

ART EXPERIENCE



SEMI-ANNUAL DISCLOSURE REPORT

As of June 2022



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ABOUT THE CONTENT

In 2021, the VP Bank Art Foundation celebrated its 25th year of existence. The Art Foundation is based on VP Bank's sustained commitment to culture. On the occasion of this anniversary, the wider public was given access to VP Bank Art Foundation's collection as part of an exhibition at the Kunstmuseum Liechtenstein in Vaduz. The annual report presents seven artists and the focus of their work.

You can find further information about the artists and the VP Bank Art Foundation in the online report available at report.vpbank.com and on our website.

THE COMPLETE ANNUAL REPORT IS ALSO AVAILABLE ONLINE AND CAN BE DOWNLOADED AS A PDF:



Annual report 2021
report.vpbank.com/en

VP Bank

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

Since its foundation in the year 1956, VP Bank has focused on asset management and investment consultancy for private individuals and financial intermediaries. As of June 30, 2022, 1011 employees manage client assets of CHF 51.9 billion.

VP Bank is listed on the SIX Swiss Exchange. Its financial strength has been given an "A" rating by Standard & Poor's. The shareholder base with three anchor shareholders ensures stability, independence and sustainability.

Basis and purpose of the disclosure

The Disclosure Report is based upon Part 8 of the Regulation (EU) No. 575/2013 CRR, which has been directly applicable in Liechtenstein with amendments of the Banking Act Liechtenstein (BankA) and the Banking Ordinance Liechtenstein (BankO) since 1 February 2015, in conjunction with Regulation (EU) 2019/876 (CRR II) Part 8 Articles 431 to 455 of the European Parliament and of the Council of May 20, 2019 amending Regulation (EU) No. 575/2013, which entered into force in Liechtenstein as of May 1, 2022. The disclosure requirements are supplemented by Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards.

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

Content and scope of application of the disclosure

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

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

Frequency and means of disclosure

A comprehensive disclosure report is drawn up annually and published as a separate document on the VP Bank homepage (www.vpbank.com). Supplementary information is provided in the annual report. Publications performed during the course of the year are set out in the interim report. A supplementary Disclosure Report is issued semi-annually and is also published on the VP Bank website.

Preparation and assessment of the disclosure

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

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

Changes compared to the disclosure report from 30.06.2021

Due to the national entry into force of CRR II on May 1, 2022, the scope of disclosure for the first half of 2022 is reduced compared to the previous year to the existing report EU OV1 overview of the total risk contributions and new EU KM1 key metrics.

KEY METRICS (ART. 438, 477 CRR)

KEY METRICS TEMPLATE (EU KM1)

Due to the national entry into force of CRR II as of May 1, 2022, the table EU KM1 - Key parameters according to Art. 438 b) and 447 a) to g) CRR will be disclosed for the first time as of June 30, 2022, which is why no comparison to values of the previous period is shown yet. Table EU KM1 shows an overview of the regulatory key parameters.

in CHF 1,000		30.06.2022
	AVAILABLE OWN FUNDS (AMOUNTS)	
1	Common Equity Tier 1 (CET1) capital	1,021,861
2	Tier 1 capital	1,021,861
3	Total capital	1,021,861
	RISK-WEIGHTED EXPOSURE AMOUNTS	
4	Total risk-weighted exposure amount	4,477,041
	CAPITAL RATIOS (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)	
5	Common Equity Tier 1 ratio (%)	22.8
6	Tier 1 ratio (%)	22.8
7	Total capital ratio (%)	22.8
	ADDITIONAL OWN FUNDS REQUIREMENTS BASED ON SREP (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)	
EU 7a	Additional CET1 SREP requirements (%)	1.5
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.8
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.1
EU 7d	Total SREP own funds requirements (%)	9.5
	COMBINED BUFFER REQUIREMENT (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)	
8	Capital conservation buffer (%)	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0
9	Institution specific countercyclical capital buffer (%)	0.0
EU 9a	Systemic risk buffer (%)	2.0
10	Global Systemically Important Institution buffer (%)	0.0
EU 10a	Other Systemically Important Institution buffer	2.0
11	Combined buffer requirement (%)	4.5
EU 11a	Overall capital requirements (%)	14.0
12	CET1 available after meeting the total SREP own funds requirements (%)	17.5
	LEVERAGE RATIO	
13	Leverage ratio total exposure measure	13,899,371
14	Leverage ratio	7.4
	ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF LEVERAGE RATIO TOTAL EXPOSURE AMOUNT)	
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0
EU 14c	Total SREP leverage ratio requirements (%)	3.0
	LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)	
EU 14d	Leverage ratio buffer requirement (%)	0.0
EU 14e	Overall leverage ratio requirements (%)	3.0
	LIQUIDITY COVERAGE RATIO	
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	3,947,494
16a	Cash outflows - Total weighted value	4,126,368
16b	Cash inflows - Total weighted value	2,548,891
16	Total net cash outflows (adjusted value)	1,577,477
17	Liquidity coverage ratio (%)	250.2
	NET STABLE FUNDING RATIO	
18	Total available stable funding	8,212,187
19	Total required stable funding	5,089,889
20	NSFR ratio (%)	161.3

CAPITAL REQUIREMENTS (ART. 438 CRR)

VP Bank calculates the equity requirement in accordance with the provisions of the CRR using the following approaches:

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

OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS (EU OV1)

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

in CHF 1,000		Risk weighted exposure amounts (RWEAs)		Total own funds requirements 30.06.2022
		30.06.2022	31.12.2021	
1	Credit risk (excluding CCR)	3,667,575	3,727,461	293,406
2	Of which the standardised approach	3,667,575	3,727,461	293,406
3	Of which the foundation IRB (FIRB) approach	n.a.	n.a.	n.a.
4	Of which: slotting approach	n.a.	n.a.	n.a.
EU 4a	Of which: equities under the simple riskweighted approach	n.a.	n.a.	n.a.
5	Of which the advanced IRB (AIRB) approach	n.a.	n.a.	n.a.
6	Counterparty credit risk - CCR	168,166	25,760	13,453
7	Of which the standardised approach	158,823	15,128	12,706
8	Of which internal model method (IMM)	n.a.	n.a.	n.a.
EU 8a	Of which exposures to a CCP	n.a.	n.a.	n.a.
EU 8b	Of credit valuation adjustment - CVA	9,343	10,631	747
9	Of which other CCR	n.a.	n.a.	n.a.
15	Settlement risk	0	0	0
16	Securitisation exposures in the non-trading book (after the cap)	0	0	0
17	Of which SEC-IRBA approach	n.a.	n.a.	n.a.
18	Of which SEC-ERBA (including IAA)	n.a.	n.a.	n.a.
19	Of which SEC-SA approach	n.a.	n.a.	n.a.
EU 19a	Of which 1,250% / deduction	n.a.	n.a.	n.a.
20	Position, foreign exchange and commodities risks (Market risk)	37,530	178,826	3,002
21	Of which the standardised approach	37,530	178,826	3,002
22	Of which IMA	n.a.	n.a.	n.a.
EU 22a	Large exposures	0	0	0
23	Operational risk	603,770	603,770	48,302
EU 23a	Of which basic indicator approach	603,770	603,770	48,302
EU 23b	Of which standardised approach	n.a.	n.a.	n.a.
EU 23c	Of which advanced measurement approach	n.a.	n.a.	n.a.
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	0	0	0
29	Total	4,477,041	4,535,817	358,163

IMPRINT

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

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