

Banking Relations Management · January 2024

Liechtenstein and VP Bank



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Liechtenstein

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Liechtenstein – a brief overview

- Capital: Vaduz
- Constitutional hereditary monarchy based on a democratic and parliamentary system
- 300 years Liechtenstein in 2019
- Population of around 39'300
- Approx. 41'300 jobs with a commuter rate of 56%
- Total area of 160 km²
- Borders to Switzerland and Austria
- Swiss Franc as official legal tender
- The Swiss National Bank serves as Liechtenstein's national bank
- Companies are listed on the SIX Swiss Exchange
- Approx. 45 Double Tax/Tax Information Exchange Agreements (DTA/TIEA)
- Strong international orientation and commitment
- Member of European Economic Area (EEA)
- Member of United Nations (UN)
- Part of World Trade Organisation (WTO)
- Member of Council of Europe
- Part of Organisation of Security and Cooperation in Europe (OSCE)
- Stable social, political, legal and economic system

Liechtenstein – National Economy (1/2)



- High diversification with over 5'000 companies
- Embedded in the European single market (free movement of goods, capital, services and labour)
- Mainly export oriented: A majority of the GDP comes from export of goods to France, USA, China, Switzerland, Germany and Austria
- “AAA” country rating awarded by Moody’s and S&Ps (confirmed 2022)
- Moneyval Assessment 2022 completed with very good result
- Strong industrial and financial services sector

Liechtenstein – National Economy (2/2)

- **Facts Industry:**

35% workforce, 641 companies

Main sub-sectors: Mechanical engineering, food products, vehicle construction, electrical engineering, dental technology

- **Facts General Services:**

48% workforce

Main sub-sectors: Public administration, trade, social services, education

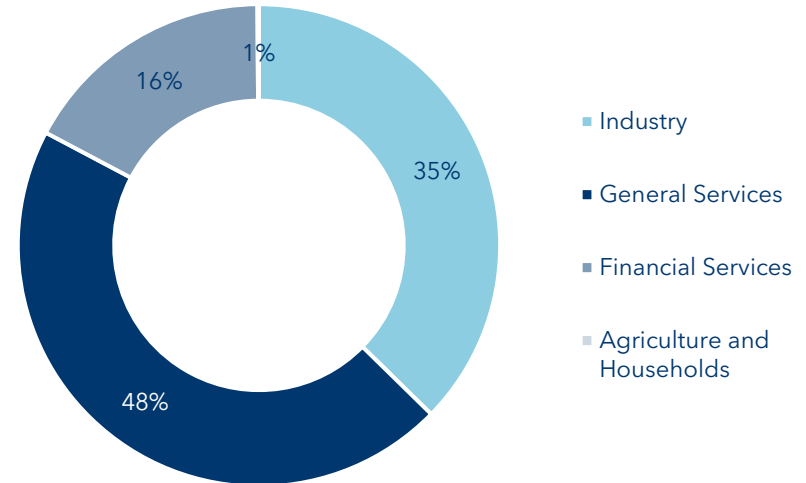
- **Facts Financial Services:**

16% workforce

Main sub-sectors: Banks, insurances, funds, fiduciaries, legal services and auditors

- **Facts Agriculture and Households:**

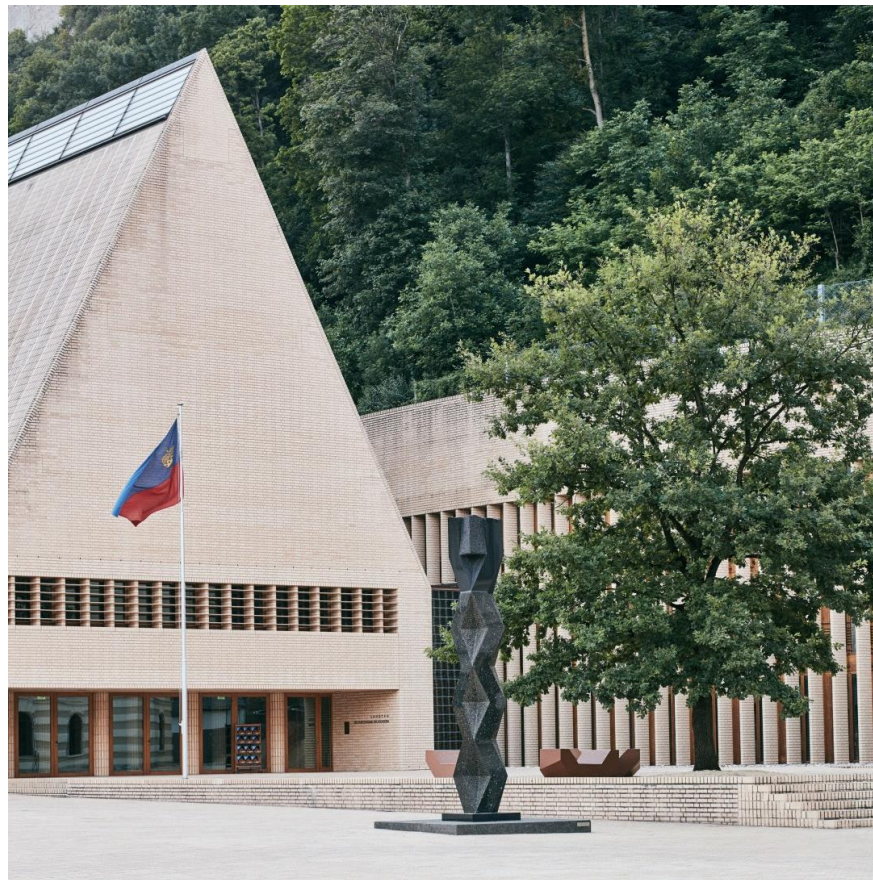
1% workforce



Liechtenstein – Financial Centre (1/2)

Financial services as second most important sector in Liechtenstein's economy – over 7'300 employees:

- EEA membership → full freedom to provide services throughout the European single market (Passporting, Anti-Money Laundering/Counter-Terrorism-provisions (AML/CTF), EU-supervision)
- Main financial services: Banking, asset management, funds, insurance, pension schemes, pension funds
- Liechtenstein Bankers Association joined as a member of the international network "Financial Centers for Sustainability" (FC4S) in April 2017



Liechtenstein – Financial Centre (2/2)

Strong banking sector with over 2'925 employees (2022):

11 licensed banks (FMA List 07.03.2023)

Traditional focus on private banking and wealth management

CHF 411.4 billion AuM, thereof CHF 187.2 billion Assets managed in Liechtenstein (2022)

21.3% average Tier 1 Capital Ratio strong capitalisation

Comprehensive deposit insurance system for client deposits

Banking centre with low country risk according to S&P's Banking Industry Country Risk Assessment (BICRA) - Risk Group 2

Blockchain & Co.: 22 companies registered for 48 services under the Token and VT Service Providers Act (TVTG)

Financial Regulatory Framework (1/2)

International Regulations

- Active member of MONEYVAL: Assessments in 2002, 2007, 2013/14, 2022 regarding Financial Action Task Force (FATF) 40+9 Recommendations high standards in combating Money Laundering/Financing of Terrorism (ML/FT) attested by IMF/MONEYVAL (joint assessments)
 - Basel Committee of Banking Supervision
 - Wolfsberg-Principles
 - Member of IOSCO (International Organization of Securities Commissions)
-

EU Regulations

- Member of the European Economic Area (EEA): all EU directives and regulations have to be transposed into domestic law Regulation
 - Basis of Liechtenstein financial services regulation
 - Liechtenstein credit and financial institutions have to comply with the same legal requirements and standards as any credit or financial institution established in a member state of the European Union (e.g. Basel IV, MAD/MAR, General Data Protection Regulation, MiFID II/MiFIR, AML-Regulation)
-

Financial Regulatory Framework (2/2)

Home Regulations & Supervision

AML/CTF-Regulation

- Primarily regulated via Law and Ordinance on Professional Due Diligence to combat Money Laundering, Organized Crime and Terrorist Financing
- 4th EU AML Directive as per 1.9.2017 fully implemented, 5th EU AML Directives as per 1.1.2021 planned

Home supervisor: Financial Market Authority Liechtenstein (FMA),

- Integrated part of the European System of Financial Supervision (e.g. ESA, ESRB and ECB)
- Responsible for prudential & AML/CFT-supervision of Liechtenstein financial market participants

Automatic Exchange of Information (AEOI) & FATCA

Clear Strategy of Tax Compliance

- Adoption of compliance with OECD standard on international cooperation in tax matters (2009)
- AIA early adopter (Common Reporting Standard/CRS implemented into national legislation 1/2016)
- FATCA Model 1-Agreement with the US* (first Exchange of Information/EOI under FATCA 9/2015)



VP Bank Group



VP Bank Group – Facts & Figures

- Founded in 1956
- Client AuM: CHF 46.4 billion
- Total client assets:
CHF 52.3 billion
- Tier 1 Ratio: 21.7%
- Headcount: 1011 (Group)
- "A-" rating from Standard & Poor's
(A-/Negative/A-2)
- "Risk Indicator 1" rating from Bisnode D&B
Schweiz AG
- ESG-Rating «AA» received from MSC



Locations and markets of VP Bank

Target markets Europe

Liechtenstein

Switzerland

Germany

Luxembourg

Denmark

Sweden

Norway

Target markets Asia

Singapore

Hong Kong

Indonesia

Malaysia

Thailand



- Wealth management companies and representative offices
- Locations with banking licence

VP Bank Group – shares and major shareholders

Registered shares A

VP Bank's registered shares A are listed and freely tradable on SIX Swiss Exchange.

Registered shares B

The registered shares B are not listed but are distributed amongst the population of Liechtenstein.

Anchor shareholders*	Proportion of voting rights	Proportion of equity capital
Stiftung Fürstl. Kommerzienrat Guido Feger, Vaduz	46.6%	23.0%
U.M.M. Hilti-Stiftung, Schaan	10.3%	9.7%
Marxer Stiftung für Bank- und Unternehmenswerte, Vaduz	6.3%	11.4%

VP Bank Board of Directors



STEPHAN ZIMMERMANN
Member of the
Board of Directors

DR IUR. BEAT GRAF
Member of the
Board of Directors

DR THOMAS R. MEIER
Chairman of the
Board of Directors

KATJA ROSENPLÄNTER-MARXER
Member of the
Board of Directors

LIC. IUR. URSULA LANG
Vice Chairwoman of the
Board of Directors

PHILIPP ELKUCH
Member of the
Board of Directors

DR MAURO PEDRAZZINI
Vice Chairman of the
Board of Directors

STEFAN AMSTAD
Member of the
Board of Directors

VP Bank Group Executive Management (GEM)



DR ROLF STEINER 1968
Head Group Products & Solutions

DR URS MONSTEIN 1962
Chief Operating Officer

DR MARA HARVEY 1971
Chief Executive Officer VP Bank (Switzerland) Ltd
and Head Region Europe

PATRICK BONT 1975
Chief Risk Officer

ADRIAN SCHNEIDER 1985
Head Region Liechtenstein & BVI

PAUL H. ARNI 1964
Group Chief Executive
Officer

ROGER BARMETTLER 1972
Chief Financial Officer

VP Bank – Core Strengths

Top-notch solutions

- Independent advisory services
- Top marks for the quality of our advice and services

Professional service

- Experienced, personal points of contact who can draw on the expertise of select specialists
- First-class e-banking and e-banking mobile

High security

- Excellent financial strength
- Anchor shareholders with a long-term focus

VP Bank – Core Competencies

Asset management

- Strategy Funds
- Fund Mandate
- Classic Mandate
- Special Mandate
- Portfolio Management-Enhanced Mandate

Investment advisory

- Market information and Macroeconomic analyses
- Product selection and investment recommendations
- Selection of third-party funds (best manager approach)
- Proactive support for clients interested in trading

Wealth planning

- Detailed analysis of your overall wealth situation
- Tailored investment solutions and financing facilities
- Exclusive services for family offices, entrepreneurs and wealthy individuals
- Professional advice on establishing funds from VP Fund Solutions
- Access to specialists

VP Bank – Client segments and structure of clientele

Private clients

We offer wealthy individuals and families personalised service that covers all aspects of financial advice and asset management

Commercial clients

The segment includes primarily corporate clients based in Liechtenstein and the eastern part of Switzerland. These clients turn to us for traditional banking problems.

Intermediaries

VP Bank has from the very beginning been an preferred partner for external asset managers, trustees and lawyers. We offer them all traditional banking services as well as fast, error-free transaction processing. We also provide advice in the area of asset structuring.

Retail und affluent clients

We offer these clients, who are located in Liechtenstein and the surrounding region, a complete range of traditional banking services. In addition, we provide seamless advice that covers everything from financial security to investment strategy.

AML/CFT Program

VP Bank is committed to **highest standards of Anti-Money Laundering (AML) and Anti-Financial Crime** including Anti-Bribery and Corruption, Counter Terrorism Financing (CFT), Tax Compliance, Anti-Fraud and other punishable criminal acts and **adheres to all applicable laws and regulations in all countries where the bank conducts business.**

VP Bank Group AML/CFT Program

- Ongoing risk analysis considering the bank's customers, products and services
- 3 line of defence model with independent (ongoing) internal audit
- Annual external audit testing (PWC)

Banking Relations Management (1/2)

- We are responsible for development and maintenance of counterparty relationships under involvement of specialist units for operational matters.
- We ensure communication with counterparties as a central contact.
- We monitor operational problems and conflicts and ensure escalations are reported at the appropriate level within VP Bank Group.



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Banking Relations Management (2/2)



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Thank you!

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