executive Management and other key managers (note 43). VP Bank Ltd has defined lock-up periods for the Board of Directors, Group Executive Management and selected key managers and employees, during which it is prohibited to trade in the shares of VP Bank.

### 43 Management stock-ownership plan

A long-term and value-oriented compensation model is in place for Group Executive Management, the Executive Board and selected key managers. Details thereof can be found in the section "Compensation report" (→ page 111 et seq.).

Regardless of the actual cash flow, management stock-ownership plans are recognised in the financial year to which they economically belong. For deferred share and cash plans, the expense for the entire vesting period is estimated, updated and recognised pro rata temporis over this period in personnel expenses.

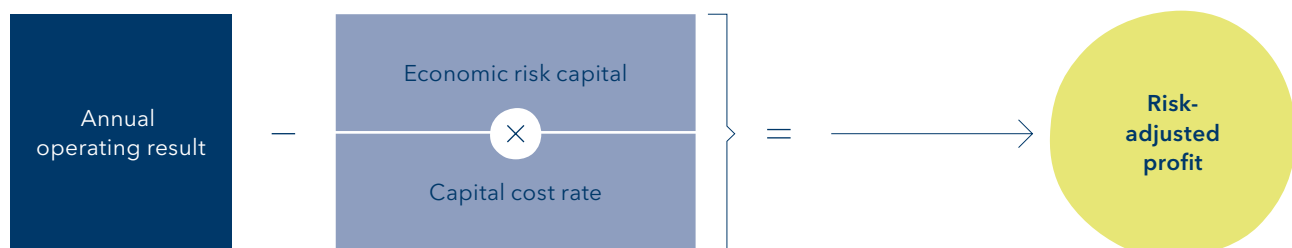
The total amount of variable compensation is determined within a range known as the "value share" and is based primarily on the net profit of VP Bank Group. The Board of Directors makes a facts-based assessment of the total amount of variable compensation and can adapt the amount. In times of adverse operating conditions, the overall amount of variable compensation is reduced accordingly and can even amount to zero. This takes into consideration the multi-annual, risk-adjusted profitability of VP Bank Group (see chart below), the sustainable level of profitability, capital costs and thus takes account of current and future risks.

The sum of provisions for variable compensation must be affordable in the aggregate. Never should VP Bank Group nor any individual Group subsidiary fall into financial difficulties as a result. The impact on the Group's equity situation is taken into consideration in this process.

In accordance with the model approved by the Board of Directors on 26 October 2023, the compensation payable to Group Executive Management consists of the following components:

1. A fixed base salary; this is contractually agreed between the Board of Directors and individual members. In addition to the base salary, VP Bank pays proportionate contributions to the management insurance scheme and the pension fund.
2. A Performance Share Plan (PSP); this is a long-term variable management equity-participation programme in the form of registered shares A of VP Bank Ltd and promotes long-term commitment in the form of equity

### Calculation of the risk-adjusted profit



#### 43 Management stock-ownership plan (continued)

shares. At the end of the five-year plan period and depending upon performance, 50 to 150 per cent of the allocated vested benefits are transferred in the form of equity shares. This vesting multiple is determined from the weighting of an average group net income and the average net new money over the first three years of the plan period. Once the equity shares have been transferred, they remain blocked for one year.

Until the time of transfer of ownership, the Board of Directors reserves the right to reduce or suspend the allocated vested benefits in the case of defined occurrences and in extraordinary situations. The share of the PSP makes up 50 per cent of total variable performance-related compensation.

3. A Cash Deferral Plan (CDP) is a long-term management participation in the form of cash distributions. The payout is distributed pro rata over five years.

Until the relevant time of transfer of payout, the Board of Directors reserves the right to reduce or suspend the allocated vested cash benefits in the case of defined occurrences and in extraordinary situations. The share of the cash deferral makes up 10 per cent of total variable performance-related compensation.

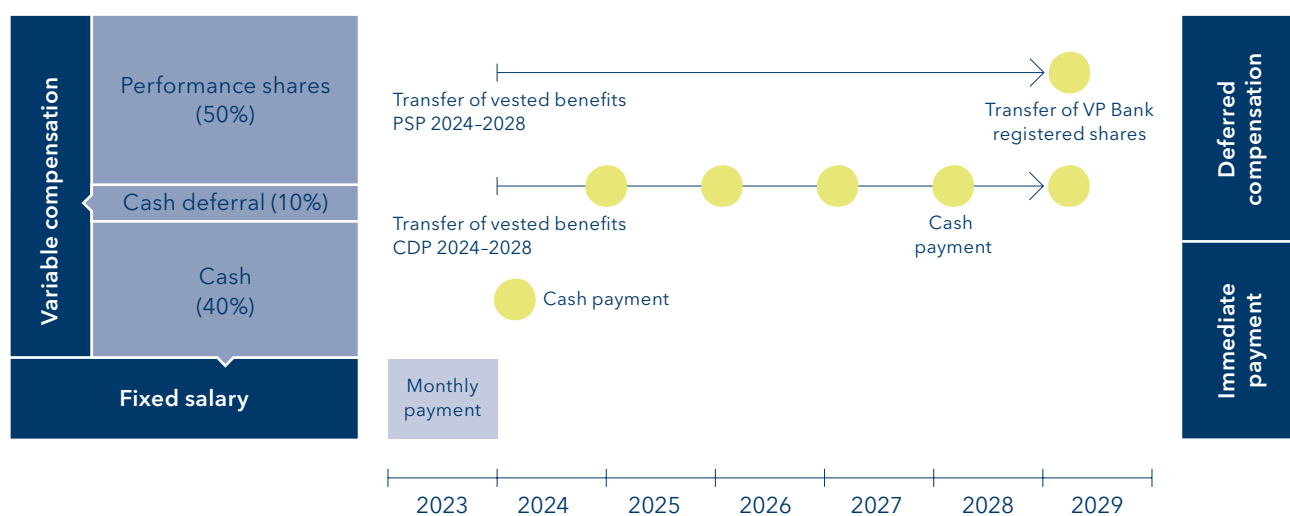
4. An immediate cash compensation (STI), the share of which amounts to 40 per cent of total variable performance-related compensation.

The Board of Directors determines the planning parameters of the variable profit-sharing (PSP, CDP, STI) and their amount annually. The target share of total compensation varies in accordance with function and market customs.

In order to comply with regulatory requirements, a Restricted Share Plan (RSP) may also be used in individual justified cases to implement special retention measures, to compensate for loss of benefits at previous employers or for any severance payments. The RSP will be paid out annually in fifths over a scheduled duration of five years in the form of registered shares A.

In the following table (management stock-ownership plan), in harmony with the compensation principles described above, all share plans operated at VP Bank are shown, and not just the share plans that affect key management.

#### Instruments of variable compensation



#### Management equity-sharing plan (LTI)

Number	2023	2022	Variance in %
Balance of entitlements at the beginning of the year	26,549	22,774	16.6
New entitlements	18,002	21,656	-16.9
Changes in entitlements as a result of allocation	-14,219	-12,505	13.7
Changes in entitlements as a result of expiration	-788	-3,019	-73.9
Changes in entitlements as a result of changes in factors	-3,437	-2,357	45.8
Balance of calculated entitlements at the end of the year	26,107	26,549	-1.7
in CHF 1,000	2023	2022	Variance in %
Personnel expenses recorded over vesting period for allocated management sharing plan	1,874	1,867	0.4
Fair value of management sharing plan at date of allocation	1,394	1,182	18.0
Personnel expenses for management sharing plan expenses for reporting period	1,326	1,897	-30.1
Accrual for management sharing plan in equity at the end of the year	2,631	3,180	-17.3

#### 44 Consolidated off-balance-sheet transactions

in CHF 1,000	31.12.2023	31.12.2022
<b>Contingent liabilities</b>		
Credit guarantees and similar	22,590	21,953
Performance guarantees and similar	87,917	90,948
Irrevocable commitments	0	0
Other contingent liabilities	0	0
<b>Total contingent liabilities</b>	<b>110,507</b>	<b>112,901</b>
<b>Credit risks</b>		
Irrevocable facilities granted	148,537	92,768
<b>Total credit risks</b>	<b>148,537</b>	<b>92,768</b>
<b>Fiduciary transactions</b>		
Fiduciary deposits <sup>1</sup>	678,216	653,665
<b>Total fiduciary transactions</b>	<b>678,216</b>	<b>653,665</b>
Exposure to credit risk on loan commitments and financial guarantee contracts	-252	-303

<sup>1</sup> Investments made by Group companies in their own name, but for the account and at the risk of clients, with banks outside the reporting entity.

#### Maturity structure

in CHF 1,000	At sight	1 year	Maturing within 1 to 5 years	Over 5 years	Total
<b>31.12.2023</b>					
Contingent liabilities	23,204	23,696	2,570	61,037	110,507
Credit risks	83	80,634	42,284	25,536	148,537
<b>31.12.2022</b>					
Contingent liabilities	21,328	27,329	3,399	60,845	112,901
Credit risks	35,147	25,772	6,816	25,033	92,768

#### Securities lending and repurchase and reverse-repurchase transactions

in CHF 1,000	31.12.2023	31.12.2022
Accounts receivable arising from cash deposits in connection with securities borrowing and reverse-repurchase transactions	0	0
Accounts payable arising from cash deposits in connection with securities borrowing and reverse-repurchase transactions	0	0
Securities lent out within the scope of securities lending or delivered as collateral within the scope of securities borrowing activities, as well as securities in own portfolio transferred within the framework of repurchase transactions	288,980	413,416
of which securities where the unlimited right to sell on or pledge has been granted	213,197	318,509
Securities received as collateral within the scope of securities lending or borrowed within the scope of securities borrowing activities, as well as received under reverse repurchase transactions, where the unlimited right to resell or repledge has been granted	290,890	426,289
of which securities which have been resold or repledged	75,783	94,907

These transactions are carried out at conditions that are customary for securities lending and borrowing activities as well as for transactions in which the Bank acts as an intermediary.

## 45 Client assets

in CHF million	31.12.2023	31.12.2022	Variance absolute	Variance in %
<b>Analysis of client assets under management</b>				
Assets in self-administered investment funds	10,181.7	9,987.0	194.7	1.9
Assets in discretionary asset management accounts	4,245.6	4,560.1	-314.5	-6.9
Other client assets under management	31,924.5	31,898.8	25.7	0.1
<b>Total client assets under management (including amounts counted twice)</b>	<b>46,351.9</b>	<b>46,445.9</b>	<b>-94.1</b>	<b>-0.2</b>
of which amounts counted twice	1,622.4	1,958.3	-335.9	-17.2
<b>Change of assets under management</b>				
Total client assets under management (including amounts counted twice) at the beginning of the financial year	46,445.9	51,276.6	-4,830.7	-9.4
of which net new money	27.3	1,050.4	-1,023.1	-97.4
of which change in market value	-116.3	-5,630.7	5,514.4	n.a.
of which other effects <sup>1</sup>	-5.1	-250.3	245.2	n.a.
<b>Total client assets under management (including amounts counted twice) as of balance sheet date</b>	<b>46,351.9</b>	<b>46,445.9</b>	<b>-94.1</b>	<b>-0.2</b>
<b>Custody assets</b>	<b>4,703.4</b>	<b>5,837.2</b>	<b>-1,133.8</b>	<b>-19.4</b>
<b>Total client assets</b>				
Total client assets under management (including amounts counted twice)	46,351.9	46,445.9	-94.1	-0.2
Custody assets	4,703.4	5,837.2	-1,133.8	-19.4
<b>Total client assets</b>	<b>51,055.3</b>	<b>52,283.2</b>	<b>-1,227.9</b>	<b>-2.3</b>
<b>Net new money</b>	<b>27.3</b>	<b>1,050.4</b>	<b>-1,023.1</b>	<b>-97.4</b>

<sup>1</sup> Includes assets of sanctioned Russian clients reclassified as custody assets.

### Calculation method

Client assets under management are all client assets managed or held for investment purposes for which investment consulting and wealth management services are provided. This generally includes all liabilities to clients, fiduciary time deposits and all valued portfolio holdings. The calculation is based on the provisions of the Liechtenstein Banking Ordinance (Annex 3, Section 88a, BankO) and the internal guidelines of VP Bank Group.

### Assets in self-administered funds

This item includes the assets of all managed and administered investment funds of VP Bank Group.

### Assets in discretionary asset management accounts

The calculation of assets in discretionary asset management accounts includes securities, book-entry securities, precious metals, fiduciary investments placed with third parties at market value as well as client deposits. The information includes assets deposited with Group companies as well as assets deposited with third parties for which Group companies have a management mandate.

### Other client assets under management

The calculation of other client assets under management includes securities, book-entry securities, precious metals, fiduciary investments placed with third parties at market value as well as client deposits. The information relates to assets for which an administrative or advisory mandate is exercised.

### Accounts counted twice

This position includes fund units from self-managed funds held in client securities accounts with a wealth management mandate and the other client securities accounts.

### Net new money inflow/outflow

This item consists of the acquisition of new clients, client departures and the inflow or outflow of client funds. Performance-related changes in assets such as price changes, interest and dividend payments as well as interest charged to clients are not considered inflows or outflows. Acquisitions and disposals are reported separately and do not represent an inflow or outflow in net new money. If the service provided changes and assets under management are therefore reclassified as custody assets or vice versa, this is recognised as an outflow or inflow in net new money. Excluded from this practice are, for example, regulatory blocking by the supervisory authorities. Such reclassifications are not recognised in net new money but in other effects.

### Custody assets

Assets held exclusively for transaction and safekeeping purposes for which VP Bank Group limits itself to safekeeping and encashment.