

# Segment reporting

## Structure

VP Bank Group modified its organisational structure as of 1 January 2023. The front-office units were split into the segments "Liechtenstein & BVI", "International" (Region Europe & Asia) and "Asset Servicing" owing to the range of services being offered and the market position. The support units remain grouped under "Corporate Center". External segment reporting reflects the organisational structure of VP Bank Group as of 30 June 2023 and the internal reporting to management. These form the basis for assessing the financial performance of the segments and the allocation of resources to them.

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

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

01.01.-30.06.2023

in CHF 1,000	Liechtenstein & BVI	International	Asset Servicing	Corporate Center	Total Group
Total net interest income	56,174	38,474	4,337	-26,896	72,089
Total net income from commission business and services	31,483	25,047	16,147	-2,909	69,768
Income from trading activities	7,710	7,307	1,368	22,280	38,665
Income from financial instruments	0	0	-5	5,315	5,310
Other income	1	1,192	2	1,258	2,453
<b>Total operating income</b>	<b>95,368</b>	<b>72,020</b>	<b>21,849</b>	<b>-952</b>	<b>188,285</b>
Personnel expenses	12,802	26,725	5,605	44,716	89,848
General and administrative expenses	1,024	5,590	2,745	31,554	40,913
Depreciation of property, equipment and intangible assets	1,788	3,981	292	16,192	22,253
Credit loss expenses	4,436	104	0	0	4,540
Provisions and losses	470	103	121	0	694
<b>Operating expenses</b>	<b>20,520</b>	<b>36,503</b>	<b>8,763</b>	<b>92,462</b>	<b>158,248</b>
<b>Earnings before income tax</b>	<b>74,848</b>	<b>35,517</b>	<b>13,086</b>	<b>-93,414</b>	<b>30,037</b>
Taxes on income					4,571
<b>Group net income</b>					<b>25,466</b>
Segment assets (in CHF million)	3,885	1,538	24	7,152	12,599
Segment liabilities (in CHF million)	5,725	3,298	723	1,754	11,500
Client assets under management (in CHF billion) <sup>1</sup>	19.1	15.3	12.9	0.0	47.2
Net new money (in CHF billion)	-0.1	-0.3	0.5	0.0	0.1
Headcount (number of employees)	155	285	87	536	1,063
Headcount (expressed as full-time equivalents)	138.0	271.7	80.4	494.5	984.6
Cost/income ratio strategy 2026 (in %) <sup>2</sup>	21.5	50.7	40.1		
Change in client assets under management compared to 31.12. prior year (in %)	-1.1	-1.2	10.0		
Total operating income / average client assets under management (bp) <sup>3</sup>	99.4	93.7	35.6		
Segment result / average client assets under management (bp) <sup>3</sup>	78.0	46.2	21.3		
Cost/income ratio operating income (in %) <sup>4</sup>	14.5	45.6	38.2		
<b>as of 31.12.2022</b>					
Segment assets (in CHF million)	4,066	1,656	37	6,872	12,631
Segment liabilities (in CHF million)	5,687	3,744	645	1,453	11,529
Client assets under management (in CHF billion) <sup>1</sup>	19.3	15.5	11.7	0.0	46.4
Net new money (in CHF billion)	-0.6	0.1	1.5	0.0	1.1
Headcount (number of employees)	174	278	72	487	1,011
Headcount (expressed as full-time equivalents)	154.4	264.5	66.8	449.3	935.0

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

<sup>2</sup> Total operating expenses / total operating income.

<sup>3</sup> Annualised, average values.

<sup>4</sup> Operating expenses excluding depreciation and amortisation, valuation allowances, provisions and losses / gross income less other income and income from financial instruments.

## 01.01.-30.06.2022

in CHF 1,000	Liechtenstein & BVI	International	Asset Servicing	Corporate Center	Total Group
Total net interest income	32,166	15,756	349	7,353	55,624
Total net income from commission business and services	35,271	26,213	14,161	-3,678	71,967
Income from trading activities	7,872	7,596	1,255	10,379	27,102
Income from financial instruments	0	0	-506	7,043	6,537
Other income	0	2,366	4	-2,099	271
<b>Total operating income</b>	<b>75,309</b>	<b>51,931</b>	<b>15,263</b>	<b>18,998</b>	<b>161,501</b>
Personnel expenses	12,901	28,069	4,598	39,840	85,408
General and administrative expenses	1,054	6,696	2,533	26,464	36,747
Depreciation of property, equipment and intangible assets	1,799	4,015	290	12,913	19,017
Credit loss expenses	-3,440	-351	0	-2	-3,793
Provisions and losses	650	140	222	0	1,012
<b>Operating expenses</b>	<b>12,964</b>	<b>38,569</b>	<b>7,643</b>	<b>79,215</b>	<b>138,391</b>
<b>Earnings before income tax</b>	<b>62,345</b>	<b>13,362</b>	<b>7,620</b>	<b>-60,217</b>	<b>23,110</b>
Taxes on income					1,783
<b>Group net income</b>					<b>21,327</b>
Segment assets (in CHF million)	3,930	1,937	28	7,732	13,627
Segment liabilities (in CHF million)	6,093	4,121	697	1,637	12,548
Client assets under management (in CHF billion) <sup>1</sup>	19.9	15.7	10.9	0.0	46.5
Net new money (in CHF billion)	-0.3	0.2	0.3	0.0	0.2
Headcount (number of employees)	154	293	74	490	1,011
Headcount (expressed as full-time equivalents)	137.7	277.3	69.7	450.6	935.3
Cost/income ratio strategy 2026 (in %) <sup>2</sup>	17.2	74.3	50.1		
Change in client assets under management compared to 31.12. prior year (in %)	-10.3	-10.5	-6.3		
Total operating income / average client assets under manage- ment (bp) <sup>3</sup>	71.7	62.6	27.1		
Segment result / average client assets under management (bp) <sup>3</sup>	59.4	16.1	13.5		
Cost/income ratio operating income (in %) <sup>4</sup>	14.5	70.1	45.2		

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

<sup>2</sup> Total operating expenses / total operating income.

<sup>3</sup> Annualised, average values.

<sup>4</sup> Operating expenses excluding depreciation and amortisation, valuation allowances, provisions and losses / gross income less other income and income from financial instruments.

## Liechtenstein & BVI

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

With CHF 19.1 billion in assets under management and operating income of CHF 95.4 million, the Liechtenstein & BVI region is VP Bank's largest segment.

## International

The "International" (Region Europe & Asia) business unit encompasses intermediary and private client business in Switzerland, Luxembourg, Singapore and Hong Kong. With CHF 15.3 billion in assets under management and operating income of CHF 72.0 million, the International region is VP Bank's second-largest segment.

## Asset Servicing

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

As of the end of June 2023, assets under management amounted to CHF 12.9 billion, and operating income stood at CHF 21.8 million. Asset Servicing offers a one-stop shop for fund business, because it is able to act as management company, fund administrator, transfer agent and custody agent.

## Corporate Center

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