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**Financial Report 2025
of VP Bank Group**

Consolidated annual report of VP Bank Group

Consolidated results

VP Bank has achieved a significantly improved result within what is still a challenging environment, with net income increasing by 154.6 per cent to CHF 47.0 million. The measures launched in 2024 have been pursued and have contributed to the positive development.

Client assets

Client assets under management amounted to CHF 53.7 billion as of 31 December 2025, representing an increase of 5.8 per cent compared with the previous year. Both market development and the net new money contributed to this growth.

Despite the high share of USD, the market performance was 3.5 per cent. The net new money amounted to CHF 1.2 billion (+2.3 per cent). Business performance in Liechtenstein, as well as EAM business in Switzerland, was particularly pleasing.

Custody assets declined to CHF 4.7 billion (-17.5 per cent). The main reason for this was the continuous reduction in the exit book, which was reallocated to custody assets in 2024. Total client assets amounted to CHF 58.3 billion.

Income statement

Operating income

Despite a challenging interest environment and negative currency effects, operating revenues developed positively to reach CHF 337.3 million. Negative currency impacts were particularly noticeable in interest and commission business, as a large part of client funds are held in USD and the USD depreciated against the CHF by an average of 5.7 per cent over the year.

- Interest business: Net interest income declined by 5.4 per cent to CHF 144.5 million, mainly due to falling CHF interest rates.
- Commission business and services: This item increased by 3.3 per cent to CHF 141.6 million benefiting from higher client assets, the revised value proposition as well as increased client activity.
- Trading activities: Trading activities grew by 13.2 per cent to CHF 34.9 million, significantly driven by the increased client activity in foreign exchange trading.
- Financial investments: Income from financial investments amounted to CHF 11.3 million and consisted largely of dividend income.
- Other income: Other income also exceeded the previous-year level at CHF 4.9 million.

Operating expenses

Operating expenses fell by CHF 27.5 million to CHF 280.8 million in the wake of significant efficiency measures previously implemented in 2024.

- Personnel expenses: Personnel expenses declined to CHF 172.8 million (-5.7 per cent). This figure includes higher variable compensation reflecting the positive business performance. If these variable components are disregarded, personnel expenses fell by 9.6 per cent due also to a reduction of average FTEs by 6.1 per cent.
- General and administrative expenses: General and administrative expenses decreased by 9.2 per cent to CHF 77.7 million due to lower professional fees.
- Depreciation and amortisation: Depreciation and amortisation declined by CHF 7.8 million to CHF 29.2 million as individual items such as the Centrum Bank client base (annually CHF 3.4 million) expired as planned and new investments were lower.

Operating expenses for 2024 included restructuring costs of CHF 7.3 million as well as one-off contributions to pension funds totalling CHF 3.9 million. Adjusted for these items, operating expenses fell compared to the previous year by 5.5 per cent.

Balance sheet

Total assets increased slightly year-on-year by 0.4 per cent to CHF 10.7 billion.

Assets

Current assets amounted to CHF 2.3 billion. Of this figure, CHF 1.3 billion was invested with the Swiss central bank (SNB); a further CHF 0.9 billion was attributable to receivables from banks or money market instruments with terms of up to one year. Together, these items covered 26.1 per cent of client deposits.

Outstanding client loans amounted to CHF 5.9 billion, of which CHF 3.7 billion related to mortgage loans. Overall loan volume decreased slightly by 0.3 per cent: While mortgage loans declined by 1.8 per cent, other loans increased by 1.9 per cent.

Liabilities and shareholders' equity

Client deposits amounted to CHF 8.6 billion at the end of 2025 (-3.7 per cent). The decline can be accounted for among other things by shifts from current account balances to securities due to the interest rate environment.

Equity capital and liquidity

VP Bank Group continues to maintain a very solid capital and liquidity base. As of 31 December 2025, the CET1 respectively the tier 1 ratio was 26.1 per cent and the liquidity coverage ratio (LCR) was 180.4 per cent, both significantly higher than regulatory requirements.

Sustainability reporting

Information on non-financial topics can be found in the [Sustainability Statement 2025](#) of VP Bank Group.

Consolidated income statement

in CHF 1,000	Note	2025	2024	Variance absolute	Variance in %
Interest income from financial instruments at amortised cost		181,941	262,445	-80,504	-30.7
Other interest income ¹		95,212	94,382	830	0.9
Interest expense using the effective interest method		132,623	204,071	-71,448	-35.0
Total net interest income¹	1 / 32	144,530	152,756	-8,226	-5.4
Commission income		162,752	158,970	3,782	2.4
Commission expenses		21,111	21,881	-770	-3.5
Total net income from commission business and services	2	141,641	137,089	4,552	3.3
Income from trading activities ¹	3	34,930	30,859	4,071	13.2
Income from financial instruments	4	11,292	5,068	6,224	122.8
Other income	5	4,924	4,762	162	3.4
Total operating income		337,317	330,534	6,783	2.1
Personnel expenses	6	172,831	183,334	-10,503	-5.7
General and administrative expenses	7	77,714	85,548	-7,834	-9.2
Depreciation of property, equipment and intangible assets	8	29,177	36,958	-7,781	-21.1
Credit loss expenses	9	-167	724	-891	-123.1
Provisions and losses	9	1,253	1,702	-449	-26.4
Operating expenses		280,808	308,266	-27,458	-8.9
Earnings before income tax		56,509	22,268	34,241	153.8
Taxes on income	10a	9,490	3,797	5,693	149.9
Group net income		47,019	18,471	28,548	154.6
Share information					
Undiluted group net income per registered share A	11	7.55	2.98		
Undiluted group net income per registered share B	11	0.75	0.30		
Diluted group net income per registered share A	11	7.51	2.97		
Diluted group net income per registered share B	11	0.75	0.30		

¹ Changes to presentation (note 1, 3 and principles underlying financial statement reporting) and restatement of prior-year figures.

Consolidated statement of comprehensive income

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Group net income	47,019	18,471	28,548	154.6
Other comprehensive income, net of tax				
Other comprehensive income which will be transferred to the income statement upon realisation				
Changes in foreign-currency translation differences	-8,360	5,575	-13,935	-250.0
Foreign-currency translation difference transferred to the income statement from shareholders' equity	-1,113	0	-1,113	0.0
Total other comprehensive income which will be transferred to the income statement upon realisation	-9,473	5,575	-15,048	-269.9
Other comprehensive income which will not be transferred to the income statement				
Changes in value of FVTOCI financial instruments	28,080	11,013	17,067	155.0
Actuarial gains/losses from defined-benefit pension plans	17,124	2,308	14,816	n.a.
Tax effects (note 10d)	-2,320	-363	-1,957	n.a.
Total other comprehensive income which will not be transferred to the income statement	42,884	12,958	29,926	230.9
Total comprehensive income in shareholders' equity	33,411	18,533	14,878	80.3
Total comprehensive income in income statement and shareholders' equity	80,430	37,004	43,426	117.4

Consolidated balance sheet

Assets

in CHF 1,000	Note	31.12.2025	31.12.2024	Variance absolute	Variance in %
Cash and cash equivalents	13	1,348,156	905,199	442,957	48.9
Receivables arising from money market papers	14	157,414	171,749	-14,335	-8.3
Due from banks	15 / 16	746,621	850,681	-104,060	-12.2
Due from customers	15 / 16	5,925,720	5,941,252	-15,532	-0.3
Trading portfolios	17	578	372	206	55.4
Derivative financial instruments	18	24,910	86,848	-61,938	-71.3
Financial instruments at fair value	19	239,207	192,990	46,217	23.9
Financial instruments measured at amortised cost	20	2,027,972	2,227,254	-199,282	-8.9
Investment in associates and joint venture	21	6,460	22	6,438	n.a.
Property and equipment	22 / 32	57,497	66,509	-9,012	-13.6
Goodwill and other intangible assets	23 / 32	65,431	69,640	-4,209	-6.0
Tax receivables	10c	234	157	77	49.0
Deferred tax assets	10b	12,885	14,915	-2,030	-13.6
Accrued receivables and prepaid expenses		39,181	41,883	-2,702	-6.5
Other assets	24	24,907	66,126	-41,219	-62.3
Total assets		10,677,173	10,635,597	41,576	0.4

Liabilities and shareholders' equity

in CHF 1,000	Note	31.12.2025	31.12.2024	Variance absolute	Variance in %
Due to banks		517,014	176,852	340,162	192.3
Due to customers - savings and deposits		398,503	380,210	18,293	4.8
Due to customers - other liabilities		8,222,396	8,568,284	-345,888	-4.0
Derivative financial instruments	18	22,369	18,715	3,654	19.5
Medium-term notes	25	75,125	49,491	25,634	51.8
Debentures issued	26	154,989	154,987	2	0.0
Tax liabilities	10c	6,204	5,251	953	18.1
Deferred tax liabilities	10b	3,403	2,323	1,080	46.5
Accrued liabilities and deferred items		41,603	43,197	-1,594	-3.7
Other liabilities	27 / 32	57,698	112,552	-54,854	-48.7
Provisions	28	1,756	6,941	-5,185	-74.7
Total liabilities		9,501,060	9,518,803	-17,743	-0.2
Share capital	29	66,154	66,154	0	0.0
Less: treasury shares	30	-40,485	-44,909	4,424	9.9
Capital reserves		21,410	22,067	-657	-3.0
Retained earnings		1,166,973	1,144,832	22,141	1.9
Actuarial gains/losses from defined-benefit pension plans		-16,836	-31,630	14,794	46.8
Unrealised gains/losses on FVTOCI financial instruments		17,041	-11,049	28,090	254.2
Foreign-currency translation differences		-38,144	-28,671	-9,473	-33.0
Total shareholders' equity		1,176,113	1,116,794	59,319	5.3
Total liabilities and shareholders' equity		10,677,173	10,635,597	41,576	0.4

Consolidated changes in shareholders' equity

in CHF 1,000	Share capital	Treasury shares	Capital reserves	Retained earnings	Actuarial gains/losses from defined-benefit pension plans	Unrealised gains/losses on FVTOCI financial instruments	Foreign-currency translation differences	Total shareholders' equity
Total shareholders' equity 01.01.2025	66,154	-44,909	22,067	1,144,832	-31,630	-11,049	-28,671	1,116,794
Other comprehensive income, after income tax					14,794	28,090	-9,473	33,411
Group net income				47,019				47,019
Total reported result 31.12.2025	0	0	0	47,019	14,794	28,090	-9,473	80,430
Appropriation of profit 2024				-24,878				-24,878
Management equity participation plan			74					74
Movement in treasury shares ¹		4,424	-731					3,693
Total shareholders' equity 31.12.2025	66,154	-40,485	21,410	1,166,973	-16,836	17,041	-38,144	1,176,113
Total shareholders' equity 01.01.2024	66,154	-49,224	22,854	1,157,251	-33,502	-22,135	-34,246	1,107,152
Other comprehensive income, net of tax					1,872	11,086	5,575	18,533
Group net income				18,471				18,471
Total reported result 31.12.2024	0	0	0	18,471	1,872	11,086	5,575	37,004
Appropriation of profit 2023				-30,890				-30,890
Management equity participation plan			-360					-360
Movement in treasury shares ¹		4,315	-427					3,888
Total shareholders' equity 31.12.2024	66,154	-44,909	22,067	1,144,832	-31,630	-11,049	-28,671	1,116,794

¹ Details on transactions with treasury shares can be found in note 30.

Consolidated statement of cash flow

in CHF 1,000	Note	2025	2024
Cash flow from operating activities			
Group net income		47,019	18,471
Reconciliation to cash flow from operating activities			
Non-cash-related positions in Group results			
Depreciation of property, equipment and intangible assets	22 / 23	29,177	36,958
Creation/dissolution of retirement pension provisions		2,205	2,878
Creation/dissolution of other provisions and valuation allowances		-10,195	9,063
Non-cash-related income from capitalisation of assets		-3,005	-2,515
Unrealised gains on financial instruments measured at fair value		-1,448	2,011
Unrealised gains on financial instruments measured at amortised cost		0	0
Deferred income taxes		815	-2,625
Net increase/reduction in banking			
Amounts due from/to banks, net		666,121	232,064
Trading portfolios incl. replacement values, net		65,386	-130,621
Amounts due from/to clients		-162,491	-1,222,623
Accrued receivables and other assets		43,845	-26,366
Accrued liabilities and other liabilities		-29,540	43,662
Income taxes paid	10a	-7,661	-6,630
Used provisions and valuation allowances		-3,424	-1,566
Foreign-currency impact on intragroup transactions		-90,401	46,073
Net cash flow from operating activities		546,403	-1,001,766
Cash flow from investing activities			
Purchase of financial instruments measured at fair value		-34,970	-10,456
Proceeds from sale of/maturing financial instruments measured at fair value		16,019	7,579
Purchase of financial instruments measured at amortised cost		-548,403	-509,524
Proceeds from sale of/maturing financial instruments measured at amortised cost		623,698	750,629
Acquisition of property and equipment and intangible assets		-13,151	-12,635
Sale of property and equipment and intangible assets		0	0
Net cash flow from investing activities		43,193	225,593
Cash flow from financing activities			
Purchase of treasury shares	30	-8	-8
Sale of treasury shares		1,897	1,534
Payment of lease liabilities		-4,678	-4,832
Dividend distributions		-24,878	-30,890
Issuance of medium-term notes		36,817	1,192
Redemption of medium-term bonds		-10,948	-4,895
Redemption of debentures	26	0	-100,000
Net cash flow from financing activities		-1,798	-137,899
Foreign-currency translation impact		77,042	53,602
Net increase/reduction in cash and cash equivalents		664,840	-860,470
Cash and cash equivalents at the beginning of the financial year		1,300,112	2,160,582
Cash and cash equivalents at the end of the financial year		1,964,952	1,300,112
Net increase/reduction in cash and cash equivalents		664,840	-860,470
Cash and cash equivalents are represented by			
Cash and cash equivalents	13	1,348,174	905,218
Receivables arising from money market paper		0	0
Due from banks - at-sight balances	15	616,778	394,894
Total cash and cash equivalents		1,964,952	1,300,112

in CHF 1,000	Note	2025	2024
Consolidated statement of cash flow (summarised)			
Cash and cash equivalents at beginning of accounting period		1,300,112	2,160,582
Cash flow from operating activities		546,403	-1,001,766
Cash flow from investing activities		43,193	225,593
Cash flow from financing activities		-1,798	-137,899
Foreign-currency translation impact		77,042	53,602
Cash and cash equivalents at end of accounting period		1,964,952	1,300,112
Cash flow from operating activities from interest and dividends			
Interest paid		-138,449	-207,163
Interest received		282,403	311,290
Dividends received		10,493	9,160

At-sight balances due from banks bear interest at daily rates or are invested in interest-bearing short-term money market deposits for between one day and three months, depending upon the liquidity requirements of VP Bank Group. Interest rates are based upon equivalent market rates. The fair value of cash and cash equivalents amounts to CHF 1,965.0 million (previous year: CHF 1,300.1 million).

Reconciliation between cash flow from financing activities and the balance sheet items:

in CHF 1,000	Note	31.12.2025	31.12.2024	Variance absolute	Variance from cash flows	Changes in fair values	Effect of changes in foreign exchange rates	Additions right of use assets	Other variances
Medium-term notes	25	75,125	49,491	25,634	25,869	-235	0	0	0
Debentures issued	26	154,989	154,987	2	0	2	0	0	0
Lease liabilities	32	9,169	14,188	-5,019	-4,678	0	-786	419	26
Total variance				20,617	21,191	-233	-786	419	26

in CHF 1,000	Note	31.12.2024	31.12.2023	Variance absolute	Variance from cash flows	Changes in fair values	Effect of changes in foreign exchange rates	Additions right of use assets	Other variances
Medium-term notes	25	49,491	53,005	-3,514	-3,703	189	0	0	0
Debentures issued	26	154,987	255,028	-100,041	-100,000	-41	0	0	0
Lease liabilities	32	14,188	17,692	-3,504	-4,832	0	109	945	274
Total variance				-107,059	-108,535	148	109	945	274

Principles underlying financial statement reporting and notes

1. Fundamental principles underlying financial statement reporting

VP Bank Ltd, which has its registered office in Vaduz, Liechtenstein, was established in 1956 and is one of the three largest banks in Liechtenstein. Today, VP Bank Group owns subsidiary companies in Zurich, Luxembourg and the British Virgin Islands (BVI) and a branch in Singapore. As of 31 December 2025, VP Bank Group employed 922.3 persons, expressed as full-time equivalents (as of the end of the previous year: 945.4 persons).

Wealth management and investment advisory services for private and institutional investors, as well as lending, constitute VP Bank Group's core activities.

Values disclosed in the financial statements are expressed in thousands of Swiss francs. The 2025 financial statements were drawn up in accordance with the International Financial Reporting Standards applicable in the European Union (EU IFRS) and with Liechtenstein law.

Post-balance-sheet-date events

There were no post-balance-sheet-date events that materially affect the balance sheet and income statement for 2025.

The Board of Directors reviewed and approved the consolidated financial statements in its meeting of 27 February 2026. These consolidated financial statements will be submitted for approval to the annual general meeting of 24 April 2026.

Changes to the presentation

Starting in 2025, all forward components from foreign currency contracts are reported in net interest income. Previously, foreign currency contracts were also reported in income from trading activities. VP Bank Group's net interest income is now reported in its entirety in a single income statement item instead of being distributed across two income statement items. This provides more reliable and relevant information on business transactions for the users of the annual and semi-annual financial statements. The reclassification of the above foreign currency contracts resulted in an increase of CHF 50.5 million in other interest income in the prior-year period in 2024. Income from trading activities decreased by the same amount in the prior-year period in 2024. For the full 2025 financial year, the reclassification amounted to CHF 59.2 million. The reclassification has no impact on Group net income or earnings per share.

2. Assumptions and uncertainties in estimates

The Board of Directors is responsible for issuing accounting directives. The IFRS Accounting Standards® (hereinafter IFRS) contain provisions requiring the management of VP Bank Group to make assumptions and estimates in drawing up the consolidated financial statements. The significant accounting principles are described in this part to show how their application affects the reported income and expenses, assets and liabilities and disclosure of contingent liabilities. The assumptions and estimates are reviewed regularly and are based upon historical experience and other factors, including anticipated developments arising from probable future events. Actual future results may differ from these estimates.

Changes in estimates

No material changes in estimates were made or applied. Further remarks about estimates can be found in the corresponding tables in the notes (expected credit losses, goodwill, intangible assets, legal cases, provisions, share-based remuneration, income taxes, pension plans).

3. Summary of the main accounting policies

3.1 Consolidation policies

Fully consolidated companies

The consolidated financial statements encompass the financial statements of VP Bank Ltd, Vaduz, as well as those of its subsidiary companies, which are all presented as a single economic unit. Subsidiary companies which are directly or indirectly controlled by VP Bank Group are consolidated. Subsidiary companies are consolidated as of the date on which control is transferred and are deconsolidated as of the date control ends.

Method of capital consolidation

Capital consolidation is undertaken in accordance with the purchase method, whereby the shareholders' equity of the consolidated company is netted against the carrying value of the shareholding in the parent company as of the date of acquisition or the date of establishment.

After initial consolidation, changes arising from business activities, which are reflected in the current results of the accounting period in the consolidated financial statements, are allocated to income reserves. The effects of intra-group transactions are eliminated when the consolidated financial statements are drawn up.

3.2. General policies

Recognition and derecognition of financial assets and liabilities

VP Bank Group generally recognises financial assets and liabilities when it becomes a party to the contractual provisions of an instrument. VP Bank Group derecognises a transferred financial asset or part of a financial asset when the purchaser has obtained substantially all the risks and rewards of the asset or a significant part of the risks and rewards. A financial liability is derecognized when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires, or the liability is otherwise eligible for derecognition.

Revenue recognition

Revenues from services are recorded when the related service is rendered. Portfolio management fees, securities account fees and similar revenues are recorded on a pro-rata basis over the period during which the service is rendered. Interest is recorded in the period during which it accrues. Dividends are recorded as and when they are received.

Foreign-currency translation

Functional currency and reporting currency:

The consolidated financial statements are expressed in Swiss francs (CHF).

For the purpose of drawing up the consolidated financial statements, balance sheets of Group companies denominated in a foreign currency are translated into CHF at the year-end exchange rate. Average exchange rates for the reporting period are applied for the translation of items of the income statement, the statement of comprehensive income and the statement of cash flows. Foreign-currency translation differences resulting from exchange rate changes between the beginning and end of the year and the difference in annual results at average and closing exchange rates are recognised in other comprehensive income.

Domestic versus foreign

From January 1, 2025, due to changes in Liechtenstein regulations, only Liechtenstein will be considered "domestic." Until December 31, 2024, Switzerland was included.

3.3 Financial instruments

General

VP Bank Group subdivides the financial instruments, to which traditional financial assets and liabilities as well as equity instruments also belong, as follows:

- Financial instruments to be recorded via the income statement (“fair value through profit or loss” [FVTPL]) – “trading portfolios” and “financial instruments measured at fair value”
- Financial instruments measured at amortised cost
- Financial instruments at fair value, with changes in value and impairment losses recorded in the statement of other comprehensive income (“fair value through other comprehensive income” [FVTOCI])

The allocation of the financial instruments is made at the time of their initial recognition in accordance with the criteria of IFRS 9.

Trading portfolios

Financial assets held for trading purposes are measured at fair value. Short items in securities are disclosed as liabilities arising from trading portfolios. Realised and unrealised gains and losses are recorded in income from trading activities after deduction of related transaction costs. Interest and dividends from trading activities are recorded under trading income.

Fair values are based on quoted market prices if an active market exists. Should no active market exist, the fair value is determined by reference to traders’ quotes or external pricing models.

Financial instruments measured at amortised cost

Investments where the objective consists of holding the financial asset until maturity in order to realise the contractual payment flows therefrom and which are made up solely of interest as well as the redemption of parts of the nominal value are recognised at amortised cost using the effective interest method.

A financial asset recognised at amortised cost is subject to the process for credit loss expenses described below. If an impairment has occurred, the carrying value is reduced to the recoverable amount to be recognised in the income statement through the item “Credit loss expenses”.

Interest is recognised in the period when it accrues using the effective interest method and is reported in interest income under “Interest income from financial instruments measured at amortised cost”.

Financial instruments measured at fair value (FVTPL)

Financial instruments not meeting the aforementioned criteria are recognised at fair value. The ensuing gain/loss is reported in “Income from financial investments” under the item “Income from financial instruments measured at fair value”.

Insofar as the criteria of IFRS 9 are met, a financial instrument may be designated and recorded under this category upon initial recognition. Liquid equity instruments that are managed on a benchmark basis with a medium-term investment horizon are measured at fair value through profit or loss (FVTPL).

Interest and dividend income are recorded in “Income from financial investments” under the items “Interest income from FVTPL financial instruments” and “Dividend income from FVTPL financial instruments”.

Financial instruments at fair value with changes in value and impairment losses recorded in the statement of other comprehensive income (FVTOCI)

Investments in equity instruments are recognised in the balance sheet at fair value. Changes in value are recognised in the income statement, except in those cases for which VP Bank Group has decided that they are to be recognised at fair value through other comprehensive income (FVTOCI).

For illiquid equity instruments (private equity) as well as investments in high-dividend individual shares, the OCI option is applied, which results in measurement at fair value (FVTOCI). The focus of these investments is on long-term value generation.

Dividends are reported in “Income from financial investments” under the item “Dividends from FVTOCI financial instruments”.

Bank and client loans

At the time of their initial recognition, loans to banks and clients are measured at their effective cost, which corresponds to the fair value at the time the loans are granted. Subsequent measurement thereof is made at amortised cost, with the effective interest method being applied. Interest on non-overdue loans is accounted for using the accrual method and reported under interest income using the effective interest method.

The carrying value of receivables for which micro fair-value hedge accounting is applied is adjusted by the changes in fair value attributable to the hedged risk.

Credit loss expenses in accordance with IFRS 9 Impairment

Bases for modelling expected credit losses

According to IFRS 9 Financial Instruments, all items on the assets side that are subject to potential credit risk and are not already recognised at fair value through profit or loss are allocated to one of these three stages:

- Stage 1 (Performing)
- Stage 2 (Under-performing)
- Stage 3 (Non-performing)

Upon settlement or purchase, the financial instruments in question are initially classified as "Performing" (stage 1). Should the credit risk of the financial instrument increase significantly during its term, the item is considered to be "Under-performing" (stage 2). Should a counterparty be in default or a further payment appear improbable, the asset is to be classified as "Non-performing" (stage 3).

For stage 1, the expected credit loss is to be computed and recognised based on credit occurrences expected over 12 months, for stages 2 and 3, on the other hand, over the remaining term of the instrument.

The expected credit loss in accordance with IFRS 9 must represent an undistorted probability-weighted amount which was determined through the evaluation of a series of possible scenarios as well as taking the present value into consideration. Furthermore, all available information on past events, current as well as future conditions are to be appropriately taken into account.

Implementation of IFRS 9 Impairment at VP Bank Group

All asset items exposed to a potential credit risk and not already measured at fair value are covered. These include, in particular, amounts due from banks and clients, financial investments measured at amortised cost, money market receivables, and cash and cash equivalents. Also affected are off-balance sheet items, such as credit and performance guarantees and irrevocable loan commitments.

At VP Bank Group, the modelling of expected credit losses is undertaken according to specific balance sheet segments. During the process of segmentation, a distinction is made whether an external or internal rating exists.

In the case of items with an external rating by Moody's or Standard & Poor's, this is used as the principal criterion for the allocation to a particular stage. In accordance with internal guidelines, items considered as investment grade are allocated to stage 1. Should a rating move outside the investment-grade segment or should it be in non-compliance with the requirements for deposits with banks or financial investments, after a review has been carried out, stage 2 applies. Should external rating agencies issue a default rating, the instrument drops to stage 3.

In the case of items with an internal rating of VP Bank Group, the allocation is made on the basis of whether the debtor is in default of payment regarding interest and/or amortisation of capital. From the moment a payment is overdue for 31 days or more, the item falls into stage 2, and if it is more than 90 days overdue to stage 3. In addition, a deterioration of the internal rating or a classification as a credit with an enhanced risk of default is used for the stage allocation.

In the case of items which are not internally or externally rated, primarily overdrafts, a possible default by the debtor regarding payment of interest and principal in excess of 30 or 90 days, respectively, or the classification as a loan with elevated risk serve as the criteria for the stage allocation (where required, inclusion on the watch list). In addition, any collateral shortfalls for these items are taken into account.

In the case of items for which financial collateral or a guarantee from an externally rated third party exist, the credit risk of the debtor is substituted by that of the guarantor or third party (substitution approach).

At VP Bank Group, the modelling of expected credit losses (ECL) is generally performed on the level of individual transactions and on the basis of various risk parameters (especially probability of default, the loss given default, the amount receivable and the discount rate).

Wherever possible, reference is made to external data to determine the default probabilities. This is particularly the case whenever an external rating exists. Internal ratings reproduce, to an approximate extent, external ratings. The estimation of the loss given default focusses on the value of the collateral securing the credit. In the case of unsecured receivables with an external rating, assumptions based upon market-related considerations are made.

As an alternative to a separate determination of the default probability and loss given default, a loss rate approach to compute the ECL can be applied for individual portfolios. This concerns primarily lombard loans. In such cases, VP Bank Group uses a combined loss rate.

In addition to the use of past and current information to estimate the ECL, VP Bank Group also takes into account prospective information, in particular forecasts of future economic developments.

For externally rated items, the ECL is initially estimated on the basis of cyclical parameters. The use of prospective information is based on existing early-warning systems and modifications to default probabilities. In addition, rating outlooks are taken into consideration.

For items with an internal rating, the ECL is also estimated on the basis of prospective, cyclical parameters. In the case of mortgage loans and related contingent liabilities, for example, this concerns primarily the loss given default. In this manner, possible movements in real-estate prices are depicted.

The computation of the ECL is based upon one base and two alternative scenarios which map macroeconomic conditions that differ. The base scenario reflects the future economic development which is estimated to be the most probable while an up and down scenario represents a relative improvement or deterioration, respectively, of the macroeconomic situation. The assumed probabilities of occurrence of the up and down scenario are identical.

Amounts due to banks and clients

Amounts due to banks and clients are accounted for at amortised cost using the effective interest method. Interest is accounted for using the accrual method and reported under interest income using the effective interest method. Whenever micro fair-value hedge accounting is applied, secured liabilities are adjusted by the changes in fair value attributable to the hedged risk.

Derivative financial instruments

Derivative financial instruments are measured at fair value and presented in the balance sheet. The fair value is determined on the basis of stock exchange quotations or option pricing models. Realised and unrealised gains and losses are taken to income. Forward rate components of swaps are reported in interest income.

Hedge accounting

In accordance with the risk policy of the Group, VP Bank Group deploys certain derivatives for hedging purposes. From an economic point of view, the opposing measurement effects resulting from the underlying and hedging transactions offset each other. As these transactions do not, however, correspond to the strict and specific IFRS provisions, an asymmetrical representation, in bookkeeping terms, of the changes in value of the underlying transaction and the hedge ensues. Fair-value changes of such derivatives are reported in trading and interest income, respectively, in the appropriate period.

The rules of hedge accounting can be applied voluntarily. Under certain conditions, the use of hedge accounting enables the risk-management activities of a company to be represented in the annual financial statements. This occurs through the juxtaposition of expenses and income from hedging instruments with those from the designated underlying transactions with regard to certain risks.

A hedging relationship qualifies for hedge accounting if all of the following qualitative attributes are fulfilled:

- The hedging relationship consists of eligible hedging instruments and eligible underlying transactions.
- At the inception of the hedging relationship, a formal designation and documentation of the hedging relationship is at hand which makes reference to the company's risk-management strategy and objective for this hedge.
- The hedging relationship meets the effectiveness requirements.

The hedging relationship must be documented at inception. The documentation must encompass, in particular, the identification of the hedging instrument and of the hedged underlying transaction as well as designating the hedged risk and the method to determine the effectiveness of the hedging relationship. In order to qualify for hedge accounting, the hedging relationship must satisfy the following effectiveness requirements at the inception of each hedging period:

- There must exist an economic relationship between the underlying transaction and the hedging instrument.
- Default risk does not dominate the changes in value resulting from the economic hedge.
- The hedge ratio accurately reflects the amount of the underlying transaction used for the actual economic hedge as well as the amount of the hedging instrument.

Fair-value hedge accounting

IFRS 9 provides for the use of fair-value hedge accounting to avoid one-sided resultant effects for derivatives which serve to hedge the fair value of on-balance-sheet assets or liabilities against one or several defined risks. Exposed to market risk and/or interest rate risk, in particular, are the Group's credit transactions and its portfolio of securities insofar as they relate to fixed interest-bearing papers. Interest rate swaps are used primarily to hedge these risks. In accordance with fair-value hedge-accounting rules, the derivative financial instruments at fair value deployed for hedging purposes are recorded as market values from derivative hedging instruments. For the hedged asset and/or hedged liability, the opposing changes in fair value resulting from the hedged risk are also to be recognised in the balance sheet. The opposing valuation changes from the hedging instruments as well as from the hedged underlying items are recognised in the income statement as gains/losses from hedge accounting. That portion of the changes in fair value which is not related to the hedged risk is dealt with in accordance with the rules pertaining to the respective valuation category.

Cash-flow hedge accounting as well as portfolio fair-value hedges were used neither in the current financial year nor the previous year.

Debt securities issued

Medium-term notes are recorded at their issuance price (fair value) and measured subsequently at amortised cost.

Bonds 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 effective interest method is employed in order to amortise the difference between the issue price and redemption amount over the duration of the debt instrument.

Treasury shares

Shares in VP Bank Ltd, Vaduz, held by VP Bank Group are recognised in shareholders' equity as treasury shares and deducted at cost. Changes in fair value are not recognised. The difference between sales proceeds of treasury shares and the related acquisition cost is shown under capital reserves.

3.4 Other policies

Provisions

Provisions are recognised in the balance sheet only if VP Bank Group has a liability to a third party which is attributable to an occurrence in the past, if the outflow of resources with economic benefit to fulfil this liability is probable, and if this liability can be reliably estimated. If an outflow of funds is unlikely to occur or the amount of the liability cannot be reliably estimated, a contingent liability is shown.

Impairment in the value of non-current assets

The recoverability of property, plant and equipment is always reviewed whenever the carrying value appears to be overvalued because of occurrences or changed circumstances. If the carrying value exceeds the realisable value, a valuation adjustment is recorded. Any subsequent recovery in value is recognised in the income statement. If the review of the recoverability of an item of property, plant and equipment reveals a changed useful life, the residual carrying value is depreciated on a scheduled basis over the redefined useful life.

The recoverability of goodwill is reviewed at least once a year. If the carrying value exceeds the realisable value, an extraordinary write-down takes place.

Property, plant and equipment

Property, plant and equipment comprises bank premises, other real estate, furniture and equipment, leasing, as well as IT systems. Property, plant and equipment is measured at acquisition cost less operationally necessary depreciation and amortisation as well as impairments.

Property, plant and equipment are capitalised provided their acquisition or production cost can be reliably determined, they exceed the capitalisation threshold and they provide a future economic benefit.

Depreciation and amortisation are charged on a straight-line basis over the estimated useful lives:

Depreciation and amortisation	Estimated useful life
Bank premises and other real estate	25 years
Fixtures	10 to 15 years
Land	No depreciation
Furniture and equipment	5 to 9 years
IT systems	3 to 7 years

The depreciation and amortisation methods and useful lives are subject to review at each year-end.

Minor purchases are charged directly to general and administrative expenses. Maintenance and renovation expenses are generally recorded under general and administrative expenses. If the expense is substantial and results in a significant increase in value, the amounts are capitalised. These are depreciated or amortised over their useful lives.

Goodwill

If, in the case of a takeover, the acquisition costs are greater than the net assets acquired, as valued in accordance with uniform Group guidelines (including identifiable and capitalisable intangible assets), the remaining amount constitutes the acquired goodwill. Goodwill is capitalised and subject to an annual review for any required valuation adjustments. The recognition of goodwill is made in the functional currency and is translated on the balance sheet date at rates prevailing at year-end.

Intangible assets

Purchased software is capitalised and amortised over three to seven years. Minor purchases are charged directly to general and administrative expenses.

Internally generated intangible assets such as software are capitalised insofar as the prerequisites for capitalisation set forth in IAS 38 are met, that is, it is probable that the Group will derive a future economic benefit from the asset and the costs of the asset can be both identified and measured in a reliable manner. Internally produced software meeting these criteria and purchased software are recognised in the balance sheet under software. The amounts capitalised in this manner are amortised on a straight-line basis over their useful lives. The period of amortisation is three to seven years.

Other intangible assets include separately identifiable intangible assets arising from business combinations, as well as certain purchased client-related assets and the like, and are amortised on a straight-line basis over an estimated useful life of five to ten years. Other intangible assets are capitalised in the balance sheet at cost at the time of acquisition.

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.

Leasing relationships are recognised as rights of use and corresponding lease liabilities are recognised at net current value. The discounting is carried out at the marginal debt capital interest rate, which corresponds to the interest rate that VP Bank Group would have to pay if it were to borrow the funds in order to acquire an asset with a comparable value and comparable conditions in a comparable economic environment. Each lease payment is divided into repayment and financing expenses. Financing expenses are recognised in interest income over the term of the leasing relationship so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use is depreciated on a straight-line basis over the lease term or the economic useful life, whichever is shorter, through the income statement item "Depreciation of property, plant and equipment". In the balance sheet, the rights of use are capitalised under property, plant and equipment, and the lease liabilities are reported under other liabilities.

Current and deferred taxes

Current income taxes are computed based on the applicable taxation laws in the individual countries and are booked as expenses in the accounting period in which the related profits arise. They are shown as tax liabilities in the balance sheet.

The taxation effects of temporary differences between the values attributed to the assets and liabilities as reported in the consolidated balance sheet and their values reported for tax reporting purposes are recorded as deferred tax assets or deferred tax liabilities. Deferred tax assets arising from temporary differences or from the utilisation of tax loss carryforwards are only recognised if it is probable that sufficient taxable profits will be available against which these temporary differences or tax loss carryforwards can be offset.

Deferred tax assets and tax liabilities are computed using the rates of taxation which are expected to apply in the accounting period in which these tax assets will be realised or tax liabilities will be settled.

Tax assets and tax liabilities are netted if they relate to the same taxable entity, concern the same taxing jurisdiction and an enforceable right of offset exists.

Deferred taxes are credited or charged to shareholders' equity if the tax relates to items which are directly credited or debited to shareholders' equity in the same or another period.

The tax savings anticipated from the utilisation of estimated future realisable loss carryforwards are capitalised. The probability of realising expected taxation benefits is considered when valuing a capitalised asset for future taxation relief. Tax assets arising from future taxation relief encompass deferred taxes on temporary differences between the carrying values of assets and liabilities in the consolidated balance sheet and those used for taxation purposes as well as tax savings from future estimated realisable loss carryforwards. Deferred taxation receivables in one sovereign taxation jurisdiction are offset against deferred taxation liabilities of the same jurisdiction if the enterprise has a right of offset of actual taxation liabilities and taxation receivables and the taxes are levied by the same taxing authorities.

The legal provisions for implementing the global minimum taxation of the OECD/G20 Inclusive Framework on BEPS (Global Anti-Base Erosion - «GloBE», Pillar Two) do not apply to VP Bank Group, as the application requirements with regard to the revenue threshold are not met.

Retirement pension plans

VP Bank Group maintains several retirement pension plans for employees domestically and abroad, among which there are both defined-benefit and defined-contribution plans. In addition, there are schemes for service anniversaries which qualify as other long-term employee benefits.

The computation of accrued amounts and amounts due to these pension funds is based on statistical and actuarial calculations of experts.

For defined-benefit pension plans, pension costs are determined on the basis of various economic and demographic assumptions using the projected unit credit method. The insurance years completed up to the valuation date are taken into account. The computational assumptions taken into account by the Group include the expected future rate of salary increases, long-term interest earned on retirement assets, retirement patterns and life expectancy. The valuations are carried out annually by independent actuaries. Plan assets are remeasured annually at fair values.

Pension costs comprise three components:

- Service costs, which are recognised in the income statement
- Net interest expense, which is also recognised in the income statement
- Revaluation components, which are recognised in the statement of comprehensive income

Service costs encompass current service costs, past service costs and gains and losses from non-routine plan settlements. Gains and losses from plan curtailments are deemed to equate to past service costs.

Employee contributions and contributions from third parties reduce service cost expense and are deducted therefrom provided that these derive from pension plan rules or a de facto obligation.

Net interest expense corresponds to the amount derived from multiplying the discount rate with the pension liability or plan assets at the beginning of the year. In the process, capital flows of less than one year and movements thereof are taken into account on a weighted basis.

Revaluation components encompass actuarial gains and losses from the movement in the present value of pension obligations and plan assets. Actuarial gains and losses result from changes in assumptions and experience adjustments. Gains and losses on plan assets equate to the income from plan assets minus the amounts contained in net interest expense. Revaluation components also encompass movements in unrecognised assets less the effects contained in net interest expense. Revaluation components are recognised in the statement of comprehensive income and cannot be reclassified to income in future periods (recycling). The amounts recognised in the statement of comprehensive income can be reclassified within shareholders' equity. Service costs and net interest expense are recorded in the consolidated financial statements under personnel expense. Revaluation components are recognised in the statement of comprehensive income.

The pension liabilities or plan assets recognised in the consolidated financial statements correspond to the deficit or excess of funding of defined-benefit pension plans, respectively. The recognised pension assets are limited to the present value of the economic benefit of the Group arising from the future reduction in contributions or repayments.

For other long-term benefits, the present value of the acquired commitment is recorded as of the balance sheet date. Movements in present values are recorded directly in the income statement as personnel expense.

Employer contributions to defined-contribution pension plans are recognised in personnel expense on the date when the employee becomes entitled thereto.

4. Amendments in accounting principles and comparability

New and revised International Financial Reporting Standards (IFRS)

Since 1 January 2025, the following new and revised standards and interpretations have taken effect and have no material impact on the consolidated financial statements of VP Bank Group:

- IAS 21 Lack of exchangeability.

The following future amendments do not have a material impact on the consolidated financial statements of VP Bank Group

There are currently no new or amended IFRS or interpretations that have a material impact on VP Bank Group.

- Annual Improvements to IFRS Accounting Standards Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (effective date 1 January 2026)
- Amendments to IFRS 9 and IFRS 7- Amendments to the Classification and Measurement of Financial Instruments (effective date 1 January 2026)
- Amendments to IFRS 9 and IFRS 7- Contracts Referencing Nature-dependent Electricity (effective date 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective date 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date 1 January 2027)

With the exception of IFRS 18, the new IFRS and the amendments to existing IFRS will have no impact on the consolidated financial statements of VP Bank Group. The introduction of IFRS 18 will result in changes to the presentation, summary of results, and disclosures in the notes. VP Bank Group is currently evaluating the impact of the new standard on its consolidated financial statements. IFRS 18 will be implemented on January 1, 2027.

5. Management of equity resources

The focus of value-oriented risk management is to achieve a sustainable return on the capital invested and one which, from the shareholders' perspective, is commensurate with the risks involved. To achieve this goal, VP Bank Group supports a rigorous dovetailing of profitability and risk within the scope of the management of its own equity resources; it consciously abandons the goal of gaining short-term interest advantages at the expense of the security of capital. VP Bank Group manages all risks within the risk budget approved by the Board of Directors. In managing the equity resources, VP Bank Group measures both the equity required (minimum amount of equity to cover the bank's risks in accordance with the requirements of applicable supervisory law) and the available eligible equity (VP Bank Group's equity is computed in accordance with the criteria of the supervisory authorities) and projects their future development. Equity resources which VP Bank Group does not need for its growth or business activities are returned through dividend payments according to its long-term policy. Thus, through active management, VP Bank Group is able to maintain its robust capitalisation as well as its credit rating and continues to create sustainable value for the shareholders.

Capital indicators

The determination of the required capital and tier capital pursuant to Basel IV is undertaken based on the IFRS consolidated financial statements, with unrealised gains being deducted from core capital. Total capital (core capital and supplementary capital) must amount to a minimum of 12.5 per cent of the risk-weighted assets.

Risk-weighted assets as of 31 December 2025 amounted to CHF 4.3 billion as compared with CHF 4.1 billion in the previous year. Core capital as of 31 December 2025 was CHF 1,112.5 million as compared with CHF 1,066.2 million in the previous year. The overall equity ratio increased by 0.9 per cent, from 25.9 per cent on 31 December 2024 to 26.1 per cent on 31 December 2025. As of both 31 December 2025 and 31 December 2024, VP Bank Group was adequately capitalised in accordance with the respective guidelines of the FMA currently in force. In 2025, VP Bank Group used no hybrid capital under eligible equity and, in accordance with International Financial Reporting Standards (IFRS), netted no assets against liabilities (balance sheet reduction).

Risk management of VP Bank Group

1. Overview

Effective capital, liquidity and risk management is an elementary prerequisite for the success and stability of a bank. VP Bank understands this to mean the systematic process of identifying, evaluating, managing and monitoring relevant risks as well as the steering of capital resources and liquidity necessary to assume risks and to guarantee risk-bearing capacity. The binding framework for action in this context is provided by the regulations defined by the Board of Directors of VP Bank Group, consisting of the risk appetite statement, risk policy and risk strategies.

The risk appetite statement defines the overall risk tolerance along the risk taxonomy, forming the basis for operationalising limits and targets in the risk policy. As an overall framework, the risk policy, together with the risk strategies per risk group (strategic and business risks, financial risks as well as non-financial risks), regulates the specific objectives and principles, organisational structures and processes, methods and tools of risk management.

In Liechtenstein, the regulatory requirements governing risk management are set out primarily in the Banking Act (BankA) and the Banking Ordinance (BankO). In addition, the Capital Requirements Regulation (CRR) together with the Capital Requirements Directive (CRD) apply in Liechtenstein. In Liechtenstein, the CRD was enacted in the BankA and in the BankO. VP Bank was classified as a locally systemically relevant banking institution by the Financial Market Authority Liechtenstein and must hold in aggregate capital amounting to at least 12.5 per cent of its risk-weighted assets. Thanks to its solid capital basis, balance sheet structure and comfortable liquidity position, VP Bank constantly outperformed the minimum regulatory requirements over the course of 2024.

Capital and balance sheet structure management

The minimum capital ratio of VP Bank of 12.5 per cent of risk-weighted assets consists of the regulatory minimum requirement of 8 per cent, a capital conservation buffer of 2.5 per cent and a buffer for other system-relevant banks of 2 per cent. Basel IV also provides for an anti-cyclical capital buffer that was set at 0 per cent for 2025 by the Financial Market Authority Liechtenstein.

VP Bank complied with the minimum capital requirements for 2025 at all times. Thanks to an exceedingly robust tier 1 ratio of 26.1 per cent as of the end of 2025, it continues to guarantee sufficient room for manoeuvre. This enables VP Bank to continue to assume risks associated with the conduct of banking operations.

As of the end of 2025, the leverage ratio of VP Bank was 10.4 per cent. VP Bank has published further information as to the leverage ratio in the disclosure report.

Capital and balance sheet structure management involves ongoing monitoring of compliance with regulatory requirements and coverage of business requirements. As part of the internal processes for assessing adequate capital and liquidity (Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP)), potential negative effects on the capital and liquidity base in stress situations are simulated and analysed. The Financial Market Authority imposes specific requirements on internal strategies and procedures for determining, managing and monitoring capital risks through the ICAAP, which are collected and assessed annually by the Liechtenstein Financial Market Authority using an ICAAP questionnaire.

Liquidity risk management

Liquidity risks are monitored and managed in accordance with the statutory liquidity standards and regulations of the Banking Ordinance, CRR and CRD, as well as internal guidelines and limits for interbank and credit business. The maintenance of liquidity within the VP Bank Group at all times is a top priority and is ensured by a high level of cash and cash equivalents and highly liquid assets (high quality liquid assets, HQLA). VP Bank complied with the minimum liquidity requirements for 2025 at all times.

In this context, compliance with the liquidity coverage ratio (LCR) of 100 per cent is required by law, which was clearly exceeded with a value of 180 per cent. The requirement for the net stable funding ratio (NSFR) of 100 per cent was also met and significantly exceeded at 154 per cent at the end of 2025.

With the ILAAP, the Financial Market Authority imposes specific requirements regarding internal strategies and procedures for determining, managing and monitoring liquidity risks, which are collected and assessed annually by the Liechtenstein Financial Market Authority using an ILAAP questionnaire.

As part of its liquidity management, VP Bank has a liquidity contingency plan in place to ensure that it has sufficient liquidity even in the event of a liquidity crisis. Regular monitoring of early warning indicators allows any deterioration in the liquidity situation to be identified at an early stage.

As part of liquidity management, compliance with regulatory requirements and the coverage of business needs are monitored on an ongoing basis. Stress tests are used to simulate possible negative scenarios and analyse the impact on liquidity in stress situations.

Credit risk

The management and monitoring of credit risk plays a key role, particularly given the importance of client lending (CHF 5.9 billion as at 31 December 2025, or 55 per cent of total assets). In addition to lending, VP Bank is also exposed to credit risks arising from securities held for liquidity purposes in the banking book (predominantly high-quality liquid assets) and from interbank investments with banks with good credit ratings.

Credit risk management in the client lending business is governed by the credit regulations. The volume of client loans decreased by approximately CHF 15 million in 2025.

At CHF 747 million, the volume of claims against banks is approximately CHF 104 million lower than in the previous year. To strengthen interest income, free liquid funds continue to be invested with banks with good credit ratings, predominantly Swiss cantonal and regional banks.

The securities portfolio consists mainly of investment-grade securities and had a nominal value of approximately CHF 2.0 billion as of 31 December 2025. Detailed guidelines (including volume and risk limits, duration ranges) for the management of securities have been established in the risk management process.

Market risk

Market risk comprises interest rate, credit spread, currency and share price risks. Due to the significance of the interest-bearing business, the management and monitoring of market risk across the entire balance sheet is of particular importance. In 2025, the trend of falling key interest rates continued, albeit not to the same extent as in the previous year. As a result, market interest rates at the short end fell. In the CHF and EUR currencies, the initially inverted yield curves, where long-term interest rates are below short-term interest rates, normalised. The interest rate level in CHF reached zero. Exchange rates fluctuated significantly over the course of the year, with a downward trend against the CHF; the USD in particular lost over 12 per cent.

Operational risk

VP Bank defines operational risk as potential losses or loss of profit that may occur as a consequence of the inappropriateness or failure of internal processes, individuals or systems or as a result of external events. Possible risk scenarios are identified, described and assessed using top-down and bottom-up risk assessments. The identified risks are limited or mitigated by controls as specified in the risk appetite. The controls are an integral part of the business processes and are documented in the internal control system. Controls are periodically assessed for adequacy and effectiveness. The current non-financial risk situation is reported to the Executive Board and the Board of Directors on a quarterly basis.

The geopolitical situation continues to have a major impact on the assessment of risks arising from sanctions and embargoes. Accordingly, processes for the early detection and prevention of potential compliance violations have been further improved. At the same time, it is assumed that regulatory density in the financial sector will continue to increase.

On 17 January 2025, the requirements of Regulation (EU) 2022/2554 on digital operational resilience in the financial sector (DORA) came into force with the aim of strengthening the digital resilience of financial service providers and ensuring the stability of the financial system. It thus sets new standards for the protection of critical IT systems and the management of cyber attacks in the financial sector. On this basis, tests to review digital operational resilience were carried out for the first time in 2025 as an extension of the existing business continuity tests.

VP Bank has taken measures to further improve IT risk management, IT processes, cyber resilience and the monitoring of external service providers.

Increasing dependence on external service providers and the growing complexity of supply chains are increasing operational risk. By optimising our third-party management, we have strengthened our resilience to default risks, cyber threats and compliance violations.

In this way, VP Bank protects its clients and their assets, the security of its services and the stability of its business processes in the long term.

Further risks

In addition to the risks mentioned above, VP Bank Group's risk management also covers strategy and business risks, compliance risks, ESG risks and climate-related financial risks, as well as reputational risk. Based on VP Bank's business model and range of services, these risks are systematically analysed and continuously assessed.

2. Principles underlying the risk policy

Risk management at VP Bank Group is predicated on the following principles:

Harmonisation of risk-bearing capacity and risk tolerance

The concept of risk-bearing capacity is intended to enable a bank to continue its business operations or to fully meet the claims of depositors and creditors despite losses from risks that become effective. Risk tolerance indicates the potential loss which the bank is prepared to bear without jeopardising the bank's ability to continue as a going concern. As a strategic success factor, risk-bearing capacity is to be maintained and enhanced at all times by employing a suitable process to ensure an appropriate capital and liquidity base.

Clearly defined powers of authority and responsibilities

Risk tolerance is operationalised using a comprehensive limit system and implemented effectively with a clear definition of the duties, powers of authority and responsibilities of all bodies, organisational units and committees involved in the risk, capital and liquidity management process.

Conscientious handling of risks

Strategic and operational decisions are taken based on risk-return considerations and, in this way, aligned with the interests of the stakeholders.

Subject to compliance with statutory and regulatory requirements as well as corporate policy and ethical principles, VP Bank consciously assumes risks provided that the extent of these are known, the system requirements for recording them are in place and the bank will be adequately compensated for them. Transactions with an imbalanced risk-return ratio are avoided, as are major risks and extreme risk concentrations, which could endanger the risk-bearing capacity and therefore also the future existence of the Group.

Segregation of functions

Risk control and reporting to Group Executive Management and the Board of Directors are carried out by units that are independent of the risk-managing departments and report to the Chief Risk Officer.

Transparency

The foundation of risk monitoring is comprehensive, objective, timely and transparent disclosure of risks to Group Executive Management and the Board of Directors.

3. Organisation of capital, liquidity and risk management

Risk taxonomy

The prerequisite for risk management and the management of equity resources of VP Bank is the identification of all significant risks and their aggregation to an overall bank risk exposure.

Significant risks are identified based on the business model and related offerings of financial products and services of VP Bank.

The following chart provides an overview of the risks to which VP Bank is exposed in the context of its business activities. These are allocated to the risk groups of strategic and business risks, financial risks, non-financial risks (operational risks, compliance risks and information security risks) and reputational risks.

Risk groups		
Strategic and business risks	Financial risks	Non-financial risks
<ul style="list-style-type: none"> · Locations · Business segments · Products · Target markets · Macroeconomic risk · Excessive leverage 	Risk category Risk type Liquidity risk Market liquidity risk, Idiosyncratic liquidity risk	Risk category Risk type Operational risks Employee risk, Internal and external fraud, Business Continuity, Transaction processing and execution, Legal risk & regulatory risk, Third-party risk, Regulatory reporting and taxes
	Market risk Interest-rate risk, Equity risk, Currency risk, Credit Spread risk, Participation risk, Volatility risk	Compliance risks Conduct, Cross Border, Financial Crime, Tax Compliance, Investment Compliance
	Credit risk Default risk, Concentration risk, Counterparty risk, Country risk, Idiosyncratic credit risk	Information security risks (incl. cyber) Physical security, Technology, Information security (incl. cyber), Data management
	Non traditional assets risk	
ESG risk and climate-related financial risks		
Reputational risks		

Strategic and business risks encompass the risk of a potential decline in profitability as a result of an inadequate corporate orientation in relation to the market environment (political, economic, social, technological, ecological, legal) and can arise from unsuitable strategic positioning or the absence of effective countermeasures in case of changes. This includes the risk that the attractiveness of location-related factors recedes or the significance and/or weighting of individual business areas undergo change by virtue of external framework conditions. It also includes the risk that the launch of new products, the distribution of existing products, market access or the conduct of business will be rendered difficult or impossible by regulations or will entail disproportionately high costs or be unprofitable. Finally, adverse developments may arise in connection with target markets as a result of political or geopolitical influences.

Financial risks (liquidity risk, market risk, non-traditional asset risk and credit risk) are deliberately entered into in order to generate income or to safeguard business policy interests.

Liquidity risks comprise market liquidity risk and idiosyncratic liquidity risk. In the case of market liquidity risk, the risk lies in the fact that the bank may be unable to procure the required liquidity due to market distortions on the money or capital markets or can do so only on inadequate terms and conditions. For example, the market for securities, which can normally be sold at market value, might not be sufficiently liquid, or the interbank market might not be available, or only to a limited extent, for short-term liquidity procurement. Idiosyncratic liquidity risk, on the other hand, represents the risk that the bank may not be able to procure liquidity for VP Bank-specific reasons or can do so only on inadequate terms and conditions.

Market risk refers to the risk of potential present value losses in the banking and trading book that emerge due to unfavourable changes in market prices (interest rates, foreign exchange rates, share prices, commodity prices, credit spreads) or other price-influencing parameters such as volatility.

Credit risk includes default/creditworthiness, liquidation, counterparty, country and idiosyncratic risks. Default risk refers to the risk of a financial loss which may occur following the default of a debtor or loan collateral. Liquidation risks include potential losses incurred by the bank not due to the debtors themselves, but due to a lack of opportunities to liquidate collateral. Counterparty risk refers to the risk of financial loss resulting from the default of a counterparty in a derivative transaction or from non-performance by a counterparty (settlement risk). Country risk is a result of uncertain political, economic or social conditions as well as payment transaction restrictions in the risk domicile (so-called transfer risks). Idiosyncratic risks include potential losses incurred by the bank from a lack of diversification in the loan portfolio (concentrations in debtors and/or collateral).

Non-traditional asset risks result from alternative investments that cannot be allocated to traditional asset classes, such as equities, bonds or money market products, and are subject to other risk drivers. This category includes, for example, investments in private debt, private equity, real estate (securitised), infrastructure projects and other investment opportunities outside the traditional investment spectrum.

Operational risk is the risk of incurring losses or loss of profit arising from the inappropriateness or failure of internal procedures, individuals or systems, or as a result of external events. These are to be avoided by appropriate controls and measures before they materialise or, if that is not possible, be reduced to a level set by the bank. Operational risk can also arise in all organisational units of the bank, whereas financial risk can only arise in risk-taking units.

Compliance risk is understood to be breaches of statutory and regulatory provisions that can cause significant damage to VP Bank's reputation or result in sanctions, fines or even in the bank's licence being withdrawn. VP Bank's compliance risks consist in particular of the fact that VP Bank does not or does not sufficiently recognise the compliance risks of its clients and counterparties, such as money laundering or other illegal client activities, and has not established suitable monitoring and control processes for identifying, managing and limiting cross-border compliance risks as well as tax and investment compliance risks.

Information security risk (including cyber risk) refers to the circumstances in which inappropriate infrastructure design or infrastructure failure results in losses, or to the risk, in an information technology context, of sophisticated and targeted attacks that are difficult to detect and defend against. From the perspective of data security, there is a risk for VP Bank that failure to adhere to national and international data protection requirements will result in financial and reputational losses, as well as having legal consequences.

ESG and climate-related financial risks represent the risk of negative economic impacts for VP Bank that may arise from environmental, social or governance factors. Climate-related financial risks are part of environmental risks and arise from the effects of climate change and measures to decarbonise the economy.

Reputational risk describes the risk that the confidence of employees, clients, shareholders, regulatory authorities or the public is weakened and the public image and/or reputation of the bank is impaired as a result of other types of risk or through various events. It can exhibit itself in the bank suffering monetary losses, a decline in earnings or liquidity shortages.

Duties, powers and responsibilities



The chart (→ above graphic) shows the key duties, powers and responsibilities of the bodies, organisational units and committees involved in the risk management process. The roles and structures of risk steering and risk monitoring are separated, which avoids conflicts of interest between the risk-taking and monitoring units. Management, monitoring and verification of risks takes place over three lines of defence:

1. First line of defence: risk steering
2. Second line of defence: risk monitoring
3. Third line of defence: internal audit

The **Board of Directors** bears overall responsibility for capital, liquidity and risk management within the Group. Its remit is to establish and maintain an appropriate structure of business processes and organisation as well as an internal control system (ICS) for an effective and efficient management of capital, liquidity and risk, thereby ensuring the risk-bearing capacity of the bank on a sustainable basis. The Board of Directors defines and approves the risk tolerance, the risk policy and the risk strategies. It monitors their implementation, sets the risk tolerance at Group level and establishes the target values and limits for the management of equity resources, liquidity and risk. In assuming these tasks, the Board of Directors is assisted by the **Risk Committee**.

In addition, the Board of Directors receives reports from the internal auditors and the external auditors on all exceptional and material incidents, including significant losses or serious disciplinary errors. In assuming this task, the Board of Directors is supported by the **Audit Committee**.

Group Internal Audit is responsible for the internal audit function within VP Bank Group. Organisationally, it forms an autonomous organisational unit which is independent of operations and is responsible for the periodic audit of structures and processes of relevance in connection with the risk policy as well as compliance with applicable requirements.

Group Executive Management is responsible for the implementation of and compliance with the risk policy approved by the Board of Directors. One of its central tasks is to ensure the functional capability of the risk management process and the internal control system (ICS). Furthermore, it is responsible for the composition and assignment of duties, responsibilities and competencies of the Asset & Liability Committee, the allocation of objectives and limits set by the Board of Directors to the individual subsidiary companies as well as the group-wide management of strategy, business, financial, compliance, operational and reputational risk.

The **Asset Liability Committee (ALCO)** is responsible for risk- and return-oriented balance sheet management as well as for the management of financial risks in compliance with the relevant statutory and regulatory provisions. It assesses the Group's situation with respect to financial risks and initiates remedial steering measures whenever necessary.

The **Group Operational Risk Committee (ORC)** manages all operational risks and information security risks (including cyber risks). The Group Operational Risk Committee is responsible for the identification, assessment, management, monitoring and reporting of operational risks and information security risks (including cyber risks) of VP Bank Group.

The **Group Credit Committee (GCC)** is responsible for the management of credit risks. This includes in particular the assessment and approval of credit applications within the scope of delegated powers.

The **Group Reputational Risk Committee (GRRC)** decides on client relationships which could represent a material reputational risk for VP Bank Group.

Group Treasury & Execution bears the responsibility for the steering and management of financial risks within the objectives and limits laid down by the Board of Directors and Group Executive Management. This is done while also taking into account the Group's risk-bearing capacity, as well as its compliance with statutory and regulatory provisions.

Group Credit Consulting is responsible as the first line of defence for credit risk structuring and assessment of all credit applications at group level, as well as for the monitoring process of credit exposure on the individual loan level with regard to cover and limits. Group Credit Consulting is represented by units in all Group locations. For non-standard credit applications, Group Credit Risk reviews the risk analysis initially prepared by Group Risk Consulting. In addition, the unit approves loans on its own authority or forwards them to the relevant competence centres for assessment.

The **Chief Risk Officer** heads the risk management function and is responsible within Group Executive Management for the independent risk monitoring of VP Bank Group and the individual group companies. The Chief Risk Officer ensures that existing legal, regulatory and internal bank regulations on risk management are complied with and that new regulations on risk management are implemented.

Group Credit Risk is responsible as the second line of defence for assessing the credit risk of the Group's largest individual credit exposures. This applies to all credit exposures that exceed the authority of Group Credit Consulting and, based on defined risk criteria, trigger an additional credit assessment by the second line of defence. The unit is also responsible for all material credit risk standards of the VP Bank Group and their IT implementation. These include all guidelines, risk concepts, the lending methodology and its underlying lending parameters. Furthermore, Group Credit Risk, in close cooperation with Group Financial Risk, regularly prepares credit risk reports for the attention of Group Executive Management and the Board of Directors. Group Credit Consulting and Group Credit Risk also initiate and support all development projects related to VP Bank Group's lending business, including regulatory projects.

Group Financial Risk is responsible as the second line of defence for the independent monitoring of financial risks (market risks, risks from non-traditional investments, liquidity risks and credit risks from a portfolio perspective). It is responsible for defining and assessing risk methods and models for financial risks, reporting on these risks, and monitoring economic risk-bearing capacity.

Group Compliance & Operational Risk is responsible as the second line of defence for the independent monitoring of operational and compliance risks. In addition, risk inventory and related risk reporting fall within its area of responsibility.

Group Information Security is responsible as the second line of defence for the independent monitoring of cyber and information security risks. Its tasks include defining security guidelines, conducting IT risk analyses, monitoring IT and cyber security incidents, and reporting on risks within its area of responsibility.

The responsible departments are regularly informed by the Chief Risk Officer's office about the risk situation, developments and compliance with limits through risk reports.

Process monitoring / Group Internal Audit

Definition of risk strategy and determination of risk appetite <ul style="list-style-type: none"> · Board of Directors / Risk Committee · Group Executive Management 	
Risk identification (risk inventory) <ul style="list-style-type: none"> · Group Compliance & Operational Risk · Group Financial Risk 	Risk measurement and risk-bearing capacity <ul style="list-style-type: none"> · Group Financial Risk · Group Compliance & Operational Risk · Group Credit Risk · Group Financial Management & Reporting
Independent risk monitoring <ul style="list-style-type: none"> · Chief Risk Officer 	Risk steering <ul style="list-style-type: none"> · Group Treasury & Execution · Intermediaries & Private Banking · Asset & Liability Committee · Group Credit Committee · Group Operational Risk Committee · Reputational Risk Committee

Process to ensure risk-bearing capacity

The primary objective of the ICAAP and ILAAP is to comply with the regulatory requirements in order to assure continuation of the bank as a going concern. The risks of banking operations are to be borne by the available risk coverage potential. The components of the risk management process established at VP Bank for all material risks are explained below:

- **Determination of the risk strategies:** The risk strategies for each risk group (strategic and business risks, financial risk as well as non-financial risks) are derived from the business strategy of VP Bank and provide the framework conditions for risk management of the respective types of risk. The risk policy represents the basic framework for the individual risk strategies.
- **Determining the risk coverage potential and setting the risk tolerance:** In the risk-bearing capacity calculation, a distinction must be made between a regulatory and a value-oriented perspective. With both perspectives, the identification of the risk-bearing capacity is based on consideration of appropriate risk buffers. On the basis of the risk-bearing capacity calculation, the Board of Directors determines the limits and objectives for a rolling risk horizon of one year. All significant risks and the available risk coverage potential are compared with each other (risk-bearing capacity).
- **Risk identification (risk inventory):** With the annual risk inventory to be undertaken as part of the review of the framework and risk strategies, it is ensured that all significant risks of the Group (quantifiable, not quantifiable or difficult to quantify) are identified. The analysis is carried out on a top-down and/or bottom-up basis using both quantitative and qualitative criteria. Significant risks are integrated fully into the risk management process and backed by risk capital. Insignificant risks are reviewed and monitored at least annually within the scope of the risk inventory. As part of the risk inventory, potential risk concentrations in all significant risk types are evaluated.
- **Risk measurement:** From a regulatory perspective, risk-bearing capacity is assessed on the basis of eligible capital and regulatory capital. From a value-oriented perspective, risk-bearing capacity is determined by the present value of equity, taking into account operating costs, a buffer for other risks and the economic capital requirement. To determine the economic capital requirement, all risk types classified as material in VP Bank's annual risk inventory are taken into account and possible unexpected losses in value are considered. To determine the economic capital requirement, all material risks are aggregated into an overall risk assessment.
- **Assessment of risk-bearing capacity:** Risk-bearing capacity is given when the existing risk coverage potential is greater than the risks incurred at any given time. Early warning levels enable early course correction to ensure that the bank's continued existence is not jeopardised.
- **Risk steering** encompasses all measures on all organisational levels to actively influence the bank's risks identified as being significant. In this respect, the objective is the optimisation of the risk return ratio within the limits and objectives set by the Board of Directors and Group Executive Management to ensure the risk-bearing capacity of the Group while also complying with statutory and legal supervisory provisions. Risk management is performed at strategic as well as operating levels. Based upon the juxtaposition of risks and limits on the one hand, as well as of regulatory and economically required capital and risk coverage potential on the other, countermeasures are taken in case of a negative variance.
- **Independent risk monitoring (control and reporting to Group Executive Management and the Board of Directors):** Risk steering is accompanied by comprehensive risk monitoring, which is functionally and organisationally independent of risk steering. Risk monitoring covers control and reporting. As part of the monitoring of financial

risks, steering impulses can be derived from a routine target-to-actual comparison. The target is derived from the limits and objectives set, as well as from legal and supervisory-law provisions. For review of the extent to which limits are used (actual), early-warning stages are also deployed in order to take timely steering measures for any risks before they materialise.

As non-financial risks can also arise as a result of internal control gaps in the course of ongoing business activities, key controls for significant risks are audited by the respective manager in all organisational units of VP Bank.

From a risk-monitoring perspective, risk-based checks for compliance and operational risks are carried out on an ongoing basis by Group Compliance & Operational Risk, while the respective business units are responsible for management of compliance and operational risks.

Reputational risks can result from financial risks, non-financial risks (operational risks, compliance risks, information security risks (including cyber)), ESG risks, and strategy and business risks. Strategy and business risks, as well as any reputational risks, are handled by Group Executive Management.

The results of the controls are regularly prepared in a transparent manner as part of the reporting process. The preparation takes place ex ante for decision-making purposes, ex post for control purposes – in particular to analyse any deviations from the planned figures – and ad hoc in the event of sudden and unexpected risks.

The process of ensuring the risk-bearing capacity of VP Bank Group is presented in the figure on the previous page.

4. Own funds disclosure

The required qualitative and quantitative information on capital adequacy, risk management strategies and procedures, and VP Bank's risk situation is disclosed in the risk report and in the notes to the consolidated financial statements. In addition, VP Bank Group is preparing a disclosure report for the 2025 financial year. The Bank thus fulfils the regulatory requirements under the Banking Ordinance (BankV) and Banking Act (BankG) as well as the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD).

VP Bank computes its required equity in accordance with the provisions of the CRR. In this connection, the following approaches are applied:

- Standardised approach for credit risks in accordance with Part 3, Title II, Chapter 2 of the CRR
- Standardised measurement approach (SMA) for operational risks in accordance with Part 3, Title III, Chapter 2 of the CRR
- Simplified standardised approach for market risks in accordance with Part 3, Title IV, Chapters 2-4 of the CRR
- Basic approach for credit valuation adjustment (CVA) risks in accordance with Article 384 CRR
- Comprehensive method for taking financial collateral into account in accordance with Article 223 CRR

In regard to strategy, business and reputational risk, no explicit regulatory capital adequacy requirements are stipulated in the CRR.

The following table shows the capital adequacy situation of the Group as of 31 December 2025.

Capital adequacy computation (Basel IV)

in CHF 1,000	31.12.2025	31.12.2024
Core capital		
Share capital	66,154	66,154
Deduction for treasury shares	-40,485	-44,909
Capital reserves	21,410	22,067
of which premium for capital instruments	47,505	47,505
Retained earnings	1,166,973	1,144,832
of which group net income	47,019	18,471
Actuarial gains/losses from defined-benefit pension plans	-16,836	-31,630
Unrealised gains/losses on Fair Value Through OCI (FVTOCI) financial instruments	17,041	-11,049
Foreign-currency translation differences	-38,144	-28,671
Total shareholders' equity	1,176,113	1,116,794
Deduction for dividends as per proposal of Board of Directors	-26,462	-26,462
Deduction for equity instruments as per art. 28 CRR	0	0
Deduction for actuarial gains/losses from IAS19	16,836	31,630
Deduction for deferred taxes on IAS 19	-2,105	-3,954
Deduction for goodwill and intangible assets	-46,768	-45,863
Other deductions (deferred taxes, additional value adjustments (AVA), securitization positions, credit risk adjustments)	-5,097	-5,973
Eligible core capital (CET1 = Tier 1)¹	1,112,518	1,066,172
Eligible core capital (adjusted)	1,112,518	1,066,172
Credit risk (in accordance with Liechtenstein standard approach)	283,329	272,078
thereof price risk regarding equity securities in the banking book	6,867	6,094
Market risk (in accordance with Liechtenstein standard approach)	11,781	3,861
Operational risk (in accordance with basic indicator approach)	45,338	52,044
Credit Value Adjustment (CVA)	403	1,761
Total required equity	340,852	329,744
Capital buffer	197,863	191,418
Total required equity including capital buffer	538,715	521,162
CET1 capital ratio	26.1%	25.9%
Tier 1 ratio	26.1%	25.9%
Overall capital ratio	26.1%	25.9%
Total risk-weighted assets	4,260,655	4,121,797
Return on investment (net income / average balance sheet total)	0.4%	0.2%

¹ The CET1 ratio is equal to the core capital ratio (tier 1) and the total capital ratio of VP Bank Group.

5. Financial risks

While engaged in complying with the relevant statutory and regulatory provisions, the monitoring and management of financial risks is based on internal bank objectives and limits relating to volumes, sensitivities and risk metrics. Scenario analyses and stress tests also demonstrate the effect of events which can not or not sufficiently be taken into consideration within the scope of ordinary risk evaluation. In this respect, the Board of Directors sets strategic guard rails within which risk management is undertaken.

Group Executive Management is responsible for the implementation and observance of the risk strategy for financial risks as approved by the Board of Directors. At the operational level, the identification, assessment and monitoring of all relevant risks is carried out by functions of the area of the Chief Risk Officer, which are independent of the risk management units. The risk management units are responsible for risk management and first-instance compliance with the targets and limits relevant to them.

Market risks

Market risks arise from taking positions in financial assets (debt instruments, equities and other securities), foreign currencies, precious metals and corresponding derivatives, as well as from client business, interbank business and from consolidated subsidiary companies whose functional currency is a foreign currency.

Interest rate risk is a significant component of market risk. It arises mainly due to divergent maturities between positions on the asset and liability sides of the balance sheet. The table on the maturity structure shows the assets and liabilities of VP Bank broken down into positions at sight, callable positions and positions with specific maturities (→ cf. [note 35](#)).

Asset and liability positions of VP Bank denominated in foreign currencies are of importance to determine the currency risk. An overview, analysed by currency, is to be found in the balance sheet by currencies (→ cf. [note 34](#)).

The bank employs a comprehensive set of methods and key figures for the monitoring and management of market risks. In this respect, the value-at-risk (VaR) approach has established itself as the standard method to measure market risk. The VaR for market risks quantifies the potential loss in market value of all market risk positions on the evaluation date, expressed in CHF. The value-at-risk is computed on a Group-wide basis with the methodology of historic simulation. In this process, the historical movements in market data over a period of at least five years are used in order to evaluate all positions subject to market risk.

The projected loss refers to an investment horizon of 250 trading days and will not be exceeded with a probability of 99 per cent. The calculation of interest rate risk generally takes into account the contractual fixing period of interest-bearing positions. For non-maturing positions, an internal replication model is applied.

The market value at risk (99 per cent / 250 days) of VP Bank Group amounted to CHF 107 million on 31 December 2025 (previous year: CHF 118 million). This figure includes interest rate, currency and equity risks as well as credit spread risks of the bond portfolio. During 2025, the market VaR fluctuated between CHF 102 million and CHF 122 million, mainly due to fluctuations in interest rate positioning. The observable decline in market VaR over the course of 2025 is mainly determined by interest rate risk and results from the ageing and volume reduction of fixed-income asset positions. The increase in foreign currency and equity risks, on the other hand, is hardly reflected in the combined market VaR. The increase was due to the expansion of exposures and the good equity performance in 2025. No material changes were recorded in credit spread risks.

The following table shows the VaR analysed by types of risk and the total market VaR.

Market value-at-risk (end-of-month values)

in CHF million	Total	Interest-rate risk	Credit-spread-risk	Equity and commodity risk	Currency risk
2025					
Year-end	107.1	102.6	42.1	66.8	33.2
Average	109.9	106.9	42.6	59.3	29.5
Highest value	122.4	121.5	45.5	66.8	33.2
Lowest value	101.8	96.1	41.0	51.9	23.0
2024					
Year-end	118.4	117.5	45.5	51.9	23.0
Average	117.0	116.7	50.4	50.1	17.2
Highest value	125.7	126.4	53.9	52.1	23.0
Lowest value	105.0	103.4	45.5	47.1	11.8

As the maximum losses arising from extreme market situations cannot be determined with the VaR approach, the market risk analysis is supplemented by stress tests that allow an assessment of the effects of extreme market fluctuations on the present value of equity and on net interest income. In this manner, the fluctuations in net present value of all balance sheet items and derivatives in the area of market risks are computed with the aid of sensitivity indicators based on simulated market movements (parallel shift, rotation or inclination of interest rate curves, exchange rate fluctuations by a multiple of their implicit volatility, slump in stock prices). In addition, the development of interest income is simulated for selected market scenarios (rising interest rates, falling interest rates, falling exchange rates).

The following table exemplifies the results of the key rate duration. For this, first of all, the present values of all asset and liability items as well as derivative financial instruments are calculated. Then, the interest rates of the relevant interest rate curves are increased by 1 basis point and the resulting change of present value is scaled to 1 per cent (100 basis points) in each maturity band and per currency. The respective movements represent the gain or loss of

the net present value resulting from the shift in the interest rate curve. Negative values point to an excess of assets, while positive values indicate an excess of liabilities over the relevant term.

Key rate duration profile per 100 basis points increase

in CHF 1,000	within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	over 5 years	Total
31.12.2025						
CHF	-119	2,599	-5,113	-18,687	8,964	-12,356
EUR	208	88	-1,507	-10,382	647	-10,946
USD	175	-1,298	-1,478	-12,151	1,274	-13,478
Other currencies	-108	155	8	242	0	297
Total	156	1,544	-8,090	-40,978	10,885	-36,483
31.12.2024						
CHF	169	2,105	-6,177	-18,783	3,946	-18,740
EUR	229	39	-1,547	-10,735	535	-11,479
USD	258	-901	-1,219	-14,669	1,995	-14,536
Other currencies	-152	214	133	862	0	1,057
Total	504	1,457	-8,810	-43,325	6,476	-43,698

The following table sets out the effects of a negative movement in the principal foreign currencies on group net income and shareholders' equity. The variance applied to determine this effect represents the implicit volatility of the respective exchange rates as of 31 December 2025 and 31 December 2024.

Movement in significant foreign currencies

Currency	Variance in %	Effect on net income in CHF 1,000	Effect on equity in CHF 1,000
2025			
EUR	-6	-3,402	0
USD	-8	-8,432	-4,835
2024			
EUR	-6	-3,232	0
USD	-8	-4,507	-5,710

The following table illustrates the impact of a possible downturn in equity markets of 10, 20 and 30 per cent, respectively, on group net income and equity capital.

Movement in relevant equity share markets

Variance	Effect on net income in CHF 1,000	Effect on equity in CHF 1,000
2025		
-10 %	-4,652	-19,250
-20 %	-9,305	-38,500
-30 %	-13,957	-57,750
2024		
-10 %	-5,224	-14,056
-20 %	-10,449	-28,111
-30 %	-15,673	-42,167

For risk management purposes, derivative financial instruments are entered into exclusively in the banking book and serve to hedge equity, interest rate and currency risks as well as to manage the banking book. The risk strategy for financial risks defines the derivatives approved for this purpose.

VP Bank refinances its medium- and long-term client loans and its nostro positions in interest-bearing debt securities primarily with short-term client deposits and is therefore subject to interest rate risk. Rising interest rates have an adverse impact on the net present value of fixed income business activities, and they also increase refinancing costs. As part of asset and liability management, interest rate swaps can be used to hedge this risk and are recognised at fair value. VP Bank applies fair-value hedge accounting under IFRS in order to record the offsetting effect of changes in the value of the hedged item on the balance sheet. For this purpose, a portion of the underlying transactions (fixed interest loans) are linked to the hedging transactions (payer swaps) through hedging relationships. In the event of fair-value changes caused by interest rate changes, the carrying values of the underlying transactions concerned are adjusted and the gains/losses taken to income.

Fixed rate positions are transformed into variable interest rate positions through the conclusion of payer swaps, thus establishing a close economic relationship between the hedge item (loan) and the hedge instrument (swap). Therefore, the hedge ratio between the designated amount of the hedge item and the designated amount of the hedge instruments is one. A hedge relationship is efficient and/or effective whenever the movements in the value of the hedge item and the hedging transactions induced by interest rate changes offset each other. Ineffectiveness mainly results from variations in duration, such as those which arise from different maturities, interest payment dates or different interest rates.

The initial efficiency of a hedge relationship is proven by a prospective effectiveness test. For this purpose, future changes in the fair value of the hedge item and hedge instrument are simulated on the basis of scenarios and are subject to a regression analysis. Effectiveness is assessed on the basis of the results of the analysis. Repeated reviews take place during the duration of the hedge relationship.

By entering into foreign exchange transactions, VP Bank has hedged its own financial investments against exchange rate fluctuations in the principal currencies. Currency risks from the client business generally may not arise, and currency positions that remain open are closed via the foreign exchange market. Group Treasury & Execution is responsible for the management of foreign currency risks from the client business.

Liquidity risks

Liquidity risks may arise through contractual mismatches between the inflows and outflows of liquidity in the individual maturity bands. Any differences arising demonstrate how much liquidity the bank must eventually procure in each maturity band in the event of an outflow of all volumes at the earliest possible time. Furthermore, there may be refinancing concentrations that are so significant that a withdrawal of the corresponding funds may cause liquidity problems.

Liquidity risks are monitored and managed using internal targets and limits for the interbank and lending business and other balance-sheet-related key figures – while also complying with statutory liquidity norms and provisions.

The decline in exchange rates against the CHF, particularly the USD, led to a decline in client deposits in 2025. On the assets side, this resulted in a decline in interbank deposits and the financial investment portfolio, while at the same time the cash and cash equivalents position was significantly higher at the end of the year.

With a liquidity coverage ratio (LCR) of 180 per cent and a net stable funding ratio (NSFR) of 154 per cent at the end of 2025, VP Bank continues to enjoy a comfortable liquidity situation.

In the short-term maturity range, the Bank refinances itself primarily through sight, call and term deposits. The following table shows the maturity structure of liabilities by maturity bands. At the end of the year, cash flows (undiscounted capital and interest payments) were broken down as follows:

Cash flows on the liabilities' side

in CHF 1,000	At sight	Cancellable	Maturing within 12 months	Maturing after 12 months to 5 years	Maturing after 5 years	Total
31.12.2025						
Due to banks	287,014		229,994	0	0	517,008
Due to customers - savings and deposits		398,504				398,504
Due to customers - other liabilities	3,655,421	2,163,764	2,412,390	6,076	0	8,237,651
Derivative financial instruments ¹	22,369					22,369
Medium-term notes			15,804	58,829	2,014	76,646
Debentures issued			930	157,790	0	158,720
Other liabilities ²	48,529		4,618	4,943		58,090
Total	4,013,333	2,562,267	2,663,736	227,637	2,014	9,468,988
31.12.2024						
Due to banks	176,852	0				176,852
Due to customers - savings and deposits		380,211				380,211
Due to customers - other liabilities	3,546,966	2,138,347	2,907,229			8,592,542
Derivative financial instruments ¹	18,715					18,715
Medium-term notes			10,224	39,082	1,633	50,939
Debentures issued			930	158,720		159,650
Other liabilities ²	98,363		4,998	9,858		113,219
Total	3,840,896	2,518,558	2,923,381	207,660	1,633	9,492,128

¹ Derivative positions are reported «at sight» as this conservatively reflects the nature of these trading activities. The carrying amount corresponds to the fair value. Management believes that this best represents the cash flows that would have to be paid if these positions had to be settled or closed out.

² Also includes lease liabilities (Note 32).

VP Bank can obtain liquidity on a covered basis if necessary via access to the Eurex Repo market. Stress tests are used to assess the risk of unusual but plausible events, enabling VP Bank to take any necessary countermeasures in good time.

Credit risks

Credit risks arise from all transactions for which payment obligations of third parties in favour of VP Bank exist or can arise. Credit risks accrue to VP Bank from client lending activities, the money market business including bank guarantees, correspondent and metals accounts, the reverse repo business, the bank's own portfolio of securities, securities lending and borrowing, collateral management and OTC derivative trades.

Risk concentrations can arise through large exposures (cluster risks) or inadequate diversification of the loan or collateral portfolio. Such concentrations can constitute exposures from borrowers which are domiciled in the same countries or regions, are active in the same industry segment or possess the same collateral. Concentrations can lead to the creditworthiness of borrowers or the recoverability of collateral being impacted by the same economic, political or other factors. Risk concentrations are closely monitored by VP Bank as well as being controlled with corresponding limits and operational checks.

On 31 December 2025, total credit exposure, excluding collateral, amounted to CHF 8.9 billion (as at 31 December 2024: CHF 9.3 billion). The following table shows the composition of on-balance sheet and off-balance sheet items.

Credit exposures

in CHF 1,000	31.12.2025	31.12.2024
On-balance-sheet assets		
Receivables arising from money market papers	157,414	171,749
Due from banks	746,621	850,681
Due from customers	5,925,324	5,940,799
Public-law enterprises	396	453
Trading portfolios	578	372
Derivative financial instruments	24,910	86,848
Debt instruments at fair value	1	1
Financial instruments measured at amortised cost	2,027,972	2,227,254
Total	8,883,217	9,278,156
Off-balance-sheet transactions		
Contingent liabilities	94,683	104,238
Irrevocable facilities granted	77,508	168,420
Total	172,191	272,658

Compared with the previous year, the total volume of credit commitments decreased by CHF 395 million. This decline is mainly attributable to the bank's own bond portfolio (financial instruments measured at amortised cost: CHF -200 million), interbank investments (claims against banks: CHF -104 million) and derivative financial instruments (CHF -62 million). The lending business (claims against customers) remained relatively stable with a volume of CHF 5.9 billion, representing a very moderate decline of CHF 15 million.

Loans to clients are granted on a secured basis as standard. This area primarily includes mortgage business in Switzerland and Liechtenstein as well as in other selected countries, Lombard lending and a small number of special loans.

In the mortgage business, collateral is primarily provided by residential properties, mixed-use or commercial properties in Switzerland and Liechtenstein, as well as in other selected countries. The guidelines and procedures for the valuation and management of mortgage collateral are governed by the provisions of the Capital Adequacy Ordinance in Liechtenstein. Lombard loans are generally granted against the pledging of predominantly liquid and diversified securities portfolios. Life insurance policies may also be used as collateral. Predefined minimum requirements apply to the issuers of the relevant policies. Each issuer must be approved in advance.

The qualitative requirements for eligible collateral and permissible loan-to-value ratios are defined internally. In 2025, further methodological improvements for the quantitative derivation of loan-to-value ratios in margin lending transactions were developed and successfully introduced. Risk concentrations within the collateral are to be avoided through a prudent credit policy.

Within the scope of the client loan business, loans are granted on a regional and international basis to private and commercial clients. The focus remains on the private client business with a volume of CHF 3.7 billion of mortgage credits (31 December 2024: CHF 3.7 billion). From a regional perspective, VP Bank conducts the lion's share of this business in the Principality of Liechtenstein and in the eastern part of Switzerland.

The ten largest single exposures encompass 13 per cent of total credit exposures (31 December 2024: 12.5 per cent).

The credit regulations form the binding framework for credit risk management and client lending business. In addition to the general guidelines and framework conditions for lending business, they also define the decision-making powers and related ranges for the approval of loans (rules on powers of authority).

In principle, exposures in both private and commercial lending must be covered by the mortgage lending value of the collateral (collateral after hair cut). Counterparty risks are regulated by limits that restrict the amount of an exposure depending on the credit rating, industry, coverage and risk domicile of the clients. VP Bank uses an internal risk classification procedure to assess creditworthiness. Deviations from credit principles (exceptions to policy) are treated in the credit risk management process in accordance with their risk content.

VP Bank enters into both secured and unsecured positions in the interbank business. Unsecured positions result from money market activities (including bank guarantees, correspondent and precious metals accounts), secured positions arising from reverse repo transactions, securities lending and borrowing, collateral management and OTC derivative transactions. Repo deposits are fully secured, and the collateral received serves as a reliable source of liquidity in a crisis. Hence, counterparty risk and liquidity risk can be reduced with reverse repo transactions.

Counterparty risks in the interbank business may only be entered into in approved countries and with approved counterparties. Exposures to banks relate to institutions with a good credit rating (investment grade rating) and registered office in an OECD country. A comprehensive system of limits contains the level of exposure depending on the term, rating, risk domicile and collateral of the counterparty. In this regard, VP Bank relies on the rating by the two rating agencies Standard & Poor's and Moody's. OTC derivative transactions may be concluded exclusively with counterparties with whom a netting agreement has been signed.

Credit risks are managed and monitored not only on an individual transaction level but also on a portfolio level. On the portfolio level, VP Bank uses expected and unexpected credit loss estimates to monitor and measure credit risk. The expected credit loss represents the average loss that can be expected within one year. Unexpected credit loss represents a scenario-based unexpected loss from a stressed loss framework that is the difference between the potential loss in a stressed scenario (stressed loss) and the loss to be expected in a normal market environment (expected loss) over one year. In particular, the stressed loss framework takes account of idiosyncratic credit risks. The unexpected loss is limited and monitored by a corresponding credit risk limit, both overall and per loan portfolio.

Credit derivatives (contract volume)

in CHF 1,000	Providers of collateral as of 31.12.2025	Providers of collateral as of 31.12.2024
Collateralised debt obligations	0	0
Total	0	0

No transactions in credit derivatives were carried out in the past financial year.

Country risk

Country risks arise whenever political or economic conditions specific to a country impinge on the value of an exposure abroad. The monitoring and management of country risk is undertaken using volume limits which restrict the respective aggregate exposures per country rating (Standard & Poor's and Moody's). All receivables on the balance sheet are considered in this process; positions in the Principality of Liechtenstein and Switzerland do not fall under this country limit rule.

The risk domicile of an exposure is the basis for recognising country risk. With secured exposures, consideration is usually given to the country in which the collateral is located.

The following table shows the distribution of credit exposures by country rating. Non-rated country exposures are mostly exposures from local business activities (receivables secured by mortgage) of VP Bank (BVI) Ltd.

Country exposure by rating

in %	31.12.2025	31.12.2024
AAA	77.1	76.3
AA	19.5	19.1
A	1.4	2.1
BBB - B	0.8	1.0
CCC - C	0.0	0.1
Not Rated	1.3	1.4
Total	100.0	100.0

IFRS 9 Impairment

The additional tables to be disclosed from IFRS 9 Impairment can be seen below.

Credit exposures by rating classes

in CHF 1,000	Rating (Standard & Poor's or Equivalent)	Carrying amount of the below financial positions			Total 31.12.2025
		Stage 1	Stage 2	Stage 3	
Cash and cash equivalents					
Investment Grade					
Very Low credit risk	AAA	1,333,892			1,333,892
Low credit risk	AA+, AA, AA-, A+, A, A-				0
Moderate credit risk	BBB+, BBB, BBB-				0
Non Investment Grade	BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C				0
Default	D				0
Gross Carrying amount		1,333,892	0	0	1,333,892
Loss allowance		-18			-18
Carrying amount		1,333,874	0	0	1,333,874
Receivables arising from money market papers					
Investment Grade					
Very Low credit risk	AAA	85,932			85,932
Low credit risk	AA+, AA, AA-, A+, A, A-	71,490			71,490
Moderate credit risk	BBB+, BBB, BBB-				0
Non Investment Grade	BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C				0
Default	D				0
Gross Carrying amount		157,422	0	0	157,422
Loss allowance		-8			-8
Carrying amount		157,414	0	0	157,414

in CHF 1,000	Rating (Standard & Poor's or Equivalent)	Carrying amount of the below financial positions			Total 31.12.2025
		Stage 1	Stage 2	Stage 3	
Due from banks					
Investment Grade					
Very Low credit risk	AAA	64,093			64,093
Low credit risk	AA+, AA, AA-, A+, A, A-	494,821			494,821
Moderate credit risk	BBB+, BBB, BBB-	5,156			5,156
Non Investment Grade	BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C		15,784		15,784
Default	D				0
Gross Carrying amount		564,070	15,784	0	579,855
Loss allowance		-12	-1		-13
Carrying amount¹		564,058	15,783	0	579,842
Due from customers					
Low credit risk		5,843,374		5,161	5,848,535
Moderate credit risk			25,768	21,183	46,951
High Credit Risk				11,271	11,271
Doubtful				8,161	8,161
Default				27,542	27,542
Gross Carrying amount		5,843,374	25,768	73,317	5,942,459
Loss allowance		-808	-174	-15,757	-16,739
Carrying amount		5,842,566	25,594	57,560	5,925,720

¹ Total due from banks in note 15 includes continuous linked settlements (CLS) transactions, which are not relevant for expected credit losses under IFRS 9. The reason for this is that these are back-to-back transactions that do not involve any credit risk. The carrying amount is therefore lower than the total due from banks in note 15.

Financial instruments measured at amortised cost					
Investment Grade					
Very Low credit risk	AAA	694,027			694,027
Low credit risk	AA+, AA, AA-, A+, A, A-	1,099,919			1,099,919
Moderate credit risk	BBB+, BBB, BBB-	225,113			225,113
Non Investment Grade	BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C		9,671		9,671
Default	D				0
Gross Carrying amount		2,019,058	9,671	0	2,028,730
Loss allowance		-502	-256		-758
Carrying amount		2,018,556	9,415	0	2,027,972

in CHF 1,000	Exposure to credit risk on loan commitments and financial guarantee contracts				Total 31.12.2025
	Stage 1	Stage 2	Stage 3		
Exposure to credit risk on loan commitments and financial guarantee contracts					
Low credit risk	156,382				156,382
Moderate credit risk		56			56
High Credit Risk					0
Doubtful					0
Default					0
Gross Carrying amount	156,382	56	0		156,438
Loss allowance	-63				-63
Carrying amount	156,319	56	0		156,375

in CHF 1,000	Rating (Standard & Poor's or Equivalent)	Carrying amount of the below financial positions			Total 31.12.2024
		Stage 1	Stage 2	Stage 3	
Cash and cash equivalents					
Investment Grade					
Very Low credit risk	AAA	891,888			891,888
Low credit risk	AA+, AA, AA-, A+, A, A-				0
Moderate credit risk	BBB+, BBB, BBB-				0
Non Investment Grade					
	BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C				0
Default	D				0
Gross Carrying amount		891,888	0	0	891,888
Loss allowance		-19			-19
Carrying amount		891,869	0	0	891,869
Receivables arising from money market papers					
Investment Grade					
Very Low credit risk	AAA	98,809			98,809
Low credit risk	AA+, AA, AA-, A+, A, A-	72,946			72,946
Moderate credit risk	BBB+, BBB, BBB-				0
Non Investment Grade					
	BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C				0
Default	D				0
Gross Carrying amount		171,755	0	0	171,755
Loss allowance		-6			-6
Carrying amount		171,749	0	0	171,749
Due from banks					
Investment Grade					
Very Low credit risk	AAA	34,057			34,057
Low credit risk	AA+, AA, AA-, A+, A, A-	708,238			708,238
Moderate credit risk	BBB+, BBB, BBB-	700			700
Non Investment Grade					
	BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C		6,163		6,163
Default	D				0
Gross Carrying amount		742,995	6,163	0	749,158
Loss allowance		-27	-1		-28
Carrying amount¹		742,968	6,162	0	749,130
Due from customers					
Low credit risk		5,795,936		14,269	5,810,205
Moderate credit risk			81,479	29,221	110,700
High Credit Risk				1,953	1,953
Doubtful				8,139	8,139
Default				35,263	35,263
Gross Carrying amount		5,795,936	81,479	88,845	5,966,260
Loss allowance		-1,053	-671	-23,284	-25,008
Carrying amount		5,794,883	80,808	65,561	5,941,252

¹ Total due from banks in note 15 includes continuous linked settlements (CLS) transactions, which are not relevant for expected credit losses under IFRS 9. The reason for this is that these are back-to-back transactions that do not involve any credit risk. The carrying amount is therefore lower than the total due from banks in note 15.

in CHF 1,000	Rating (Standard & Poor's or Equivalent)	Carrying amount of the below financial positions			Total 31.12.2024
		Stage 1	Stage 2	Stage 3	
Financial instruments measured at amortised cost					
Investment Grade					
Very Low credit risk	AAA	708,454			708,454
Low credit risk	AA+, AA, AA-, A+, A, A-	1,281,374			1,281,374
Moderate credit risk	BBB+, BBB, BBB-	224,318			224,318
Non Investment Grade	BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C		14,019		14,019
Default	D				0
Gross Carrying amount		2,214,146	14,019	0	2,228,165
Loss allowance		-543	-368		-911
Carrying amount		2,213,603	13,651	0	2,227,254

in CHF 1,000	Exposure to credit risk on loan commitments and financial guarantee contracts			Total 31.12.2024
	Stage 1	Stage 2	Stage 3	
Exposure to credit risk on loan commitments and financial guarantee contracts				
Low credit risk				0
Moderate credit risk				0
High Credit Risk	253,717			253,717
Doubtful				0
Default				0
Gross Carrying amount	253,717	0	0	253,717
Loss allowance	-434			-434
Carrying amount	253,283	0	0	253,283

Expected credit losses according to IFRS 9 Impairment

in CHF 1,000	Expected credit loss of the below financial positions			Total 2025
	Stage 1	Stage 2	Stage 3	
Due from customers - mortgage loans¹				
1 January 2025	102	26	10,860	10,988
New financial assets originated or purchased	26	18		44
Transfers				0
to stage 1	22			22
to stage 2		-19		-19
to stage 3			-3	-3
Net remeasurement of loss allowance	-34	68	2,567	2,601
Financial assets derecognised during period (not written off) i.e. repayments, modifications, sales etc.	-19	-5	-539	-564
Changes in models/risk parameters				0
Amounts written off on loans / utilisation in accordance with purpose			-980	-980
Foreign exchange and other adjustments			-6	-6
31 December 2025	97	88	11,899	12,084
Due from customers - lombard loans¹				
1 January 2025	779	645	9,873	11,297
New financial assets originated or purchased	227	1		228
Transfers				0
to stage 1	67			67
to stage 2		-611		-611
to stage 3			545	545
Net remeasurement of loss allowance	-45	1	219	175
Financial assets derecognised during period (not written off) i.e. repayments, modifications, sales etc.	-376	-28	-187	-591
Changes in models/risk parameters				0
Amounts written off on loans / utilisation in accordance with purpose			-9,576	-9,576
Foreign exchange and other adjustments	-4		-23	-27
31 December 2025	648	9	852	1,509
Due from customers - other loans¹				
1 January 2025	173	0	2,549	2,723
New financial assets originated or purchased	37	78		115
Transfers				0
to stage 1	13			13
to stage 2		18		18
to stage 3			-31	-31
Net remeasurement of loss allowance	-9	-18	1,105	1,078
Financial assets derecognised during period (not written off) i.e. repayments, modifications, sales etc.	-149	-0	-520	-670
Changes in models/risk parameters				0
Amounts written off on loans / utilisation in accordance with purpose			-40	-40
Foreign exchange and other adjustments			-60	-60
31 December 2025	65	78	3,004	3,147

¹ By type of collateral.

in CHF 1,000	Expected credit loss of the below financial positions			Total 2024
	Stage 1	Stage 2	Stage 3	
Due from customers - mortgage loans¹				
1 January 2024	108	8	8,766	8,882
New financial assets originated or purchased	38		1,893	1,931
Transfers				0
to stage 1	1	2		3
to stage 2		-4		-4
to stage 3			1	1
Net remeasurement of loss allowance	-29	21	640	632
Financial assets derecognised during period (not written off) i.e. repayments, modifications, sales etc.	-18	-1	-153	-172
Changes in models/risk parameters				0
Amounts written off on loans / utilisation in accordance with purpose			-290	-290
Foreign exchange and other adjustments	2		3	5
31 December 2024	102	26	10,860	10,988
Due from customers - lombard loans¹				
1 January 2024	1,013	447	9,836	11,296
New financial assets originated or purchased	419	212		631
Transfers				0
to stage 1	-60			-60
to stage 2		61		61
to stage 3				0
Net remeasurement of loss allowance	-298	3	352	57
Financial assets derecognised during period (not written off) i.e. repayments, modifications, sales etc.	-302	-83	-416	-801
Changes in models/risk parameters				0
Amounts written off on loans / utilisation in accordance with purpose				0
Foreign exchange and other adjustments	7	5	101	113
31 December 2024	779	645	9,873	11,297
Due from customers - other loans¹				
1 January 2024	192	0	1,501	1,694
New financial assets originated or purchased	45		100	145
Transfers				0
to stage 1				0
to stage 2				0
to stage 3		9	-9	0
Net remeasurement of loss allowance	-2	-9	1,459	1,448
Financial assets derecognised during period (not written off) i.e. repayments, modifications, sales etc.	-62		-524	-586
Changes in models/risk parameters				0
Amounts written off on loans / utilisation in accordance with purpose				0
Foreign exchange and other adjustments			22	22
31 December 2024	173	0	2,549	2,723

¹ By type of collateral.

The following table shows the biggest changes in valuation adjustments by stage.

in CHF 1,000	Impact: increase/decrease			Total 2025
	Stage 1	Stage 2	Stage 3	
Appropriate use of loan loss provisions ¹			-10,595	-10,595
Net-reassessment of individual value adjustments			2,645	2,645
Lombard loan: change from stage 2 to stage 3		-545	545	0
Off-balance sheet - irrevocable letter (shortening of terms and reduction of limits)	-334			-334
Decline in bond volume	-41	-112		-153
Other effects	-296	49	-122	-369
Total	-671	-608	-7,528	-8,807

¹ Thereof one customer ca. 90 per cent.

in CHF 1,000	Impact: increase/decrease			Total 2024
	Stage 1	Stage 2	Stage 3	
New specific valuation allowances			1,993	1,993
Net-reassessment of individual value adjustments			1,359	1,359
Appropriate use of loan loss provisions (one customer)			-290	-290
Decline in bond volume	-65	-71		-136
Other effects	76	-20	127	183
Total	11	-91	3,189	3,109

The following table provides disclosures on assets which were modified and at the same time have a stage 2 and 3 valuation adjustment.

Information about the nature and effect of modifications on the measurement of provision for doubtful debts (Stage 2 and 3) in CHF 1,000	Total 2025	Total 2024
Financial assets modified during the period		
Amortised cost before modification		
Net modification loss		
Financial assets modified since initial recognition		
Gross carrying amount at 31 December of financial assets for which loss allowance has changed from stage 2 or stage 3 to stage 1 during the period	7,201	1,805

6. Operational risk

While financial risks are deliberately assumed in order to earn income, operational risks should be avoided by suitable controls and measures or, if this is impossible, should be reduced to a level set by the bank.

There is a wide variety of causes for operational risks. People make mistakes, third parties fail to provide the agreed service, external risks affect the bank or business processes do not work. It is therefore necessary to determine the factors which trigger important risk events and their impact in order to avoid or at least contain them with suitable preventive measures.

The management of operational risks is understood at VP Bank to be an integral cross-divisional function which is to be implemented across all business units and processes on a uniform group-wide basis. The following methods are used:

- The internal control system of VP Bank encompasses all process-integrated and process-independent measures, functions and controls which assure the orderly conduct of business operations.
- Early-warning indicators are used to recognise potential losses in a timely manner and to ensure that enough time still remains for the planning and realisation of countermeasures.
- Significant loss occurrences are recorded systematically and are then evaluated centrally. The findings from the collection of loss data are integrated directly into the risk management process.
- Operational risks are assessed on a top-down and bottom-up basis within the framework of annual group-wide non-financial risk assessments. Based on these assessments, Group Executive Management decides how to deal with the identified risks and, if necessary, determines proactive risk-reducing measures.

The Group Operational Risk & Methodology unit, as a part of Group Compliance & Operational Risk, is responsible for the group-wide implementation, monitoring and further development of the methods and tools used to manage operational risks.

Each person in a management position is responsible for identification and evaluation of operational risks as well as for definition and performance of key controls and measures to contain risks.

Controls are periodically assessed for adequacy and effectiveness. The current operational risk situation is reported to the Executive Board and the Board of Directors on a quarterly basis.

Operational resilience and business continuity management (BCM) are a further important sub-area of operational risk management. Operational resilience refers to the ability of the institution to hedge its critical functions against potential attacks, failures and impairments and to be able to restore them in the event of interruptions. BCM refers to a management method that uses a life cycle model to ensure the continuation of business activities under crisis conditions or at least under unpredictably difficult conditions. The objective of BCM is to systematically prepare for and test the management of extraordinary loss events, so that even in critical situations and emergencies, important processes are not interrupted or only temporarily interrupted and the economic existence of the business remains

secure in spite of a loss event. For this purpose, the Board of Directors of VP Bank has clearly defined the duties, powers and responsibilities in connection with operational resilience and BCM. The group-wide crisis organisation is an integral part of VP Bank and becomes operative as soon as a business-critical loss event occurs or a corresponding situation is threatened. The members of the crisis organisation are regularly trained.

7. Information security risk

Protection against cyber threats remains a top priority for VP Bank. This protection is ensured by modern IT systems, robust processes and trained and sensitised employees. The requirements for information and cyber security are set out in a company-wide policy approved by the Board of Directors, which defines clear governance structures and responsibilities and follows a risk-based, holistic approach based on internationally recognised standards such as the ISO 27000 series and NIST. VP Bank places particular emphasis on the prevention and identification of vulnerabilities, continuous trend and risk analyses, strengthening cyber resilience and effective incident, crisis and disaster recovery management. Cyber threats are subject to ongoing analysis and appropriate defensive measures are taken depending on the risk. The bank ensures a high level of security through targeted vulnerability management and regular penetration tests. In addition, all employees complete mandatory annual cyber security training to ensure uniform security awareness and consistent compliance with guidelines.

8. Business risk and strategic risk

Business risk on the one hand results from unexpected changes in market and underlying conditions with an adverse effect on profitability or equity. On the other hand, it indicates the danger of unexpected losses that may result from management decisions regarding the business policy orientation of the Group (strategic risk). Group Executive Management is responsible for managing business risk. Taking into account the banking environment and the internal corporate situation, this risk is analysed by Group Executive Management, top-risk scenarios are derived and appropriate measures are worked out, the implementation of which is entrusted to the responsible body or organisational unit (top-down process).

9. Compliance risk

Compliance risk is understood to be breaches of statutory and regulatory provisions that can cause significant damage to VP Bank's reputation or result in sanctions, fines or even in the bank's licence being withdrawn. The compliance risk of VP Bank consists in particular in the possibility that VP Bank does not or does not sufficiently recognise financial crime compliance risks of its clients and counterparties – such as money laundering, financing of terrorism, violations of sanctions and embargoes, as well as fraud and corruption activities – and has not established appropriate surveillance and monitoring processes/measures for identification, management and limitation of cross-border compliance risks as well as tax and investment compliance risks.

All relevant compliance risks which are of significance for the business and service activities of VP Bank Group are recorded and assessed within the scope of a group-wide, annual non-financial risk assessment. In this regard, all relevant, risk-based compliance controls as well as processes and systems within the overall organisation of VP Bank Group are assessed in order to determine whether they are up to date, appropriate and effective. In this context, the risk-based compliance controls must be proportionate to the respective risk, the management effort and the intended control objectives. VP Bank Group also ensures through regular compliance training that all employees of VP Bank Group are familiar with and adhere to the relevant compliance regulations.

10. ESG risks and climate-related financial risks

ESG risks and climate-related financial risks (hereinafter: 'ESG risks') represent the risk of negative economic impacts for VP Bank that may arise from environmental, social and corporate governance factors. VP Bank does not consider ESG risks to be a separate risk category, but rather a risk driver that can manifest itself in other risk groups or risk categories. VP Bank records, evaluates and takes ESG risks into account in its business activities and when assessing its counterparties and client relationships.

In the lending area, ESG risk monitoring and reporting has been established to manage ESG-related credit risks in the Lombard lending business. Risk monitoring and reporting is based on VP Bank sustainability scores (VPSS) and the compliance standards of the UN Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights (UNGP) and the International Labour Organization (ILO).

Similarly, ESG risk monitoring and reporting has been established in the area of financial investments on the basis of VP Bank sustainability scores (VPSS) in order to manage ESG-related risks in its own investments by specifying a target value for the portfolio.



11. Reputational risk

Reputational risk represents the risk of negative economic effects that could arise as a result of damage to the public image or reputation of VP Bank. Strategic and business risks, operational and compliance risks, financial risks as well as ESG risks can lead to reputational risks and weaken the confidence of employees, clients, shareholders, regulators or the public in general in the bank.

This may result in asset losses or a decline in earnings, for instance due to deteriorating or terminated client relationships, rating downgrades, higher refinancing costs or more difficult access to the interbank market.

Reputational risks are monitored by Group Executive Management.

Segment reporting

Structure

VP Bank's market areas are 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 are grouped under "Corporate Center". External segment reporting reflects the organisational structure of VP Bank Group as of 31 December 2025 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".

Liechtenstein & BVI

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

International

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

Asset Servicing

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

Corporate Center

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

Business segment reporting 2025

As a general rule, segment reporting is subject to the same accounting principles as the consolidated financial statements.

in CHF 1,000	Liechtenstein & BVI	International	Asset Servicing	Corporate Center	Total Group
Total net interest income	92,812	45,162	7,435	-879	144,530
Total net income from commission business and services	66,177	51,154	33,107	-8,797	141,641
Income from trading activities	13,042	12,222	4,522	5,144	34,930
Income from financial instruments			19	11,273	11,292
Other income	-0	861	4,593	-530	4,924
Total operating income	172,032	109,399	49,676	6,210	337,317
Personnel expenses	29,660	46,907	12,906	83,357	172,831
General and administrative expenses	3,862	10,116	5,238	58,499	77,714
Depreciation of property, equipment and intangible assets	136	6,675	535	21,830	29,177
Credit loss expenses	-3	-79	25	-109	-167
Provisions and losses	692	323	-1	238	1,253
Operating expenses	34,348	63,942	18,704	163,815	280,808
Earnings before income tax	137,684	45,458	30,972	-157,604	56,509
Taxes on income					9,490
Group net income					47,019
Client assets under management (in CHF billion) ¹	21.0	16.2	16.5	0.0	53.7
Net new money (in CHF billion)	0.7	-0.7	1.2	-0.0	1.2
Headcount (number of employees)	171	243	93	487	994
Headcount (expressed as full-time equivalents)	154.8	229.8	85.4	452.4	922.3

¹ Calculation according to Table P of the guidelines issued by the Liechtenstein government on the Banking Accounting Ordinance (FL-BankO).

Business segment reporting 2024

in CHF 1,000	Liechtenstein & BVI	International	Asset Servicing	Corporate Center	Total Group
Total net interest income ¹	107,841	61,750	7,993	-24,828	152,756
Total net income from commission business and services	63,799	48,025	32,208	-6,942	137,089
Income from trading activities ¹	12,886	12,931	3,677	1,365	30,859
Income from financial instruments		-2	223	4,847	5,068
Other income	1	-263	5,286	-262	4,762
Total operating income	184,526	122,441	49,386	-25,820	330,534
Personnel expenses	25,243	54,168	12,686	91,236	183,334
General and administrative expenses	3,789	11,948	9,734	60,077	85,548
Depreciation of property, equipment and intangible assets	3,572	8,243	606	24,538	36,958
Credit loss expenses	696	241	-1	-212	724
Provisions and losses	1,133	725	-90	-66	1,702
Operating expenses	34,433	75,325	22,936	175,573	308,266
Earnings before income tax	150,093	47,116	26,451	-201,392	22,268
Taxes on income					3,797
Group net income					18,471
Client assets under management (in CHF billion) ²	19.1	16.4	15.2		50.7
Net new money (in CHF billion)	-0.9	-0.5	1.9		0.5
Headcount (number of employees)	154	255	95	520	1,024
Headcount (expressed as full-time equivalents)	137.2	240.0	87.7	480.6	945.4

¹ Changes to presentation (note 1,3 and principles underlying financial statement reporting). The previous year's figures for the «Corporate Center» segment were increased accordingly by CHF 50.5 million in net interest income and reduced in income from trading activities.

² Calculation according to Table P of the guidelines issued by the Liechtenstein government on the Banking Accounting Ordinance (FL-BankO).

Geographic segment reporting

in CHF 1,000	Liechtenstein	Rest of Europe	Other countries	Total Group
2025				
Total operating income	264,177	73,571	-431	337,317
Noncurrent assets (property and equipment; intangible assets)	89,234	30,311	3,383	122,928
2024				
Total operating income	272,032	59,447	-945	330,534
Noncurrent assets (property and equipment; intangible assets)	95,728	35,184	5,237	136,149

The reporting follows the principle of branch accounting.

Notes on the consolidated financial statement

1 Interest income

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Discount income	5,294	7,320	-2,026	-27.7
Loan commissions with the character of interest	473	569	-96	-16.9
Interest income from banks	15,581	50,885	-35,304	-69.4
Interest income from customers	119,544	160,718	-41,174	-25.6
Interest income from financial instruments measured at amortised cost	41,010	42,943	-1,933	-4.5
Interest income from financial liabilities	39	10	29	290.0
Total interest income from financial instruments at amortised cost	181,941	262,445	-80,504	-30.7
Interest-rate instruments	-41	239	-280	-117.2
Forward components from foreign currency contracts ¹	95,253	94,138	1,115	1.2
Hedge accounting	0	5	-5	-100.0
Total other interest income¹	95,212	94,382	830	0.9
Total interest income¹	277,153	356,827	-79,674	-22.3
Interest expenses on amounts due to banks	336	1,337	-1,001	-74.9
Interest expenses on amounts due to customers	130,665	200,375	-69,710	-34.8
Interest expenses on medium-term notes	446	471	-25	-5.3
Interest expenses on debentures issued	948	1,603	-655	-40.9
Interest expenses from financial assets	22	11	11	100.0
Interest expenses on right-of-use assets	206	274	-68	-24.8
Total interest expenses using the effective interest method	132,623	204,071	-71,448	-35.0
Total net interest income¹	144,530	152,756	-8,226	-5.4
Fair-value hedges				
Movements arising from hedges	35	-465	500	107.5
Micro fair-value hedges	35	-465	500	107.5
Movements in underlying transactions	-35	470	-505	-107.4
Micro fair-value hedges	-35	470	-505	-107.4
Total hedge accounting²	0	5	-5	-100.0

¹ Changes to presentation (note 3 and principles underlying financial statement reporting). The prior-year comparative figures were increased accordingly by CHF 50.5 million and reduced in income from trading activities (note 3).

² Hedge ineffectiveness, disclosed in the income statement: further details in note 37.

2 Income from commission business and services

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Commission income from credit business	1,074	1,412	-338	-23.9
Asset management and investment business	63,817	60,361	3,456	5.7
Brokerage fees	31,350	27,661	3,689	13.3
Securities account fees	15,299	17,836	-2,537	-14.2
Fund management fees	30,159	32,043	-1,884	-5.9
Fiduciary commissions	2,039	2,710	-671	-24.8
Other commission and service income	19,014	16,947	2,067	12.2
Total income from commission business and services	162,752	158,970	3,782	2.4
Brokerage expenses	1,136	1,284	-148	-11.5
Other commission and services-related expenses	19,975	20,597	-622	-3.0
Total expenses from commission business and services	21,111	21,881	-770	-3.5
Total net income from commission business and services	141,641	137,089	4,552	3.3

The following table shows which components are included within the earnings position "Asset management and investment business".

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Fees for securities settlement	16,999	9,415	7,584	80.6
Administration commissions	30,794	32,305	-1,511	-4.7
Management fees	7,666	7,371	295	4.0
Brokerage fees	16,838	18,511	-1,673	-9.0
Securities account fees	3,296	3,201	95	3.0
Administration fees	2,994	3,222	-228	-7.1
All-in fees	13,346	16,447	-3,101	-18.9
Miscellaneous fees	2,678	2,194	484	22.1
Asset management and investment business	63,817	60,361	3,456	5.7

3 Income from trading activities

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Securities trading ¹	-2,577	-1,853	-724	-39.1
Foreign currency ²	36,184	31,435	4,749	15.1
Banknotes, precious metals and other	1,323	1,277	46	3.6
Total income from trading activities	34,930	30,859	4,071	13.2

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

² Changes to presentation (note 1 and principles underlying financial statement reporting). The prior-year comparative figures were reduced accordingly by CHF 50.5 million and increased in interest income (note 1).

4 Income from financial instruments

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Income from financial instruments at fair value	11,298	4,807	6,491	135.0
Income from financial instruments at amortised cost	-6	261	-267	-102.3
Total income from financial instruments	11,292	5,068	6,224	122.8
Income from financial instruments at fair value				
Income from FVTPL assets	805	-4,314	5,119	118.7
Interest income from FVTPL financial instruments	0	-39	39	100.0
Dividend income from FVTPL financial instruments	3,532	2,869	663	23.1
Dividend income from FVTOCI financial instruments	6,961	6,291	670	10.7
thereof from FVTOCI financial instruments sold	51	19	32	168.4
Total	11,298	4,807	6,491	135.0
Income from financial instruments at amortised cost				
Realised gains/losses on financial instruments at amortised cost	-6	261	-267	-102.3
Total	-6	261	-267	-102.3

5 Other income

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Income from real estate	49	106	-57	-53.8
Income from associates and joint venture	330	-1	331	n.a.
Miscellaneous other income ¹	5,945	5,062	883	17.4
Miscellaneous other expenses	-1,400	-405	-995	-245.7
Total other income	4,924	4,762	162	3.4

¹ Includes in 2025 CHF 4.6 million and in 2024 CHF 4.4 million from third-party reimbursements (note 7, professional fees).

6 Personnel expenses

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Salaries and wages	142,585	152,494	-9,909	-6.5
Social contributions required by law	13,200	12,640	560	4.4
Contributions to pension plans / defined-benefit plans	13,069	14,125	-1,056	-7.5
Contributions to pension plans / defined-contribution plans	2,554	2,630	-76	-2.9
Other personnel expenses	4,428	3,960	468	11.8
Capitalised personnel expenses ¹	-3,005	-2,515	-490	-19.5
Total personnel expenses²	172,831	183,334	-10,503	-5.7

¹ 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.

² Includes in 2024 CHF 5.0 million restructuring costs.

7 General and administrative expenses

in CHF 1,000		2025	2024	Variance absolute	Variance in %
Occupancy expenses		2,801	3,221	-420	-13.0
Insurance		807	901	-94	-10.4
Professional fees		12,803	21,825	-9,022	-41.3
Financial information procurement		9,268	9,309	-41	-0.4
Telecommunication and postage		1,190	1,392	-202	-14.5
IT systems		35,728	34,078	1,650	4.8
Marketing and public relations		4,943	4,554	389	8.5
Capital taxes		739	750	-11	-1.5
Other general and administrative expenses		9,435	9,518	-83	-0.9
Total general and administrative expenses¹		77,714	85,548	-7,834	-9.2
Fees invoiced by the audit firm		2,526	2,505	21	0.8
thereof the audit of the annual financial statements		760	780	-20	-2.6
thereof other audit or assurance services		1,246	1,445	-199	-13.8
thereof tax advisory services		173	52	121	232.7
thereof other services		347	228	119	52.2

¹ Includes in 2024 CHF 0.4 million restructuring costs.

8 Depreciation of property, equipment and intangible assets

in CHF 1,000	Note	2025	2024	Variance absolute	Variance in %
Depreciation and amortisation of property and equipment ¹	22	12,261	15,278	-3,017	-19.7
Depreciation and amortisation of intangible assets	23	16,916	21,680	-4,764	-22.0
Total depreciation and amortisation		29,177	36,958	-7,781	-21.1

¹ Includes in 2024 CHF 1.9 million restructuring costs.

9 Valuation allowances, provisions and losses

in CHF 1,000		2025	2024	Variance absolute	Variance in %
Decrease/increase credit allowances ¹		-167	724	-891	-123.1
Legal and litigation risks		296	701	-405	-57.8
Other provisions and losses		957	1,001	-44	-4.4
Total valuation allowances, provisions and losses		1,086	2,426	-1,340	-55.2

¹ Including currency effects.

10a Taxes on income

in CHF 1,000	2025	2024
Domestic¹		
Current taxes	2,009	6,289
Deferred taxes	214	-3,521
Foreign		
Current taxes	6,666	133
Deferred taxes	601	896
Total current taxes	8,675	6,422
Total deferred taxes	815	-2,625
Total taxes on income	9,490	3,797

¹ From January 1, 2025, due to changes in Liechtenstein regulations, only Liechtenstein will be considered "domestic." Until December 31, 2024, Switzerland was included.

The Group's effective payments for domestic and foreign income taxes amounted to CHF 7.7 million in 2025 (previous year: CHF 6.6 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:

	2025	2024
Liechtenstein	12.5%	12.5%
Switzerland	19.5%	19.6%
Luxembourg	23.9%	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 14 per cent (previous year: 15 per cent) are composed as follows:

in CHF 1,000	2025	2024
Income before income tax		
Domestic	12,878	4,738
Foreign	43,631	17,530
Taxes on income using an assumed average charge	7,911	3,340
Reasons for increased/decreased taxable income		
Effect on tax free income / effect on non taxable expenses ¹	-612	-974
Difference between actual and assumed tax rates	-222	1,363
Lower tax charges as a result of changes in laws or taxation agreements	-17	0
Taxes on income unrelated to accounting period	2,430	68
Total income tax	9,490	3,797

¹ In 2024, adjustment compared to the published 2024 annual report: reclassification of TCHF 845 from «Previously unrecognized tax losses now utilised» to «Effect on tax free income / effect on non taxable expenses».

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 2025
Deferred tax assets					
Property, equipment and intangible assets	7,573	340			7,913
Valuation allowances for credit risks	0				0
Tax loss carry-forwards ¹	5,674	-864			4,810
Defined-benefit pension plans	1,875	292	-2,330		-163
Financial instruments	39	149	27		215
Other	399	-20			379
Total deferred tax assets	15,560	-103	-2,303	0	13,154
Offsetting	-645	-166	542	0	-269
Total deferred tax assets after offsetting	14,915	-269	-1,761	0	12,885
Deferred tax liabilities					
Property, equipment and intangible assets	476	-476			0
Financial instruments	50		0		50
Financial instruments directly offset within shareholders' equity	-63		-17		-80
Valuation allowances for credit risks	13	10			23
Other	2,492	1,187			3,679
Total deferred tax liabilities	2,968	721	-17	0	3,672
Offsetting	-645	-166	542	0	-269
Total deferred tax liabilities after offsetting	2,323	555	525	0	3,403

¹ 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/ acquisitions	Total 2024
Deferred tax assets					
Property, equipment and intangible assets	7,013	560			7,573
Valuation allowances for credit risks	704	-704			0
Tax loss carry-forwards ¹	4,186	1,488			5,674
Defined-benefit pension plans	1,916	395	-436		1,875
Financial instruments	48	-9	0		39
Other	484	-85			399
Total deferred tax assets	14,351	1,645	-436	0	15,560
Offsetting	-2,519	1,397	477	0	-645
Total deferred tax assets after offsetting	11,832	3,042	41	0	14,915
Deferred tax liabilities					
Property, equipment and intangible assets	1,017	-541			476
Financial instruments	59	-9	0		50
Financial instruments directly offset within shareholders' equity	10		-73		-63
Valuation allowances for credit risks	19	-6			13
Other	2,916	-424			2,492
Total deferred tax liabilities	4,021	-980	-73	0	2,968
Offsetting	-2,519	1,397	477	0	-645
Total deferred tax liabilities after offsetting	1,502	417	404	0	2,323

¹ 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	2025	2024
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	0
Total	0	0

10c Tax assets and liabilities

in CHF 1,000	Note	31.12.2025	31.12.2024
Tax assets			
Amounts receivable arising on current taxes on income		234	157
Deferred tax assets	10b	12,885	14,915
Total tax assets		13,119	15,072
Tax liabilities			
Liabilities arising on current taxes on income		6,204	5,251
Deferred tax liabilities	10b	3,403	2,323
Total tax liabilities		9,607	7,574

10d Tax effects on other comprehensive income

in CHF 1,000	31.12.2025		
	Amount before tax	Tax yield / tax expenses	Amount net of tax
Changes in foreign-currency translation differences	-8,360	0	-8,360
Foreign-currency translation difference transferred to the income statement from shareholders' equity	-1,113	0	-1,113
Changes in value of FVTOCI financial instruments	28,080	10	28,090
Actuarial gains/losses from defined-benefit pension plans	17,124	-2,330	14,794
Total comprehensive income in shareholders' equity	35,731	-2,320	33,411
			31.12.2024
Changes in foreign-currency translation differences	5,575	0	5,575
Foreign-currency translation difference transferred to the income statement from shareholders' equity	0	0	0
Changes in value of FVTOCI financial instruments	11,013	73	11,086
Actuarial gains/losses from defined-benefit pension plans	2,308	-436	1,872
Total comprehensive income in shareholders' equity	18,896	-363	18,533

11 Earnings per share

	31.12.2025	31.12.2024
Consolidated earnings per share of VP Bank Ltd, Vaduz		
Group net income (in CHF 1,000) ¹	47,019	18,471
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	349,221	391,173
Less weighted average number of treasury shares B	352,598	352,784
Weighted average number of registered shares A (undiluted)	5,665,779	5,623,827
Weighted average number of registered shares B (undiluted)	5,651,569	5,651,383
Total weighted average number of shares (registered shares A)	6,230,936	6,188,965
Undiluted consolidated earnings per registered share A (in CHF)	7.55	2.98
Undiluted consolidated earnings per registered share B (in CHF)	0.75	0.30
Diluted consolidated earnings per share of VP Bank Ltd, Vaduz		
Group net income (in CHF 1,000) ¹	47,019	18,471
Dilution effect number of registered shares A ²	28,315	24,178
Number of shares used to compute the fully diluted consolidated net income	6,259,251	6,213,143
Diluted consolidated earnings per registered share A (in CHF)	7.51	2.97
Diluted consolidated earnings per registered share B (in CHF)	0.75	0.30

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

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

12 Dividend

	2025	2024
Approved and paid dividend of VP Bank Ltd, Vaduz¹		
Dividend (in CHF 1,000) for the financial year 2024 (2023)	26,462	33,077
Dividend per registered share A (in CHF)	4.00	5.00
Dividend per registered share B (in CHF)	0.40	0.50
Payout ratio (in %) ²	134.0	69.5
Proposed dividend to be approved by the annual general meeting of VP Bank Ltd, Vaduz (not reflected as a liability as of 31 December)		
Dividend (in CHF 1,000) for the financial year 2025	26,462	
Dividend per registered share A (in CHF)	4.00	
Dividend per registered share B (in CHF)	0.40	
Payout ratio (in %) ²	53.0	

¹ Including treasury shares.

² Dividend per registered share A / group net income per registered share A.

13 Cash and cash equivalents

in CHF 1,000	31.12.2025	31.12.2024
Cash on hand	14,282	13,330
At-sight balances with national and central banks	1,333,892	891,888
Expected credit loss	-18	-19
Total cash and cash equivalents	1,348,156	905,199

14 Receivables arising from money market papers

in CHF 1,000	31.12.2025	31.12.2024
Money market paper (qualifying for refinancing purposes)	157,422	171,755
Expected credit loss	-8	-6
Total receivables arising from money market papers	157,414	171,749

15 Due from banks and customers

in CHF 1,000	Note	31.12.2025	31.12.2024
By type of exposure			
Due from banks - at-sight balances		616,778	394,894
Due from banks - term balances		129,856	455,815
Valuation allowances for credit risks	16	-13	-28
Due from banks		746,621	850,681
Mortgage receivables		3,660,906	3,727,549
Other receivables		2,281,553	2,238,711
Valuation allowances for credit risks	16	-16,739	-25,008
Due from customers		5,925,720	5,941,252
Total due from banks and customers		6,672,341	6,791,933
Due from customers by type of collateral			
Mortgage collateral		3,703,114	3,732,694
Other collateral		2,098,478	2,148,981
Without collateral		140,867	84,585
Subtotal		5,942,459	5,966,260
Valuation allowances for credit risks		-16,739	-25,008
Total due from customers		5,925,720	5,941,252

16 Allowances for credit risk

The detailed information on credit risk is disclosed in the section [Risk Management of VP Bank Group](#).

17 Trading portfolios

in CHF 1,000	31.12.2025	31.12.2024
Debt securities valued at fair value		
Total	0	0
Equity securities / investment-fund units valued at fair value		
Total	0	0
Other	578	372
Total trading portfolios	578	372

18 Derivative financial instruments

in CHF 1,000	Positive replacement values	Negative replacement values	Contract volumes
Interest-rate instruments			
Swaps		158	7,000
Total interest-rate instruments 31.12.2025	0	158	7,000
Foreign currencies			
Forward contracts	2,821	1,862	288,038
Combined interest-rate/currency swaps	12,331	11,465	4,581,435
Options (OTC)	6,003	6,003	450,215
Total foreign currencies 31.12.2025	21,155	19,330	5,319,688
Equity securities/indices			
Options (OTC)	2,429	2,429	160,061
Total equity securities/indices 31.12.2025	2,429	2,429	160,061
Precious metals			
Forward contracts	19	20	2,232
Swaps	875		5,163
Options (OTC)	432	432	19,228
Total precious metals 31.12.2025	1,326	452	26,623
Total derivative financial instruments 31.12.2025	24,910	22,369	5,513,372

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.

in CHF 1,000	Positive replacement values	Negative replacement values	Contract volumes
Interest-rate instruments			
Swaps		413	22,000
Total interest-rate instruments 31.12.2024	0	413	22,000
Foreign currencies			
Forward contracts	10,341	1,214	353,867
Combined interest-rate/currency swaps	69,211	10,038	3,561,846
Options (OTC)	5,898	5,901	508,250
Total foreign currencies 31.12.2024	85,450	17,153	4,423,963
Equity securities/indices			
Options (OTC)	734	723	98,802
Total equity securities/indices 31.12.2024	734	723	98,802
Precious metals			
Forward contracts	308	70	16,600
Options (OTC)	356	356	24,917
Total precious metals 31.12.2024	664	426	41,517
Total derivative financial instruments 31.12.2024	86,848	18,715	4,586,282

19 Financial instruments at fair value

in CHF 1,000	31.12.2025	31.12.2024
Debt instruments		
Non-exchange-listed	1	1
Total	1	1
Equity shares / investment fund units		
Exchange-listed	4,986	7,826
Non-exchange-listed	41,444	44,102
Total	46,430	51,928
Equity shares, through other comprehensive income (FVTOCI)		
Exchange-listed	190,896	138,830
Non-exchange-listed	1,604	1,915
Total	192,500	140,745
Structured products		
Exchange-listed	276	316
Total	276	316
Total financial instruments at fair value	239,207	192,990

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	31.12.2025	31.12.2024
Debt instruments		
Exchange-listed	2,028,730	2,228,165
Expected credit loss	-758	-911
Total financial instruments at amortised cost	2,027,972	2,227,254

21 Investment in associates and joint venture

in CHF 1,000	2025	2024
Balance on 01.01.2025	22	23
Additions/disposals	6,108	0
Share of profit/loss	330	-1
Balance on 31.12.2025	6,460	22

Details of companies reflected in the consolidation using the equity method

Name	Registered office	Activity	Share capital	Capital held in %	
				31.12.2025	31.12.2024
Embla Fund Management AG	Vaduz	Fund Management	CHF 125,000	40	
Data Info Services AG (liquidation November 2025)	Vaduz	Procurement, trade and exchange of goods and services	CHF 50,000	0	50

22 Property and equipment

in CHF 1,000	Right of use assets ¹	Bank buildings	Other real estate	Furniture and equipment	IT systems	Total 2025
Acquisition cost						
Balance on 01.01.2025	35,161	199,596	3,400	24,147	9,687	271,990
Additions	419	2,223	402	223	596	3,863
Disposals/derecognitions ²	-2,165			-1,025	-1,487	-4,677
Foreign-currency translation	-814			-545	-76	-1,435
Other adjustments	0			-5		-5
Balance on 31.12.2025	32,601	201,819	3,802	22,795	8,720	269,736
Accumulated depreciation and amortisation						
Balance on 01.01.2025	-22,363	-153,889	-880	-20,117	-8,233	-205,481
Depreciation and amortisation	-4,226	-5,364		-1,560	-1,111	-12,261
Valuation allowances	0					0
Disposals/derecognitions ²	2,165			1,025	1,487	4,677
Foreign-currency translation	398			392	66	856
Other adjustments	0			-30		-30
Balance on 31.12.2025	-24,026	-159,253	-880	-20,290	-7,791	-212,239
Net book values on 31.12.2025	8,575	42,566	2,922	2,505	929	57,497

¹ Total in accordance with the table below.

² Includes derecognitions of fully depreciated property, plant and equipment.

in CHF 1,000	Right of use assets ¹	Bank buildings	Other real estate	Furniture and equipment	IT systems	Total 2024
Acquisition cost						
Balance on 01.01.2024	35,073	198,155	3,366	23,458	11,037	271,088
Additions	945	1,441	34	480	93	2,993
Disposals/derecognitions ²	-1,367			-102	-1,490	-2,959
Foreign-currency translation	510			311	47	868
Balance on 31.12.2024	35,161	199,596	3,400	24,147	9,687	271,990
Accumulated depreciation and amortisation						
Balance on 01.01.2024	-18,309	-148,299	-31	-17,827	-8,166	-192,631
Depreciation and amortisation	-4,592	-5,590	-8	-1,680	-1,516	-13,386
Valuation allowances ³	-592		-841	-459		-1,892
Disposals/derecognitions ²	1,367			102	1,490	2,959
Foreign-currency translation	-237			-219	-41	-497
Other adjustments	0			-34		-34
Balance on 31.12.2024	-22,363	-153,889	-880	-20,117	-8,233	-205,481
Net book values on 31.12.2024	12,798	45,707	2,520	4,030	1,454	66,509

¹ Total in accordance with the table below.

² Includes derecognitions of fully depreciated property, plant and equipment.

³ CHF 1.9 million restructuring costs (see Consolidated annual report of VP Bank Group).

Right of use assets

in CHF 1,000	Buildings and premises	Motor vehicles	Total 2025
Acquisition cost			
Balance on 01.01.2025	33,046	2,115	35,161
Additions	200	219	419
Disposals/derecognitions	-814	-1,351	-2,165
Foreign-currency translation	-814	0	-814
Balance on 31.12.2025	31,618	983	32,601
Accumulated depreciation and amortisation			
Balance on 01.01.2025	-20,688	-1,675	-22,363
Depreciation and amortisation	-4,018	-208	-4,226
Valuation allowances	0	0	0
Disposals/derecognitions	814	1,351	2,165
Foreign-currency translation	398	0	398
Balance on 31.12.2025	-23,494	-532	-24,026
Net book values on 31.12.2025	8,124	451	8,575

in CHF 1,000	Buildings and premises	Motor vehicles	Total 2024
Acquisition cost			
Balance on 01.01.2024	33,136	1,937	35,073
Additions	727	218	945
Disposals/derecognitions	-1,327	-40	-1,367
Foreign-currency translation	510	0	510
Balance on 31.12.2024	33,046	2,115	35,161
Accumulated depreciation and amortisation			
Balance on 01.01.2024	-16,831	-1,478	-18,309
Depreciation and amortisation	-4,353	-239	-4,592
Valuation allowances	-592	0	-592
Disposals/derecognitions	1,327	40	1,367
Foreign-currency translation	-239	2	-237
Balance on 31.12.2024	-20,688	-1,675	-22,363
Net book values on 31.12.2024	12,358	440	12,798

Additional information regarding property and equipment

in CHF 1,000	2025	2024
Fire insurance value of real estate	177,400	176,500
Fire insurance value of other property and equipment	27,675	26,450
Fair value of other real estate	2,922	2,520

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 2025
Acquisition cost				
Balance on 01.01.2025	241,314	56,720	53,670	351,704
Additions	12,747			12,747
Disposals/derecognitions	-1,781			-1,781
Foreign-currency translation	-554			-554
Balance on 31.12.2025	251,726	56,720	53,670	362,116
Accumulated amortisation				
Balance on 01.01.2025	-195,639	-51,123	-35,302	-282,064
Depreciation and amortisation	-15,712	-1,204		-16,916
Impairment				0
Disposals/derecognitions	1,781			1,781
Foreign-currency translation	514			514
Balance on 31.12.2025	-209,056	-52,327	-35,302	-296,685
Net book values on 31.12.2025	42,670	4,393	18,368	65,431

in CHF 1,000	Software	Customer relationships	Goodwill	Total 2024
Acquisition cost				
Balance on 01.01.2024	236,095	56,720	53,670	346,485
Additions	13,132			13,132
Disposals/derecognitions	-8,224			-8,224
Foreign-currency translation	311			311
Balance on 31.12.2024	241,314	56,720	53,670	351,704
Accumulated amortisation				
Balance on 01.01.2024	-186,483	-46,514	-35,302	-268,299
Depreciation and amortisation	-17,071	-4,609		-21,680
Impairment				0
Disposals/derecognitions	8,224			8,224
Foreign-currency translation	-309			-309
Balance on 31.12.2024	-195,639	-51,123	-35,302	-282,064
Net book values on 31.12.2024	45,675	5,597	18,368	69,640

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. 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 2025 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	31.12.2025	31.12.2024
Value-added taxes and other tax receivables	7,104	7,696
Prepaid retirement pension contributions ¹	1,302	0
Settlement accounts	14,046	56,454
Miscellaneous other assets	2,455	1,976
Total other assets	24,907	66,126

¹ Note 40.

25 Medium-term notes

in CHF 1,000	0-0.9999 %	1-1.9999 %	2-2.9999 %	3-3.9999 %	4-4.9999 %	Total
Maturity	Interest rate	Interest rate	Interest rate	Interest rate	Interest rate	
2026	13,288	1,913	47	9	13	15,270
2027	33,657	4,395	146	800	0	38,998
2028	1,878	4,415	200	0	0	6,493
2029	486	10,152	0	0	0	10,638
2030	937	826	0	0	0	1,763
2031	596	40	93	0	0	729
2032	117	790	0	0	0	907
2033	0	0	0	0	0	0
2034	0	20	0	0	0	20
2035	308	0	0	0	0	308
Total 31.12.2025	51,267	22,550	485	809	13	75,125
Total 31.12.2024	23,414	22,789	1,280	1,943	64	49,491

The average payment of interest as at 31 December 2025 was 0.7 per cent (previous year: 0.9 per cent).

26 Debentures, VP Bank Ltd, Vaduz

Year of issue	ISIN	Interest rate in %	Currency	Maturity	Nominal amount	in CHF 1,000	
						Total 31.12.2025	Total 31.12.2024
2019	CH0461238880	0.600	CHF	29.11.2029	155,000	154,989	154,987
Total					155,000	154,989	154,987

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 process, the market yield method (0.60 per cent debenture 2029) is applied in order to amortise the difference between the issuance price and redemption value over the duration of the debentures.

27 Other liabilities

in CHF 1,000	31.12.2025	31.12.2024
Value-added taxes and other tax payables	9,238	10,322
Accrued retirement pension contributions ¹	0	13,617
Other long-term employee benefits ¹	3,229	3,193
Settlement accounts	31,266	67,453
Miscellaneous other liabilities ²	13,965	17,967
Total other liabilities	57,698	112,552

¹ Note 40.

² Other miscellaneous liabilities and lease liabilities (note 32).

28 Provisions

in CHF 1,000	Default risk	Legal and litigation risks	Other provisions	Restructuring-provisions	Total 2025
Carrying value at the beginning of the financial year	434	693	1,673	4,141	6,941
Utilisation in accordance with purpose		-406	-1,020	-1,998	-3,424
New provisions charged to income statement	115	329		23	467
Provisions releases to income statement	-448	-32	-211	-1,342	-2,033
Foreign-currency translation differences and other adjustments	-37	-1	-32	-125	-195
Carrying value at the end of the financial year	64	583	410	699	1,756
Maturity of provisions					
within one year					1,756
over one year					0

in CHF 1,000	Default risk	Legal and litigation risks	Other provisions	Restructuring-provisions	Total 2024
Carrying value at the beginning of the financial year	252	357	1,770	0	2,379
Utilisation in accordance with purpose		-365	-19	-1,182	-1,566
New provisions charged to income statement	578	701	5	5,453	6,737
Provisions releases to income statement	-414		-100	-249	-763
Foreign-currency translation differences and other adjustments	18		17	119	154
Carrying value at the end of the financial year	434	693	1,673	4,141	6,941
Maturity of provisions					
within one year					3,872
over one year					3,069

29 Share capital

	31.12.2025		31.12.2024	
	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
Total share capital		66,154,167		66,154,167

All shares are fully paid up.

30 Treasury shares

	31.12.2025		31.12.2024	
	No. of shares	in CHF 1,000	No. of shares	in CHF 1,000
Registered shares A at the beginning of the financial year	375,460	39,432	416,615	43,755
Purchases	0	0	0	0
Sales	-42,045	-4,416	-41,155	-4,323
Balance of registered shares A as of balance sheet date	333,415	35,016	375,460	39,432
Registered shares B at the beginning of the financial year	353,169	5,477	352,169	5,469
Purchases	975	8	1,000	8
Sales	-1,900	-16	0	0
Balance of registered shares B as of balance sheet date	352,244	5,469	353,169	5,477

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

in CHF 1,000	31.12.2025		31.12.2024	
	Market value	Actual liability	Market value	Actual liability
Securities	759,457	0	753,095	0
Money market papers	0	0	0	0
Other	4,218	1,391	4,024	1,578
Total pledged assets	763,675	1,391	757,119	1,578

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	31.12.2025	31.12.2024	Variance absolute	Variance in %
Property and equipment				
Right of use - buildings and premises	8,124	12,358	-4,234	-34.3
Right of use - motor vehicles	451	440	11	2.5
Total assets	8,575	12,798	-4,223	-33.0
Remaining duration of up to 1 year	4,618	4,998	-380	-7.6
Remaining duration of 1 to 5 years	4,943	9,858	-4,915	-49.9
Remaining duration of over 5 years	0	0	0	0.0
Total lease liabilities	9,561	14,856	-5,295	-35.6

Leases in the income statement

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Net interest income				
Interest expense on lease liabilities	206	274	-68	-24.8
Expenses relating to leases of low-value assets	379	694	-315	-45.4
Depreciation of property and equipment				
Depreciation and impairment on right-of-use assets	4,226	5,184	-958	-18.5

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 case, which is why no provision has been formed.

34 Balance sheet per currency

in CHF 1,000	CHF	USD	EUR	Other	Total 2025
Assets					
Cash and cash equivalents	1,125,175	536	218,784	3,661	1,348,156
Receivables arising from money market papers		71,486		85,928	157,414
Due from banks	13,844	216,754	154,553	361,470	746,621
Due from customers	4,517,601	536,867	578,703	292,549	5,925,720
Trading portfolios				578	578
Derivative financial instruments	13,612	9,564	5	1,729	24,910
Financial instruments at fair value	105,125	14,326	112,795	6,961	239,207
Financial instruments at amortised cost	545,375	809,150	647,154	26,293	2,027,972
Investment in associates and joint venture	6,460				6,460
Property and equipment	54,210	3,287			57,497
Intangible assets	65,334	97			65,431
Tax receivables			234		234
Deferred tax assets	12,885				12,885
Accrued receivables and prepaid expenses	19,180	10,220	8,381	1,400	39,181
Other assets	18,909	1,064	3,473	1,461	24,907
Total assets 31.12.2025	6,497,710	1,673,351	1,724,082	782,030	10,677,173
Liabilities and shareholders' equity					
Due to banks	400,898	48,506	33,586	34,024	517,014
Due to customers - savings and deposits	397,791		712		398,503
Due to customers - other liabilities	2,436,036	2,876,562	1,982,960	926,838	8,222,396
Derivative financial instruments	11,227	9,420	7	1,715	22,369
Medium-term notes	73,066	921	1,138		75,125
Debenture issues	154,989				154,989
Tax liabilities	5,881			323	6,204
Deferred tax liabilities	3,403				3,403
Accrued liabilities and deferred items	28,951	5,451	3,925	3,276	41,603
Other liabilities	26,339	23,058	6,831	1,470	57,698
Provisions	1,469	16	254	17	1,756
Total liabilities	3,540,050	2,963,934	2,029,413	967,663	9,501,060
Total shareholders' equity	1,110,447	60,441		5,225	1,176,113
Total liabilities and shareholders' equity 31.12.2025	4,650,497	3,024,375	2,029,413	972,888	10,677,173

in CHF 1,000	CHF	USD	EUR	Other	Total 2024
Assets					
Cash and cash equivalents	734,046	506	166,612	4,035	905,199
Receivables arising from money market papers		72,944		98,805	171,749
Due from banks	133,570	318,832	167,562	230,717	850,681
Due from customers	4,575,615	585,194	511,303	269,140	5,941,252
Trading portfolios				372	372
Derivative financial instruments	74,606	9,934	102	2,206	86,848
Financial instruments at fair value	81,518	13,758	92,941	4,773	192,990
Financial instruments at amortised cost	545,089	976,892	679,215	26,058	2,227,254
Investment in associates and joint venture	22				22
Property and equipment	61,478	5,031			66,509
Intangible assets	69,434	206			69,640
Tax receivables			157		157
Deferred tax assets	14,866			49	14,915
Accrued receivables and prepaid expenses	18,850	13,225	7,918	1,890	41,883
Other assets	28,880	32,774	3,994	478	66,126
Total assets 31.12.2024	6,337,974	2,029,296	1,629,804	638,523	10,635,597
Liabilities and shareholders' equity					
Due to banks	120,255	16,775	6,547	33,275	176,852
Due to customers – savings and deposits	379,486		724		380,210
Due to customers – other liabilities	2,344,933	3,397,969	1,890,105	935,277	8,568,284
Derivative financial instruments	9,370	6,396	100	2,849	18,715
Medium-term notes	45,496	2,139	1,856		49,491
Debenture issues	154,987				154,987
Tax liabilities	5,187			64	5,251
Deferred tax liabilities	2,323				2,323
Accrued liabilities and deferred items	24,611	11,971	3,085	3,530	43,197
Other liabilities	38,372	54,658	17,447	2,075	112,552
Provisions	4,446	346	288	1,861	6,941
Total liabilities	3,129,466	3,490,254	1,920,152	978,931	9,518,803
Total shareholders' equity	1,039,494	71,380	0	5,920	1,116,794
Total liabilities and shareholders' equity 31.12.2024	4,168,960	3,561,634	1,920,152	984,851	10,635,597

35 Maturity structure of assets and liabilities

in CHF 1,000	At sight	Callable	Due within			Total 2025
			1 year	1 to 5 years	Over 5 years	
Assets						
Cash and cash equivalents	1,346,765	1,391				1,348,156
Receivables arising from money market papers			157,414			157,414
Due from banks	616,778		129,843			746,621
Due from customers	457,440	29,636	4,226,753	961,654	250,237	5,925,720
Trading portfolios	578					578
Derivative financial instruments ¹	24,910					24,910
Financial instruments at fair value	239,207					239,207
Financial instruments at amortised cost			296,317	1,306,177	425,478	2,027,972
Investment in associates and joint venture					6,460	6,460
Property and equipment	57,497					57,497
Intangible assets	65,431					65,431
Tax receivables	234					234
Deferred tax assets				12,885		12,885
Accrued receivables and prepaid expenses	39,181					39,181
Other assets	23,492	1,415				24,907
Total assets 31.12.2025	2,871,513	32,442	4,810,327	2,280,716	682,175	10,677,173
Liabilities						
Due to banks	287,014		230,000			517,014
Due to customers - savings and deposits		398,503				398,503
Due to customers - other liabilities	3,655,380	2,163,728	2,397,845	5,443		8,222,396
Derivative financial instruments ¹	22,369					22,369
Medium-term notes			15,233	57,915	1,977	75,125
Debenture issues				154,989		154,989
Tax liabilities	6,204					6,204
Deferred tax liabilities				3,403		3,403
Accrued liabilities and deferred items	41,603					41,603
Other liabilities ²	48,529		4,458	4,711		57,698
Provisions	1,756					1,756
Total liabilities 31.12.2025	4,062,855	2,562,231	2,647,536	226,461	1,977	9,501,060

¹ Derivative positions are reported «at sight» as this conservatively reflects the nature of these trading activities. The carrying amount corresponds to the fair value. Management believes that this best represents the cash flows that would have to be paid if these positions had to be settled or closed out.

² Note 32.

in CHF 1,000	At sight	Callable	Due within			Total 2024
			1 year	1 to 5 years	Over 5 years	
Assets						
Cash and cash equivalents	903,621	1,578				905,199
Receivables arising from money market papers			171,749			171,749
Due from banks	394,894		455,787			850,681
Due from customers	317,959	17,467	4,185,438	1,122,294	298,094	5,941,252
Trading portfolios	372					372
Derivative financial instruments ¹	86,848					86,848
Financial instruments at fair value	192,990					192,990
Financial instruments at amortised cost			345,132	1,407,858	474,264	2,227,254
Investment in associates and joint venture					22	22
Property and equipment	66,509					66,509
Intangible assets	69,640					69,640
Tax receivables	157					157
Deferred tax assets	49			14,866		14,915
Accrued receivables and prepaid expenses	41,883					41,883
Other assets	65,017	1,109				66,126
Total assets 31.12.2024	2,139,939	20,154	5,158,106	2,545,018	772,380	10,635,597
Liabilities						
Due to banks	176,852					176,852
Due to customers – savings and deposits		380,210				380,210
Due to customers – other liabilities	3,546,841	2,138,191	2,883,252			8,568,284
Derivative financial instruments ¹	18,715					18,715
Medium-term notes			9,781	38,133	1,577	49,491
Debenture issues				154,987		154,987
Tax liabilities	5,251					5,251
Deferred tax liabilities				2,323		2,323
Accrued liabilities and deferred items	43,197					43,197
Other liabilities ²	98,363		4,679	9,510		112,552
Provisions	3,872			3,069		6,941
Total liabilities 31.12.2024	3,893,091	2,518,401	2,897,712	208,022	1,577	9,518,803

¹ Derivative positions are reported «at sight» as this conservatively reflects the nature of these trading activities. The carrying amount corresponds to the fair value. Management believes that this best represents the cash flows that would have to be paid if these positions had to be settled or closed out.

² Note 32. Adjustment of maturities compared to the published 2024 annual report: at sight from 111,988 to 98,363; due within 1 year from 297 to 4,679; due within 1 to 5 years from 267 to 9,510.

36 Classification of assets by country or groups of countries

	31.12.2025		31.12.2024	
	in CHF 1,000	Proportion in %	in CHF 1,000	Proportion in %
Liechtenstein and Switzerland	6,236,633	58.4	6,147,398	57.8
Rest of Europe	2,080,720	19.5	2,008,668	18.9
North America	1,034,515	9.7	1,120,701	10.5
Other countries	1,325,305	12.4	1,358,830	12.8
Total assets	10,677,173	100.0	10,635,597	100.0

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 31.12.2025	Fair Value 31.12.2025	Variance	Carrying value 31.12.2024	Fair Value 31.12.2024	Variance
Assets						
Cash and cash equivalents	1,348	1,348	0	905	905	0
Receivables arising from money market papers	157	157	0	172	172	0
Due from banks	747	747	0	851	851	0
Due from customers	5,926	5,992	66	5,941	6,020	79
Trading portfolios	1	1	0	0	0	0
Derivative financial instruments	25	25	0	87	87	0
Financial instruments at fair value	239	239	0	193	193	0
of which designated on initial recognition	0	0	0	0	0	0
of which mandatory under IFRS 9	47	47	0	52	52	0
of which recognised in other comprehensive income with no effect on net income	193	193	0	141	141	0
Financial instruments at amortised cost	2,028	2,018	-10	2,227	2,182	-45
Subtotal			56			34
Liabilities						
Due to banks	517	517	0	177	177	0
Due to customers	8,621	8,561	60	8,948	8,905	43
Derivative financial instruments	22	22	0	19	19	0
Medium-term notes	75	76	-1	49	50	-1
Debentures issued	155	152	3	155	150	5
Subtotal			62			47
Total variance			118			81

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 collateral, 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 (Interest rate hedges)

in CHF 1,000 31.12.2025	Nominal value of hedging instruments	Book value of hedging instruments		Balance sheet position under which hedging instruments are disclosed
		Assets	Liabilities	
Interest-rate swaps	7,000	0	111	Derivative financial instruments
Change in value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period ¹				35

¹ 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 31.12.2024	Nominal value of hedging instruments	Book value of hedging instruments		Balance sheet position under which hedging instruments are disclosed
		Assets	Liabilities	
Interest-rate swaps	22,000	0	301	Derivative financial instruments
Change in value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period ¹				-465

¹ 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 31.12.2025	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	7,062	0	62	
of which active hedge relationships	7,062	0	62	0	Due from customers
of which closed hedge relationships (client receivables)	0	0	0	0	Due from customers

in CHF 1,000 31.12.2024	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	22,111	0	111	
of which active hedge relationships	22,111	0	111	0	Due from customers
of which closed hedge relationships (client receivables)	0	0	0	0	Due from customers

Maturity profile of interest rate swaps

in CHF million	Due within			Total 2025
	1 year	1 to 5 years	Over 5 years	
Fair value hedges				
Hedging of interest-rate risk				
Interest-rate swaps	0	7	0	7

in CHF million	Due within			Total 2024
	1 year	1 to 5 years	Over 5 years	
Fair value hedges				
Hedging of interest-rate risk				
Interest-rate swaps	15	7	0	22

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 derivations 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 31.12.2025
Assets				
Cash and cash equivalents	1,348			1,348
Receivables arising from money market papers	157			157
Due from banks		747		747
Due from customers		5,992		5,992
Trading portfolios	1			1
Derivative financial instruments		25		25
Financial instruments at fair value	192	47		239
Financial instruments at amortised cost	2,018			2,018
Liabilities				
Due to banks		517		517
Due to customers		8,561		8,561
Derivative financial instruments		22		22
Medium-term notes		76		76
Debentures issued	152			152

There were no reclassifications in the 2025 financial year.

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 31.12.2024
Assets				
Cash and cash equivalents	905			905
Receivables arising from money market papers	172			172
Due from banks		851		851
Due from customers		6,020		6,020
Trading portfolios	0			0
Derivative financial instruments		87		87
Financial instruments at fair value	141	52		193
Financial instruments at amortised cost	2,182			2,182
Liabilities				
Due to banks		177		177
Due to customers		8,905		8,905
Derivative financial instruments		19		19
Medium-term notes		50		50
Debentures issued	150			150

Level 3 financial instruments in CHF million	2025	2024
Balance sheet		
Holdings at the beginning of the year	0.0	4.4
Investments	0.0	0.0
Disposals	0.0	0.0
Losses recognised in the income statement	0.0	-4.4
Total book value at balance sheet date	0.0	0.0
Income on holdings at balance sheet date		
Unrealised losses recognised in income from financial instruments	0.0	-4.4
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 2025 or 31 December 2024.

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 repurchase agreements as well as securities lending and borrowing transactions, VP Bank Group enters into global offsetting 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 offsetting and/or settlement of all financial instruments falling under the related agreement. In principle, the entitlement to offsetting exists only when 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 carrying values of the related financial instruments are not netted in the balance sheet.

Netting agreements

31.12.2025 in CHF 1,000	Balance sheet netting			Netting potential		
	Amount prior to balance sheet netting	Balance sheet netting	Carrying value	Financial liabilities	Collateral received	Assets after taking account of netting potential
Financial assets						
Reverse repurchase transactions			0			0
Positive replacement values	24,910		24,910	11,168		13,742
Total assets	24,910	0	24,910	11,168	0	13,742

31.12.2025 in CHF 1,000	Balance sheet netting			Netting potential		
	Amount prior to balance sheet netting	Balance sheet netting	Carrying value	Financial assets	Collateral provided	Liabilities after taking account of netting potential
Financial liabilities						
Repurchase transactions	229,998		229,998		230,284	0
Negative replacement values	22,369		22,369	11,168	4,998	6,203
Total liabilities	252,367	0	252,367	11,168	235,282	6,203

31.12.2024 in CHF 1,000	Balance sheet netting			Netting potential		
	Amount prior to balance sheet netting	Balance sheet netting	Carrying value	Financial assets	Collateral provided ¹	Assets after taking account of netting potential ¹
Financial assets						
Reverse repurchase transactions			0			0
Positive replacement values ¹	86,848		86,848	11,348	2,325	73,175
Total assets	86,848	0	86,848	11,348	2,325	73,175

¹ Adjustment compared to the published 2024 annual report due to a change in presentation: Collateral received from 0 to 2,325 and netting potential from 75,500 to 73,175.

31.12.2024 in CHF 1,000	Balance sheet netting			Netting potential		
	Amount prior to balance sheet netting	Balance sheet netting	Carrying value	Financial assets	Collateral provided	Liabilities after taking account of netting potential
Financial liabilities						
Repurchase transactions			0			0
Negative replacement values	18,715		18,715	11,348	3,511	3,856
Total liabilities	18,715	0	18,715	11,348	3,511	3,856

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 (wind down)	Hong Kong	HKD	43,000,000	100%
VP Bank (Luxembourg) SA	Luxembourg	CHF	20,000,000	100%
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 removed from the scope of consolidation				
none				
Joint venture companies removed from the scope of consolidation				
Data Info Services AG, Vaduz (liquidation November 2025)				
Joint venture companies				
none				
Companies integrated during the financial year				
none				
Shareholdings accounted for the first time in accordance with the equity method				
Embla Fund Management AG, Vaduz				
Asset transfer during the financial year				
none				
Changes within the scope of consolidation				
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	2025	2024
Remuneration of the members of the Board of Directors^{1,2}		
Remuneration due in the short term	1,111	1,165
Share-based payment ³	371	373
Remuneration of the members of Group Executive Management²		
Remuneration due in the short term	3,922	3,889
Post-employment benefits	383	664
Other long-term remuneration due	214	0
Remuneration due upon termination of contract of employment	0	0
Share-based payments ⁴	1,070	0

¹ Social security contributions on the remuneration of the members of the Board of Directors are not included.

² Expense allowances are not included.

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

⁴ 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 0.2 million in 2025 (previous year: CHF 0.6 million). As at 31 December 2025, the Board of Directors, Group Executive Management, persons closely associated with them (excluding qualifying parties) as well as the pension funds held 24,798 registered shares A of VP Bank Ltd, Vaduz (previous year: 23,696 registered shares A).

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

in CHF 1,000	2025	2024
Mortgages and loans at the beginning of the financial year	0	0
Additions	1,800	0
Repayments	0	0
Mortgages and loans at the end of the financial year	1,800	0

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	2025	2024
Mortgages and loans at the beginning of the financial year	6,251	4,884
Additions	2,769	2,117
Repayments	-1,417	-750
Mortgages and loans at the end of the financial year	7,603	6,251

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 53.963 million (previous year: CHF 54.427 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 2025 financial year amounted to CHF 2.6 million (previous year: CHF 2.6 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 2025 by independent actuaries using the projected unit credit method. The fair value of plan assets as of 31 December 2025 was determined based upon information available at the time of preparation of the annual financial statements.

In 2025, the autonomous foundation announced an adjustment to the conversion rates, which resulted in a past service cost of CHF 1.751 million.

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

	31.12.2025	31.12.2024
Discount rate	1.15%	0.97%
Rate of future salary increases	1.00%	1.00%
Rate of future pension increases	0.00%	0.00%
Lump sum payments at retirement	55.00%	55.00%
Actuarial fundamentals	BVG 2020 generation-tables	BVG 2020 generation-tables
Life expectancy at the age of 65, in years		
Year of birth	1960	1959
men	23.07	22.95
women	24.81	24.70
Year of birth	1980	1979
men	25.27	25.17
women	26.76	26.67

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

Pension costs

in CHF 1,000	2025	2024
Pension expenses recognised in income statement		
Service cost		
current service cost	11,020	10,434
past service cost incl. effects from curtailments	1,751	3,395
plan settlements	0	0
Net interest expenses	47	56
Administrative costs	251	240
Total pension expenses of the period	13,069	14,125
Revaluation components recognised in comprehensive income		
Actuarial gains/losses		
Result of changes to demographic assumptions	0	-4,141
Result of changes to financial assumptions	-5,475	14,151
Experience adjustments	4,049	1,949
Return on plan assets (excluding amounts in net interest expenses)	-23,235	-14,267
Changes in asset ceiling	7,537	0
Total expenses recognised in comprehensive income	-17,124	-2,308
Total pension cost	-4,055	11,817

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

Movement in current value of defined-benefit obligations

in CHF 1,000	2025	2024
Present value of defined-benefit obligations at the beginning of the financial year	372,563	355,310
Current service cost	11,020	10,434
Employee contributions	6,900	7,584
Interest expenses on present value of pension obligations	3,476	5,226
Actuarial gains/losses	-1,426	11,959
(Gains)/losses from curtailment	0	-324
Transfer of assets through compensation	1,751	3,719
Pension payments financed by plan assets	-16,270	-21,345
Balance at the end of the financial year	378,014	372,563

Movement in plan assets

in CHF 1,000	2025	2024
Plan assets at the beginning of the financial year	358,946	342,263
Employee contributions	6,900	7,584
Employer contributions	10,865	11,247
Interest income on plan assets	3,429	5,170
Return on plan assets (excluding amounts under interest income)	23,235	14,267
Pension payments financed by plan assets	-16,270	-21,345
Administrative costs	-251	-240
Balance at the end of the financial year	386,854	358,946

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

Net position of pension obligations recognised in the balance sheet

in CHF 1,000	31.12.2025	31.12.2024
Present value of pension obligations financed through a fund	378,014	372,563
Market value of plan assets	-386,854	-358,946
Lack / excess of funding	-8,840	13,617
Present value of pension obligations not financed through a fund	0	0
Unrecognised assets	7,538	0
Active deferral of pension costs	1,302	0
Recognised pension obligations	0	13,617

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	31.12.2025	31.12.2024
Equity shares	165,149	130,167
thereof quoted market prices (Level 1)	165,149	130,167
Bonds	112,039	132,138
thereof quoted market prices (Level 1)	112,039	132,138
Alternative financial investments	25,605	40,065
thereof quoted market prices (Level 1)	8,145	9,479
Real estate	44,381	27,268
thereof quoted market prices (Level 1)	16,589	15,654
Qualifying insurance papers	9,390	10,104
Cash equivalents	29,727	24,304
Other financial investments	563	-5,100
Total	386,854	358,946
thereof quoted market prices (Level 1)	301,922	287,438

The pension funds hold no shares in VP Bank Ltd, Vaduz. In 2025, a gain of CHF 26.7 million was recorded on the assets (previous year: CHF 19.4 million). The expected employer contribution for 2026 amounts to CHF 11.0 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	31.12.2025	31.12.2024
Current actively insured employees	282,747	277,666
Pensioners	95,267	94,897
Total	378,014	372,563

The term of the obligations amounts to approximately 12.0 years (previous year: 12.2 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. Sensitivities relating to lump sum payments at retirement are stated at 500 basis points. Sensitivities are shown for changes in life expectancy at +/- 1 year. In each case, only the assumption stated is changed, all other assumptions remaining unchanged.

Changes in the current value of defined-benefit obligations

in CHF 1,000	31.12.2025		31.12.2024	
	0.25%	-0.25%	0.25%	-0.25%
Discount rate	-10,063	10,676	-10,007	10,504
Interest on pension capital accounts	2,691	-2,619	2,623	-2,724
Rate of future salary increases	1,580	-1,558	1,385	-1,546
Pension indexation (pensions cannot be reduced)	6,106	0	5,915	0
Variance	5.00%	-5.00%	5.00%	-5.00%
Lump sum payments at retirement	-1,811	1,866	-1,887	1,780
Variance	+1 year	-1 year	+1 year	-1 year
Life expectancy	6,462	-6,455	6,414	-6,575

Other employee benefits paid in the long term

in CHF 1,000	2025	2024
Balance at the beginning of the financial year	3,193	3,065
Expenses financial year	432	453
Employee payments	-390	-327
Exchange differences	-6	2
Balance at the end of the financial year	3,229	3,193

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	
	31.12.2025	31.12.2024	2025	2024
USD/CHF	0.7923	0.9063	0.83052	0.88071
EUR/CHF	0.9304	0.9384	0.93706	0.95263
SGD/CHF	0.6162	0.6643	0.63527	0.65892
HKD/CHF	0.1018	0.1167	0.10653	0.11286
GBP/CHF	1.0654	1.1350	1.09396	1.12532

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 share 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 22,381 shares (previous year: 21,169 shares) were subscribed at a preferential price in 2025. Share issue expenses in 2025 were CHF 0.9 million (previous year: CHF 1.0 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.

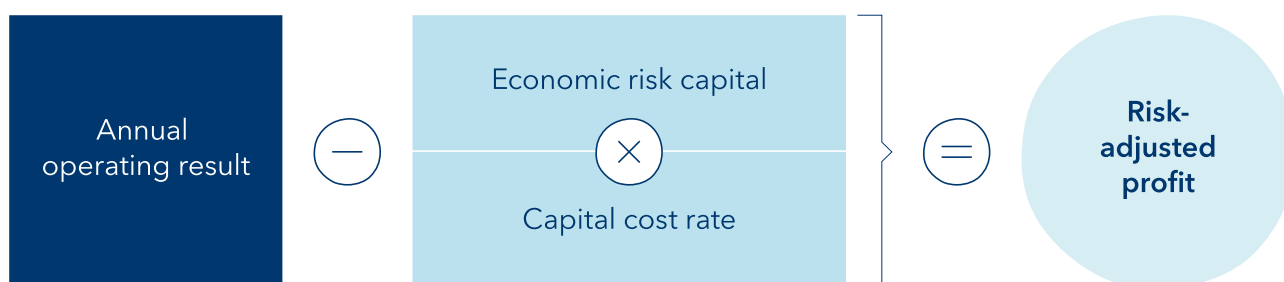
43 Management stock-ownership plan

A long-term and value-oriented compensation model is in place for Group Executive Management, the Executive Board and selected key managers. Details can be found in the [Compensation Report](#).

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 (cf. graph below), the sustainable level of profitability, capital costs and therefore takes account of current and future risks.

Calculation of risk-adjusted profit



The sum of provisions for variable compensation must be affordable on aggregate. Never should VP Bank Group or 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 11 December 2025, the compensation payable to Group Executive Management consists of the following components:

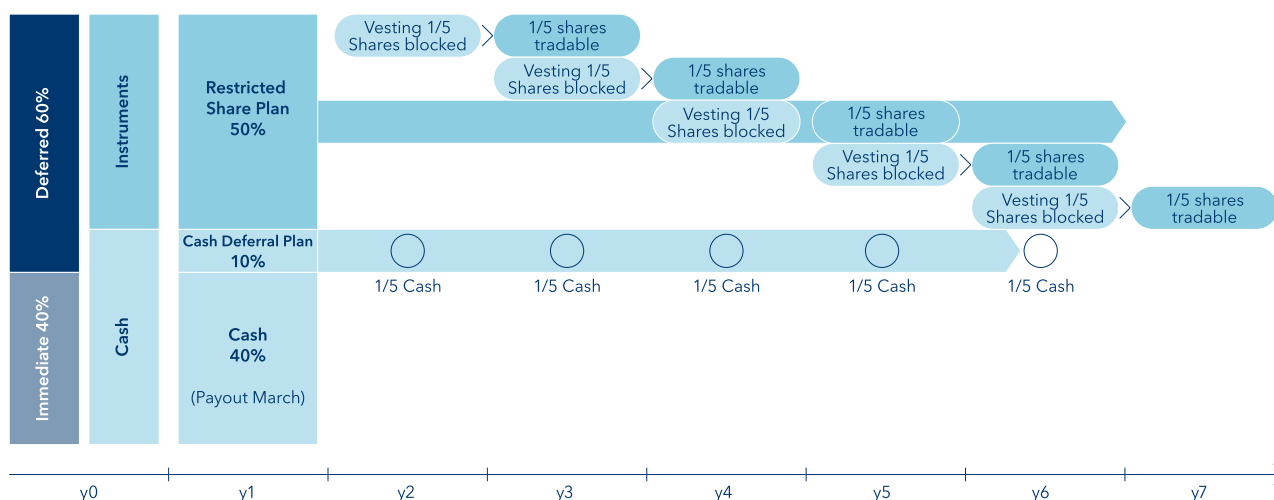
1. A fixed base salary; this is contractually agreed between the Board of Directors and individual members. In addition to the base salary, VP Bank pays proportionate contributions to the management insurance scheme and the pension fund.
2. A Restricted Share Plan (RSP); this is a long-term, variable management participation in the form of registered shares A of VP Bank Ltd. and serves as a long-term commitment in the form of shares. The RSP is paid out over the five-year plan period, one-fifth per year in the form of VP Bank registered shares A. After transfer, these remain blocked for a further year. Until the transfer of ownership, the Board of Directors reserves the right to reduce or suspend the allocated entitlements in the event of defined events and in extraordinary situations. The RSP accounts for 50 per cent of the total variable performance-related compensation.
3. A Cash Deferral Plan (CDP); this is a long-term management equity-participation programme 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 this amounts to 40 per cent of total variable performance-related compensation.

The Board of Directors determines the planning parameters of the variable profit-sharing (RSP) 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.

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 management.

Instruments of variable compensation



Management stock-ownership plan (LTI)

Number	2025	2024	Variance in %
Balance of entitlements at the beginning of the year	24,178	26,107	-7.4
New entitlements	18,495	14,525	27.3
Changes in entitlements as a result of allocation	-15,045	-15,034	-0.1
Changes in entitlements as a result of expiration	-23	89	-125.8
Changes in entitlements as a result of changes in factors	710	-1,509	147.1
Balance of calculated entitlements at the end of the year	28,315	24,178	17.1

in CHF 1,000	2025	2024	Variance in %
Personnel expenses recorded over vesting period for allocated management sharing plan	1,476	1,587	-7.0
Fair value of management sharing plan at date of allocation ¹	1,246	1,406	-11.4
Personnel expenses for management sharing plan for reporting period	1,551	1,224	26.7
Accrual for management sharing plan in equity at the end of the year	2,344	2,269	3.3

¹ The fair value is calculated using the direct method from the number of registered shares A allocated multiplied by the closing price of the registered shares A on the day before the allocation.

44 Consolidated off-balance-sheet transactions

in CHF 1,000	31.12.2025	31.12.2024
Contingent liabilities		
Credit guarantees and similar	9,107	16,683
Performance guarantees and similar	85,576	87,555
Total contingent liabilities	94,683	104,238
Credit risks		
Irrevocable facilities granted	77,508	168,420
Total credit risks	77,508	168,420
Fiduciary transactions		
Fiduciary deposits ¹	346,293	532,192
Total fiduciary transactions	346,293	532,192
Exposure to credit risk on loan commitments and financial guarantee contracts	-63	-434

¹ 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	Maturing within			Total
		1 year	1 to 5 years	Over 5 years	
31.12.2025					
Contingent liabilities	8,846	21,923	5,976	57,938	94,683
Credit risks	18,334	40,724	10,111	8,339	77,508
31.12.2024					
Contingent liabilities	13,575	22,030	10,321	58,312	104,238
Credit risks	2,721	112,744	28,150	24,805	168,420

Securities lending and repurchase agreements

in CHF 1,000	31.12.2025	31.12.2024
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	229,998	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	589,254	300,493
of which securities where the unlimited right to sell on or pledge has been granted	456,237	212,656
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	356,003	293,850
of which securities which have been resold or repledged	133,017	87,837

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	31.12.2025	31.12.2024	Variance absolute	Variance in %
Analysis of client assets under management				
Assets in self-administered investment funds	13,588.4	12,520.0	1,068.4	8.5
Assets in discretionary asset management accounts	5,446.4	4,484.7	961.7	21.4
Other client assets under management	34,648.8	33,744.5	904.3	2.7
Total client assets under management (including amounts counted twice)	53,683.6	50,749.2	2,934.4	5.8
of which amounts counted twice	2,436.5	1,879.7	556.8	29.6
Change of assets under management				
Total client assets under management (including amounts counted twice) at the beginning of the financial year	50,749.2	46,351.9	4,397.3	9.5
of which net new money	1,157.1	463.6	693.4	149.6
of which change in market value	1,777.3	3,933.7	-2,156.3	-54.8
Total client assets under management (including amounts counted twice) as of balance sheet date	53,683.6	50,749.2	2,934.4	5.8
Custody assets	4,657.0	5,645.2	-988.2	-17.5
Total client assets				
Total client assets under management (including amounts counted twice)	53,683.6	50,749.2	2,934.4	5.8
Custody assets	4,657.0	5,645.2	-988.2	-17.5
Total client assets	58,340.6	56,394.3	1,946.2	3.5
Net new money	1,157.1	463.6	693.4	149.6

Calculation method

Client assets under management are all client assets managed or held for investment purposes for which investment advisory 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 according to the guidelines issued by the Liechtenstein government on the Banking Accounting Ordinance (FL-BankO). (Art. 98, table P) 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.

Amounts 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. In 2025, reclassifications of CHF 0 (2024: CHF 498.4 million) are included in net new money. Excluded from this practice is, for example, regulatory blocking by the supervisory authorities. Such reclassifications are not recognised in net new money but under other effects.

Custody assets

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

Auditor's report



Statutory Auditor's Report to the General Meeting of VP Bank Ltd, Vaduz

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of VP Bank Ltd and its subsidiaries ('VP Bank Group'), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2025, the consolidated balance sheet as at 31 December 2025, consolidated changes in shareholders' equity and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 104 – 186) give a true and fair view of the consolidated financial position of VP Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union (EU-IFRS) and comply with Liechtenstein law.

Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISA). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the consolidated Financial Statements" section of our report.

We are independent of the VP Bank Group in accordance with the provisions of Liechtenstein law and the requirements of the audit profession that are relevant to audits of the financial statements of public interest entities, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Our audit approach



Overview

Overall group materiality: CHF 2'300'000

Our audit ("full scope") included three Group companies and covered 80 % of earnings before income tax. In addition, specific audit procedures were performed for one other Group company which covers additional 2 % of earnings before income tax.

As key audit matters the following areas of focus have been identified:

- Impairment testing of due from customers
 - Completeness and valuation of provisions for legal risks
-

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.



Overall group materiality	CHF 2'300'000
Benchmark applied	Earnings before income tax (average of the last three years)
Rationale for the materiality benchmark applied	We chose earnings before income tax (average of the last three years) as the benchmark because, in our view, it is the benchmark against which the performance of the VP Bank Group is most commonly measured, and it is a generally accepted benchmark for materiality considerations.

Audit Scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of due from customers

Key audit matter	How our audit addressed the key audit matter
<p>As at 31 December 2025, the VP Bank Group reported due from customers in the amount of CHF 5.926 billion, of which 0.28 % were assessed as impaired. Due from customers is the Group's largest asset and about 62.3 % are backed by mortgages, 35.3 % by other collateral provided by customers (i.e., mainly in the form of Lombard loans) and 2.4 % are provided without collateral.</p> <p>Due from customers are valued by using the effective interest rate method and by calculating the expected credit loss. Determining the factors and calculating the</p>	<p>Our audit procedures were primarily tests of the proper functioning of the internal controls performed by the VP Bank Group. We tested compliance with the rules and processes as well as the effectiveness of these controls through risk-based sample testing. In doing so, we assessed the design of the key controls and, on a sample basis, tested compliance with them.</p> <p>Where significant scope for judgement exists (e.g., in the valuation of collateral or the estimation of property values), we also challenged VP Bank Group's decisions with our own critical opinion as part of our substantive</p>



expected credit loss and the resulting valuation allowances requires judgement. We consider the impairment testing of due from customers a key audit matter because of the amount they represent on the balance sheet and the significant scope for judgement inherent in their valuation.

The accounting principles applied to due from customers and the methods used to identify default risk, to determine the need for impairment and to evaluate collateral are described in the annual report.

Please refer to pages 113 and 114 (Principles underlying financial-statement reporting), page 156 (Notes to the consolidated financial statements: 15 Due from banks and customers) and pages 129 to 142 (Risk management: 5 Financial risks).

audit procedures. Our substantive tests included sample-based testing of loans at risk in the loan portfolio to assess whether an additional valuation allowance was needed. We also assessed the method and accuracy of the calculation of the expected credit losses.

Completeness and valuation of provisions for legal risks

Key audit matter	How our audit addressed the key audit matter
------------------	--

As at 31 December 2025, VP Bank Group has recorded provisions for legal risks of CHF 0.58 million.

The VP Bank Group is exposed to legal risks as it operates in a regulatory and legal environment. The completeness and valuation of provisions for legal risks involves significant scope for judgement. We therefore consider the audit of the accounting for provisions for legal risks to be a key audit matter.

The VP Bank Group assesses legal risks through internal analyses conducted by the department responsible and in cooperation with external legal counsel.

The annual report provides details on the accounting and valuation principles for the provisions for risks. Please refer to page 115 (Principles underlying financial statement reporting) and page 163 (Notes to the consolidated financial statements: 28 Provisions) and page 165 (Notes: 33 Litigation).

We assessed the accounting principles for the provisions for the settlement of litigation and regulatory proceedings. In doing so, we used a risk-based approach to test the VP Bank Group's estimates of the amounts for potential claims for damages and the provisions required for such. The evidence we examined included, among others, correspondence with third parties, confirmations from external legal counsel on selected litigation and claims, and the VP Bank Group's internal analyses.

Regarding as yet unidentified risks, we reviewed a sample of customer complaints. In this way, we assessed whether systematic weaknesses existed for which provisions might have to be made.

Further, on the basis of our understanding of the Company's business and our inspection of business correspondence, we assessed the completeness of the provisions. Additionally, the completeness of the provisions was evaluated on the basis of selected assessments by external legal counsel.

Other information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the consolidated financial



statements, the stand-alone financial statements, the consolidated annual report, the stand-alone annual report, the sustainability statement and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the VP Bank Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the VP Bank Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the VP Bank Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material



uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the company as a basis for forming an opinion on the [consolidated] financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the audit of the [consolidated] financial statements. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the General Meeting on 25 April 2025. We have been the statutory auditor of the Group without interruption since the financial year ending 31 December 2020.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014.

Further, we declare that no prohibited non-audit services pursuant to Article 5 in accordance with Article 10 para. 2 lit. f Regulation (EU) No. 537/2014 Article 5 para. 1 Regulation (EU) No. 537/2014 were provided.

Further Confirmations pursuant to Article 196 PGR

The consolidated annual report (pages 102 – 103) has been prepared in accordance with the applicable legal requirements, is consistent with the consolidated financial statements and, in our opinion, based on the



knowledge obtained in the audit of the consolidated financial statements and our understanding of the Group and its environment does not contain any material misstatements

We further confirm that the consolidated financial statements comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd

Claudio Tettamanti
Liechtenstein Certified Public Accountant
Auditor in Charge

Daniel Müller

Zürich, 27 February 2026

06

**Financial Report 2025
of VP Bank Ltd, Vaduz**

Annual report of VP Bank Ltd, Vaduz

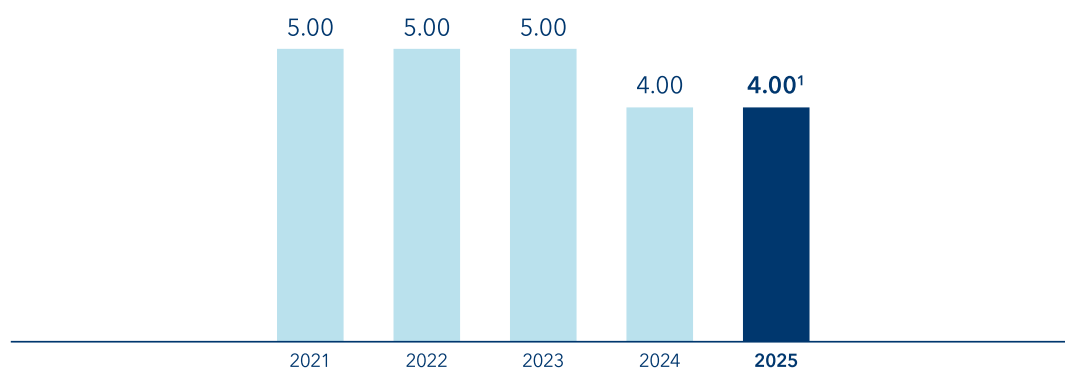
The annual report of VP Bank Ltd is largely evident from the consolidated annual report of VP Bank Group.

As of the balance sheet date, VP Bank Ltd, Vaduz, held in total 333,415 registered A shares and 352,244 registered B shares (previous year: 375,460 registered A shares and 353,169 registered B shares). This equates to a capital share of approximately 5.6 per cent (previous year: 6.2 per cent). In addition, reference is made to the notes to the relevant annual report regarding the number of and changes in treasury shares in the head office.

The Board of Directors proposes that the annual general meeting of 24 April 2026 approve a dividend payout of CHF 4.00 per registered A share and CHF 0.40 per registered B share (previous year: CHF 4.00 per registered A share and CHF 0.40 per registered B share).

Dividends

in CHF



¹ Proposal to the annual general meeting

Balance sheet

Assets

in CHF 1,000	31.12.2025	31.12.2024	Variance absolute	Variance in %
Cash and cash equivalents	1,005,508	644,311	361,197	56.1
Due from banks	765,298	846,811	-81,513	-9.6
maturing daily	722,916	489,271	233,645	47.8
other receivables	42,382	357,540	-315,158	-88.1
Due from customers	4,917,986	4,993,245	-75,259	-1.5
of which mortgage receivables	3,365,236	3,439,062	-73,826	-2.1
Debentures and other interest-bearing securities	1,954,351	2,148,620	-194,269	-9.0
money-market papers	157,414	171,749	-14,335	-8.3
from public-sector issuers	157,414	171,749	-14,335	-8.3
from other issuers	0	0	0	0.0
debt securities	1,796,937	1,976,871	-179,934	-9.1
from public-sector issuers	555,650	541,283	14,367	2.6
from other issuers	1,241,287	1,435,588	-194,301	-13.5
Equity shares and other non-interest-bearing securities	167,694	149,335	18,359	12.3
Participations	5,350	56	5,294	n.a.
Shares in affiliated companies	188,013	188,013	0	0.0
Intangible assets	41,934	45,222	-3,288	-7.3
Property and equipment	47,011	50,904	-3,893	-7.6
Treasury shares	30,927	31,780	-853	-2.7
Other assets	43,840	117,297	-73,457	-62.6
Accrued receivables and prepaid expenses	26,737	31,094	-4,357	-14.0
Total assets	9,194,649	9,246,688	-52,039	-0.6

Liabilities and shareholders' equity

in CHF 1,000	31.12.2025	31.12.2024	Variance absolute	Variance in %
Due to banks	2,368,060	2,337,864	30,196	1.3
maturing daily	834,382	729,306	105,076	14.4
with agreed duration or term of notice	1,533,678	1,608,558	-74,880	-4.7
Due to customers	5,534,983	5,652,450	-117,467	-2.1
savings deposits	397,790	379,451	18,339	4.8
other liabilities	5,137,193	5,272,999	-135,806	-2.6
maturing daily	4,100,609	4,098,975	1,634	0.0
with agreed duration or term of notice	1,036,584	1,174,024	-137,440	-11.7
Securitised liabilities	230,125	204,491	25,634	12.5
debentures issued	230,125	204,491	25,634	12.5
of which medium-term notes	75,125	49,491	25,634	51.8
Other liabilities	58,405	85,527	-27,122	-31.7
Accrued liabilities and deferred items	31,832	35,017	-3,185	-9.1
Provisions	6,072	7,537	-1,465	-19.4
tax provisions	2,714	715	1,999	279.5
other provisions	3,358	6,822	-3,464	-50.8
Provisions for general banking risks	63,150	63,150	0	0.0
Share capital	66,154	66,154	0	0.0
Capital reserves	47,049	47,049	0	0.0
Income reserves	609,576	607,993	1,583	0.3
legal reserves	239,800	239,800	0	0.0
reserves for treasury shares	30,927	31,780	-853	-2.7
other reserves	338,849	336,413	2,436	0.7
Balance brought forward	112,995	112,392	603	0.5
Net income for the year	66,248	27,064	39,184	144.8
Total liabilities and shareholders' equity	9,194,649	9,246,688	-52,039	-0.6

Off-balance-sheet transactions

in CHF 1,000	31.12.2025	31.12.2024	Variance absolute	Variance in %
Contingent liabilities	20,042	21,132	-1,090	-5.2
Credit risks	68,380	144,273	-75,893	-52.6
irrevocable facilities granted	68,380	144,273	-75,893	-52.6
Derivative financial instruments				
positive replacement values	24,712	85,747	-61,035	-71.2
negative replacement values	22,831	18,904	3,927	20.8
contract volumes	5,563,351	4,721,885	841,466	17.8
Fiduciary transactions	189,275	340,609	-151,334	-44.4

Income statement

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Interest income ¹	230,949	290,341	-59,392	-20.5
of which from interest-bearing securities	36,018	38,822	-2,804	-7.2
of which from trading transactions	0	0	0	n.a.
Interest expense	137,734	207,614	-69,880	-33.7
Net interest income	93,215	82,727	10,488	12.7
Current income from securities	61,384	68,026	-6,642	-9.8
shares and other non-interest-bearing securities	10,493	9,160	1,333	14.6
of which from trading transactions	0	0	0	0.0
participations	2	2	0	-33.7
shares in affiliated companies	50,889	58,864	-7,975	-13.5
Income from commission business and services	84,921	81,926	2,995	3.7
commission income from credit business	690	1,235	-545	-44.2
commission income from securities and investment business	73,311	70,522	2,789	4.0
commission income from other services	10,920	10,169	751	7.4
Commission expenses	15,213	14,455	758	5.3
Net income from commission business and services	69,708	67,471	2,237	3.3
Income from financial transactions¹	28,265	10,259	18,006	175.5
of which from trading transactions	23,537	21,808	1,729	7.9
Other ordinary income	24,919	24,693	226	0.9
income from real estate	143	187	-44	-23.5
other ordinary income	24,776	24,506	270	1.1
Total net operating income	277,491	253,176	24,315	9.6
Operating expenses	184,449	191,189	-6,740	-3.5
personnel expenses	117,692	122,818	-5,126	-4.2
general and administrative expenses	66,757	68,371	-1,614	-2.4
Gross income	93,042	61,987	31,055	50.1
Depreciation and amortisation of intangible assets and property and equipment	22,639	25,450	-2,811	-11.0
Other ordinary expenses	2,695	7,192	-4,497	-62.5
Valuation allowances on receivables and increases in provisions for contingent liabilities and credit risks	2,638	4,413	-1,775	-40.2
Income from release of valuation allowances on receivables and from the release of provisions for contingent liabilities and credit risks	2,976	3,365	-389	-11.6
Write-offs on participations, shares in affiliated companies and securities dealt with as non-current assets	0	0	0	0.0
Gains from appreciations on participations, shares in affiliated companies and securities dealt with as non-current assets	0	0	0	0.0
Income from normal business operations	68,046	28,297	39,749	140.5
Extraordinary income	0	0	0	0.0
Extraordinary expenses	0	0	0	0.0
Taxes on income	505	3	502	n.a.
Other taxes if not included in above items	1,294	1,230	64	5.2
Net income for the year	66,248	27,064	39,184	144.8

¹ The forward component of forward transactions will be recognized in interest income from fiscal year 2025 onwards (previously recognized in income from financial transactions). The previous year's figures have been adjusted accordingly to improve comparability.

Appropriation of profit

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Net income for the year	66,248	27,064	39,184	144.8
Retained earnings brought forward	112,995	112,392	603	0.5
Retained earnings	179,242	139,456	39,786	28.5
Appropriation of profit				
Appropriation to other reserves	0	0	0	0.0
Distribution on the basis of company capital	26,462	26,462	0	0.0
Other appropriation of profit	0	0	0	0.0
Retained earnings to be carried forward	152,780	112,995	39,785	35.2
The Board of Directors proposes that the profit be distributed as follows (in CHF):				
At the disposal of the annual general meeting	179,242,101.42			
Distribution of a dividend of CHF 4.00 per registered share A CHF 0.40 per registered share B	26,461,666.80			
Other appropriation of profit	0.00			
Retained earnings to be carried forward	152,780,434.62			

Information regarding business activities and headcount

VP Bank Ltd, which has its registered office in Vaduz, Liechtenstein, was established in 1956 and is one of the three largest banks in Liechtenstein. Today, VP Bank Group owns subsidiary companies in Zurich, Luxembourg, the British Virgin Islands and a branch in Singapore. Adjusted to reflect full-time equivalents, at year-end 2025 VP Bank Ltd had 633.6 individuals under its employment (previous year: 652.9).

Wealth management and investment advisory services of VP Bank Ltd for private and institutional investors, as well as lending, constitute its core activities.

Commission business and services

In addition to general banking operations, commission and service-related business encompasses wealth management services for private clients, financial intermediaries and institutional clients, as well as investment advisory services, securities account management and fiduciary transactions. VP Bank Ltd earns a significant portion of its total commission income from transactions in securities on behalf of clients.

Lending business

The lending business of VP Bank Ltd is primarily geared to providing financing of residential properties for private clients, as well as wealth management and investment advisory services for private clients. The bank also grants commercial loans to commercial clients.

Money market and interbank activities

To the extent that they are not used for the bank's lending operations, client funds are invested with first-rate banks.

Trading activities

Clients are afforded a full range of execution and settlement services for all customary types of trading activities. A significant portion of the trading activities is related to foreign exchange dealings on behalf of private clients.

For liquidity-management and investment purposes, VP Bank Ltd maintains a portfolio of fixed-interest security and equity positions.

Principles of accounting and valuation, disclosures on risk - management

Principles of accounting and valuation

Basis

Accounting and valuation follow the prescriptions of the Liechtenstein Persons and Companies Act as well as the Liechtenstein Banking Act (BankA) and its related Ordinance (BankO).

Recording of transactions

In accordance with the valuation principles laid down, all business transactions are recorded in the bank's accounts as of their trading date. Forward transactions are recorded under off-balance-sheet transactions as of their settlement or value date.

Corporate earnings and expenditure in foreign currencies are translated into Swiss francs at their respective daily rates; assets and liabilities are translated at the rates prevailing at year-end. Capital gains and losses resulting from revaluation are recorded on the income statement.

Financial statements of foreign branches expressed in a foreign currency are translated at the exchange rate prevailing on the balance sheet date (balance sheet items) or at an annual average exchange rate (income statement items). The foreign currency translation differences are recorded on the income statement.

Cash and cash equivalents, public-sector debt securities and bills of exchange which are eligible for refinancing with central banks, receivables from banks, liabilities

Recording is made at nominal values less any applicable unearned discount in the case of money market papers. Valuation adjustments are established to cover identifiable risks while taking the principle of prudence into account. Individual and lump-sum valuation adjustments are deducted directly from the related balance sheet items.

Interest overdue for more than 90 days is provided for and recorded on the income statement as and when received.

Amounts due from clients

Amounts due from clients are recorded on the balance sheet at their nominal values less any applicable valuation adjustments. A receivable amount due is considered to be value-impaired when there is a probability that the total contractually owed amount is no longer recoverable.

A valuation adjustment is recorded on the balance sheet as a downgrade of the receivable's carrying value to its probable realisable value. In contrast, provisions for credit risks are made for off-balance sheet positions. In addition to individual valuation adjustments, VP Bank Ltd creates lump-sum individual valuation adjustments as well as lump-sum valuation adjustments to cover latent credit risks.

A review of collectability is undertaken at least once a year for all doubtful receivables.

Debentures and other interest-bearing securities, equity shares and other non-interest-bearing securities

Trading portfolios of securities and precious metals are valued at the quoted market price as of the balance sheet date.

The majority of fixed-interest securities held as current assets are valued according to the accrual method, in some cases also according to the lower of cost or market principle. In accordance with the accrual method, the agio or disagio on acquisition is deferred and accreted or amortised, respectively, over the term of the security until maturity. The interest portion of realised gains or losses from premature disposal or redemptions is deferred and released to income over the residual term (i.e. until the original maturity). The remaining securities and precious metals held as current assets are valued according to the lower of cost or market principle. Interest income arising on fixed-interest securities is reflected in the item "Interest income" and dividend income in the item "Current income from securities". Price gains are reported under the item "Income from financial transactions".

Participations

Equity shareholdings in companies owned by the bank representing a non-controlling interest held on a long-term basis are recorded as investments. Investments are valued at acquisition value less economically required valuation adjustments.

Shares in affiliated companies

The existing majority shareholdings of VP Bank Ltd are recorded as shares in affiliated companies. Shares in affiliated companies are valued at acquisition value less economically required valuation adjustments.

These affiliated companies are fully consolidated for the purposes of the published consolidated financial statements.

Intangible assets

Development costs for software are capitalised if they meet certain criteria regarding identifiability, if it is probable that future corporate earnings will flow to the enterprise and if the costs can be measured reliably. Internally developed software that meets these criteria, as well as purchased software and its installation costs, are capitalised and amortised over 3 to 7 years. Minor purchases are charged directly to general and administrative expenses.

Property, plant and equipment

Property, plant and equipment encompasses buildings used by the bank, other real estate, furniture and equipment as well as IT installations. Investments in new and existing property, plant and equipment are capitalised and valued at acquisition cost. Minor purchases are charged directly to general and administrative expenses.

In subsequent valuations, property, plant and equipment is recorded at acquisition value, less accumulated depreciation and amortisation. Depreciation and amortisation are charged on a systematic basis over the estimated useful life (bank buildings and other real estate: 25 years; fixtures: 10 to 15 years; furniture and equipment: 8 years; IT installations: 3 years; software: 3 to 7 years). The property, plant and equipment is reviewed annually for impairment in value.

Other assets, other liabilities

Other assets and other liabilities include the positive and negative replacement values of all financial derivative instruments open on the balance sheet date arising from nostro transactions as well as over-the-counter (OTC) contracts arising from transactions on behalf of clients. In addition, these items include balances of various settlement and clearing accounts.

Valuation adjustments and provisions

Valuation adjustments and provisions are established to reflect identifiable risks, as dictated by the principle of prudence. Individual and lump-sum valuation adjustments for receivables from banks and clients as well as on mortgage receivables are deducted directly from the corresponding asset item. Provisions can be raised for receivables subject to a country risk as dictated by the principle of prudence.

Provisions for general banking risks

Provisions for general banking risks are prudently established reserves to cover latent risks arising from the normal course of business of the bank. As required by the prescriptions governing financial statement reporting, they are shown as a separate item on the balance sheet. Changes thereto are disclosed separately on the income statement.

Contingent liabilities, irrevocable facilities granted, capital subscription and margin obligations

Amounts disclosed as off-balance-sheet items are stated at nominal values. Lump-sum provisions exist on the balance sheet for latent default risks.

Statement of cash flow

VP Bank Ltd is exempted from drawing up a statement of cash flow as a result of the obligation to prepare consolidated financial statements (Art. 17.2, BankO). The consolidated statement of cash flow of VP Bank Group is a part of the consolidated financial statements.

Post-balance-sheet-date events

There were no significant events after the balance sheet date for the 2025 financial year.

Changes in the presentation of the income statement

Starting in fiscal year 2025, the forward component of forward transactions will be recognized in interest income (previously in income from financial transactions). For better comparability, the previous year's figures have been adjusted as follows: Interest income and thus also income from interest-bearing transactions increase by CHF 92.2 million, while income from financial transactions decreases by the same amount.

Commentaries on risk management

Appropriate risk management is the basic prerequisite for the sustainable development and continuing success of VP Bank Ltd, Vaduz. "Appropriate" is understood to mean that VP Bank Ltd, as a value-oriented enterprise, although it takes on financial, operational and business risks in a deliberate manner, does not hinder growth through innovation and initiatives but realistically evaluates and realises profit opportunities.

The principles for identifying, evaluating, controlling and monitoring financial, operational and business risks apply to VP Bank Ltd to the same extent as to the subsidiary companies and exactly mirror the risk management and control framework of VP Bank Group, for which reason reference is made at this point to the commentaries on the [risk management of VP Bank Group](#).

Notes to the balance sheet and income statement

Analysis of collateral

in CHF 1,000	Mortgage collateral	Other collateral	Without collateral	Total
Loans				
Due from customers	60,208	1,383,951	108,591	1,552,750
Mortgage receivables	3,340,949	23,491	796	3,365,236
Residential property	2,546,168	13,054	745	2,559,966
Office and business premises	289,305	0	0	289,305
Commercial and industrial premises	497,878	0	0	497,878
Other	7,598	10,437	52	18,087
Total loans, 31.12.2025	3,401,157	1,407,442	109,387	4,917,986
Total loans, 31.12.2024	3,438,393	1,488,904	65,948	4,993,245
Off-balance-sheet transactions				
Contingent liabilities	486	8,306	11,251	20,042
Irrevocable facilities granted	6,358	22,395	39,627	68,380
Total off-balance-sheet transactions, 31.12.2025	6,844	30,701	50,878	88,422
Total off-balance-sheet transactions, 31.12.2024	29,792	50,973	84,641	165,405

Value-impaired loans

in CHF 1,000	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Total value-impaired loans, 31.12.2025	38,663	27,504	11,159	11,159
Total value-impaired loans, 31.12.2024	70,470	53,660	16,810	16,810

Trading portfolios of securities and precious metals

in CHF 1,000	Carrying value		Acquisition cost		Market value	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Trading portfolios of securities and precious metals						
Debt securities	0	0	0	0	0	0
listed on a stock exchange (traded on a recognised market)	0	0	0	0	0	0
not listed	0	0	0	0	0	0
of which own bonds and medium-term notes	0	0	0	0	0	0
Equity shares	9	23	9	25	9	23
of which equity shares in the treasury	9	23	9	25	9	23
Precious metals	578	372	427	312	578	372
Total	587	395	436	337	587	395
Material receivables and liabilities included in other balance sheet positions which are marked to market value and whose revaluation is recorded in the item "income from trading transactions"						
Positive replacement values of derivative financial instruments in trading portfolios (other assets)	24,712	85,747			24,712	85,747
Negative replacement values of derivative financial instruments in trading portfolios (other liabilities)	22,673	18,490			22,673	18,490
Total	47,385	104,237			47,385	104,237
Portfolios of securities and precious metals in current assets (excluding trading portfolios)						
Debt securities	1,954,351	2,148,620	2,103,918	2,203,843	1,943,631	2,108,940
Equity shares	198,612	181,092	269,632	246,852	270,011	224,454
of which equity shares in the treasury	30,918	31,757	47,639	51,084	31,090	31,757
Total	2,152,963	2,329,712	2,373,550	2,450,695	2,213,642	2,333,394
of which repo-eligible securities	616,911	722,340	643,277	737,434	619,071	715,548
of which exchange-listed securities	2,115,119	2,289,309	2,310,412	2,386,894	2,167,827	2,284,973

Disclosures on treasury shares included in current assets (excluding trading portfolios)

in numbers / in CHF 1,000	Number		Carrying value	
	2025	2024	2025	2024
Registered shares A				
Balance at the beginning of the year	375,460	416,615	29,061	35,631
Purchase				
Disposals	-42,045	-41,155	-3,454	-3,757
Valuation allowances				-2,814
Appreciation			2,363	
Balance at the end of the year	333,415	375,460	27,970	29,061
Registered shares B				
Balance at the beginning of the year	350,237	349,237	2,697	3,023
Purchase	975	1,000	8	8
Disposals				
Valuation allowances				-334
Appreciation			243	
Balance at the end of the year	351,212	350,237	2,948	2,697

Participations and shares in affiliated companies

in CHF 1,000	Carrying value 31.12.2025	Carrying value 31.12.2024
Participations		
without quoted market value	5,350	56
Total participations	5,350	56
Shares in affiliated companies		
without quoted market value ¹	188,013	188,013
Total shares in affiliated companies	188,013	188,013

¹ In the 2025 financial year, recovery in value of CHF 0.0 million was recognised in accordance with Art. 1090 PGR (previous year: CHF 0.0 million).

in CHF 1,000	31.12.2025			31.12.2024		
	Currency	Corporate capital	Percentage ownership	Currency	Corporate capital	Percentage ownership
Participations						
Data Info Services AG, Vaduz (procurement, trade and exchange of goods and services) - liquidated	CHF			CHF	50	50%
Embla Fund Management AG, Vaduz (fund management company)	CHF	125	40%			
Shares in affiliated companies						
VP Fund Solutions (Liechtenstein) AG, Vaduz (fund management company)	CHF	1,000	100%	CHF	1,000	100%
VP Fund Solutions (Luxembourg) SA, Luxembourg (fund management company)	CHF	5,000	100%	CHF	5,000	100%
VP Bank (Luxembourg) SA, Luxembourg (bank)	CHF	20,000	100%	CHF	20,000	100%
VP Bank (Switzerland) Ltd, Zurich (bank)	CHF	20,000	100%	CHF	20,000	100%
VP Wealth Management (Hong Kong) Ltd, Hong Kong (wealth management company) - wind down	HKD	43,000	100%	HKD	43,000	100%
VP Bank (BVI) Ltd, Tortola (bank)	USD	10,000	100%	USD	10,000	100%

Under shares in affiliated companies, the carrying value of the affiliated banks is CHF 165.8 million (previous year: CHF 165.8 million).

Overview of investments

in CHF 1,000	Acquisition cost	Cumulative depreciation to date	Carrying value 31.12.2024	Investments/ additions	Divestments	Financial year 2025			Carrying value 31.12.2025
						Reclassifications	Depr. and amortisation	Foreign-currency translation	
Total participations (minority participations)	105	-49	56	5,319	-25				5,350
Total shares in affiliated companies	189,105	-1,092	188,013						188,013
Total intangible assets (excluding goodwill)	238,374	-193,152	45,222	12,447	-17		-15,695	-23	41,934
Real estate									
bank premises	199,596	-154,657	44,939	2,223			-5,359		41,803
other real estate	3,983	-1,439	2,544	402			-5	-3	2,938
Other property and equipment	20,636	-17,215	3,421	590			-1,580	-160	2,270
Total property and equipment	224,215	-173,311	50,904	3,215			-6,944	-163	47,011
Fire-insurance values of real estate			175,100						176,000
Fire-insurance values of other property and equipment			14,300						16,426

Future obligations from operating leasing

At year end, there were various operating leasing agreements for real estate and other property, plant and equipment, the majority of which are used for the conduct of VP Bank Ltd's business activities. The main leasing agreements include renewal options and exit clauses.

in CHF 1,000	31.12.2025	31.12.2024
Total minimum commitments arising from operating leases	4,616	6,250

Operating expenses include CHF 1.942 million from operating leasing as at 31 December 2025 (previous year: CHF 1.942 million).

Assets pledged or assigned to secure own or third-party liabilities and assets subject to retention of title

in CHF 1,000	31.12.2025	31.12.2024
Assets pledged or assigned to secure own or third-party liabilities and assets subject to reservation of title excluding securities lending/borrowing and repo transactions		
Carrying value of assets pledged or assigned as security	762,626	765,338
Effective liabilities		
Securities lending/borrowing and repurchase transactions		
Amounts receivable arising from cash deposits in connection with securities borrowing and reverse-repurchase transactions		
Amounts payable arising from cash deposits in connection with securities lending and repurchase transactions	229,998	
Securities owned by the Bank lent out within the scope of securities lending or delivered as collateral within the scope of securities borrowing or transferred within the scope of repurchase transactions	589,254	300,493
of which securities for which an unconditional right has been granted to sell on or repledge	456,237	212,656
Securities received as collateral within the scope of securities lending or borrowed within the scope of securities borrowing or received within the scope of reverse repurchase transactions in the case of which the unconditional right to sell on or repledge was granted	356,003	293,850
of which securities repledged or sold on	133,017	87,837

Liabilities to own retirement pension plans

in CHF 1,000	31.12.2025	31.12.2024
Due to customers	19,084	31,314
Securitised liabilities	200	200
Other liabilities	606	95
Total liabilities to own retirement pension plans	19,890	31,609

Outstanding debenture issues

in CHF 1,000	Interest rate in %	Year of issue	Maturity	Nominal amount 31.12.2025	Nominal amount 31.12.2024
VP Bank Ltd, Vaduz	0.600	2019	29.11.2029	155,000	155,000

Valuation allowances / provisions for general banking risks

in CHF 1,000	Balance on 31.12.2024	Utilisation in accordance with purpose	Recoveries, overdue interest, forex diff.	Provisions charged to income statement	Provisions released to income statement	Balance on 31.12.2025
Valuation allowances for default risks						
Individual valuation allowances	16,418	6,473	862	555	495	10,867
Individual valuation allowances made on lump-sum basis	392		-9	350	442	291
Lump-sum valuation allowances	1,959		-49	1,570	1,835	1,646
Individual valuation allowances made on lump-sum basis for country risks	34					34
Provisions for contingent liabilities and credit risks	449		-38	113	463	61
Provisions for taxes and deferred taxes	715	80	-6	2,084		2,714
Other provisions	6,373	3,651	-14	1,814	1,225	3,297
Total valuation allowances and provisions	26,340	10,204	747	6,487	4,459	18,911
minus: valuation allowances	18,803					12,839
Total provisions as per balance sheet	7,537					6,072
Provisions for general banking risks	63,150					63,150

Company capital

in CHF 1,000	31.12.2025			31.12.2024		
	Total par value	Number	Capital entitled to dividends	Total par value	Number	Capital entitled to dividends
Registered shares A	60,150	6,015,000	60,150	60,150	6,015,000	60,150
Registered shares B	6,004	6,004,167	6,004	6,004	6,004,167	6,004
Total company capital	66,154	12,019,167	66,154	66,154	12,019,167	66,154

Significant shareholders and groups of shareholders with interlinking voting rights

in CHF 1,000	31.12.2025			31.12.2024		
	Par value	Share in % of par value	Share of voting rights in %	Par value	Share in % of par value	Share of voting rights in %
With voting rights						
Stiftung Fürstl. Kommerzienrat Guido Feger, Vaduz	15,194	23.0	46.6	15,194	23.0	46.6
U.M.M. Hilti-Stiftung, Schaan	6,441	9.7	10.3	6,441	9.7	10.3
Marxer Stiftung für Bank- und Unternehmenswerte, Vaduz	7,569	11.4	6.3	7,569	11.4	6.3

Statement of changes in shareholders' equity

in CHF 1,000	2025
Shareholders' equity at the beginning of the financial year	
Subscribed and paid-up capital	66,154
Capital reserves	47,049
Legal reserves	239,800
Reserve for treasury shares	31,780
Other reserves	336,413
Provisions for general banking risks	63,150
Retained earnings	139,456
Total shareholders' equity at the beginning of the financial year	923,802
Other appropriations / releases from reserves (-)	1,583
Dividends and other distributions from net income of the previous year ¹	-26,462
Net income/loss (-) for the financial year	66,248
Total shareholders' equity at the end of the financial year	965,171
of which	
Subscribed and paid-up capital	66,154
Capital reserves	47,049
Legal reserves	239,800
Reserve for treasury shares	30,927
Other reserves	338,849
Provisions for general banking risks	63,150
Retained earnings	179,242

¹ Effective payouts have only been made to third parties.

Maturity structure of assets as well as liabilities and provisions

in CHF 1,000	Sight	Callable	Due within 3 months	Due within 3 to 12 months	Due within 1 to 5 years	Due after 5 years	Without maturity	Total
Assets								
Cash and cash equivalents	1,005,508							1,005,508
Due from banks	754,607		39	10,652				765,298
Due from customers	221,339	9,240	3,053,143	545,649	892,819	195,796		4,917,986
of which mortgage receivables	6,004	9,240	1,868,007	479,235	807,229	195,521		3,365,236
Trading portfolios of securities and precious metals	587							587
Portfolios of securities and precious metals in current assets (excluding trading portfolios)	198,612		204,919	209,922	1,165,263	374,248		2,152,963
Other assets	306,513		1,053				44,741	352,307
Total assets, 31.12.2025	2,487,165	9,240	3,259,154	766,223	2,058,082	570,044	44,741	9,194,649
Total assets, 31.12.2024	1,835,923	30,078	3,344,860	1,055,788	2,240,863	691,694	47,483	9,246,688
Liabilities and provisions								
Due to banks	834,382	643,287	714,562	175,829				2,368,060
Due to customers	2,411,411	2,086,989	846,882	184,009	5,692			5,534,983
savings deposits		397,790						397,790
other liabilities	2,411,411	1,689,199	846,882	184,009	5,692			5,137,193
Securitised liabilities			1,094	14,139	212,915	1,977		230,125
debentures issued			1,094	14,139	212,915	1,977		230,125
of which medium-term notes			1,094	14,139	57,915	1,977		75,125
Provisions (excluding provisions for general banking risks)	6,072							6,072
Other liabilities	87,886		2,351					90,237
Total liabilities, 31.12.2025	3,339,751	2,730,276	1,564,889	373,977	218,607	1,977		8,229,477
Total liabilities, 31.12.2024	2,966,367	3,053,998	1,782,248	302,905	215,772	1,596		8,322,886
Debentures and other interest-bearing securities which mature in the following financial year								414,841
Issued debentures which mature in the following financial year								15,233

Receivables from and payables to participations, affiliated companies and qualifying participants, as well as loans to governing bodies and material transactions with related persons

in CHF 1,000	31.12.2025	31.12.2024
Receivables from and payables to participations, affiliated companies and qualifying participants		
Receivables from participations		
Payables to participations	10,642	48
Receivables from affiliated companies	114,169	81,740
Payables to affiliated companies	1,857,099	2,166,687
Receivables from qualifying participants		
Payables to qualifying participants	80,284	63,916
Loans to governing bodies		
Members of Group Executive Management and parties related thereto	7,183	4,031
Members of the Board of Directors and parties related thereto ¹	2,220	2,220

¹ Excluding receivables from related qualifying parties.

VP Bank Ltd 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 0.209 million in 2025 (previous year: CHF 0.609 million).

Balance sheet by domestic and foreign origin

in CHF 1,000	31.12.2025		31.12.2024	
	Domestic	Foreign	Domestic	Foreign
Assets				
Cash and cash equivalents	12,705	992,803	640,667	3,644
Due from banks	0	765,298	629,982	216,829
Due from customers	1,735,493	3,182,493	3,905,794	1,087,451
of which mortgage receivables	1,490,980	1,874,256	3,210,898	228,164
Debentures and other interest-bearing securities	5,998	1,948,353	305,718	1,842,902
Equity shares and other non-interest-bearing securities	15,867	151,827	74,400	74,935
Participations	5,319	31	35	21
Shares in affiliated companies	1,000	187,013	96,000	92,013
Intangible assets	41,837	97	44,914	308
Property and equipment	46,078	933	49,585	1,319
Treasury shares	30,927		31,780	
Other assets	13,391	30,449	67,391	49,906
Accrued receivables and prepaid expenses	8,290	18,447	12,642	18,452
Total assets	1,916,905	7,277,744	5,858,908	3,387,780
Liabilities and shareholders' equity				
Due to banks	65	2,367,995	436,492	1,901,372
Due to customers	2,889,825	2,645,158	3,485,132	2,167,318
savings deposits	257,635	140,155	311,535	67,916
other liabilities	2,632,190	2,505,003	3,173,597	2,099,402
Securitised liabilities	230,125		204,491	
Other liabilities	27,619	30,786	27,983	57,544
Accrued liabilities and deferred items	21,149	10,683	19,982	15,035
Provisions	5,407	665	6,228	1,309
Provisions for general banking risks	63,150		63,150	
Share capital	66,154		66,154	
Capital reserves	47,049		47,049	
Income reserves	609,576		607,993	
legal reserves	239,800		239,800	
reserves for treasury shares	30,927		31,780	
other reserves	338,849		336,413	
Balance brought forward	112,995		112,392	
Net income for the year	66,248		27,064	
Total liabilities and shareholders' equity	4,139,362	5,055,287	5,104,110	4,142,578

According to the Banking Accounting Ordinance (Art. 91 para. 2), Liechtenstein will be the only domestic territory from 2025 onwards.

Total assets by country or group of countries

in CHF 1,000	31.12.2025		31.12.2024	
	Absolute	Share in %	Absolute	Share in %
Assets				
Liechtenstein/Switzerland	6,027,505	65.6	5,858,908	63.4
Europe (excluding Liechtenstein/Switzerland)	1,370,801	14.9	1,372,918	14.8
North America	606,850	6.6	673,871	7.3
Asia	679,391	7.4	802,424	8.7
Caribbean	471,778	5.1	428,475	4.6
Other	38,324	0.4	110,092	1.2
Total assets	9,194,649	100.0	9,246,688	100.0

Balance sheet by currency

in CHF 1,000	CHF	USD	EUR	Other	Total
Assets					
Cash and cash equivalents	995,216	279	6,394	3,619	1,005,508
Due from banks	50,820	174,832	180,650	358,995	765,298
Due from customers	4,198,240	307,802	172,350	239,595	4,917,986
of which mortgage receivables	3,304,066	2,631	8,264	50,275	3,365,236
Debentures and other interest-bearing securities	505,441	733,523	629,458	85,929	1,954,351
Equity shares and other non-interest-bearing securities	71,381	12,720	78,514	5,078	167,694
Participations	5,334		16		5,350
Shares in affiliated companies	188,013				188,013
Intangible assets	41,837	97			41,934
Property and equipment	46,078	933			47,011
Treasury shares	30,927				30,927
Other assets	31,573	9,892	91	2,284	43,840
Accrued receivables and prepaid expenses	11,664	7,659	6,780	634	26,737
Total on-balance-sheet assets	6,176,524	1,247,738	1,074,254	696,134	9,194,649
Delivery claims arising from foreign-exchange spot, forward and option transactions	538,406	2,590,499	1,570,868	863,579	5,563,351
Total assets, 31.12.2025	6,714,929	3,838,237	2,645,121	1,559,713	14,758,000
Total assets, 31.12.2024	6,505,728	3,668,507	2,109,280	1,539,176	13,822,691
Liabilities and shareholders' equity					
Due to banks	633,178	1,023,840	335,099	375,944	2,368,060
Due to customers	2,454,296	1,537,283	1,052,178	491,227	5,534,983
savings deposits	397,079		711		397,790
other liabilities	2,057,217	1,537,283	1,051,467	491,227	5,137,193
Securitised liabilities	228,066	921	1,138		230,125
Other liabilities	23,674	27,951	4,359	2,422	58,405
Accrued liabilities and deferred items	20,903	6,883	669	3,377	31,832
Provisions	5,624		125	323	6,072
Provisions for general banking risks	63,150				63,150
Share capital	66,154				66,154
Capital reserves	47,049				47,049
Income reserves	609,576				609,576
legal reserves	239,800				239,800
reserves for treasury shares	30,927				30,927
other reserves	338,849				338,849
Balance brought forward	112,995				112,995
Net income for the year	66,248				66,248
Total on-balance-sheet liabilities	4,330,912	2,596,878	1,393,568	873,292	9,194,649
Delivery obligations arising from foreign-exchange spot, forward and option transactions	2,424,721	1,247,231	1,207,186	682,176	5,561,313
Total liabilities, 31.12.2025	6,755,633	3,844,109	2,600,753	1,555,467	14,755,962
Total liabilities, 31.12.2024	6,460,986	3,660,088	2,084,320	1,550,288	13,755,682
Net position per currency	-40,704	-5,872	44,368	4,245	

Contingent liabilities

in CHF 1,000	31.12.2025	31.12.2024	Variance absolute	Variance in %
Contingent liabilities				
Credit guarantees and similar	9,901	10,406	-505	-4.8
Performance guarantees and similar	10,141	10,726	-585	-5.5
Other contingent liabilities	0	0	0	0.0
Total contingent liabilities	20,042	21,132	-1,090	-5.2

Unsettled derivative financial instruments

in CHF 1,000	Trading instruments			Hedging instruments		Contract volumes
	Positive replacement values	Negative replacement values	Contract volumes	Positive replacement values	Negative replacement values	
Interest-rate instruments						
Swaps					158	7,000
Futures						
Foreign exchange / precious metals						
Forward contracts	4,625	2,832	788,208			
Combined interest-rate/currency swaps	11,224	10,977	4,138,638			
Options (OTC)	6,434	6,434	524,677			
Equity instruments/Indices						
Futures						
Options (OTC)	2,429	2,429	104,827			
Options (exchange-traded)						
Total prior to consideration of netting agreements, 31.12.2025	24,712	22,673	5,556,351	0	158	7,000
Total prior to consideration of netting agreements, 31.12.2024	85,747	18,490	4,699,885	0	414	22,000

Financial instruments falling under a netting agreement do not meet the set-off requirements for balance-sheet purposes, which is why the carrying values of the related financial instruments are not netted in the balance sheet (Consolidated report, note 37).

Fiduciary transactions

in CHF 1,000	31.12.2025	31.12.2024	Variance absolute	Variance in %
Fiduciary transactions				
Fiduciary deposits	189,275	340,609	-151,334	-44.4
Fiduciary deposits with third-party banks	107,842	207,590	-99,748	-48.1
Fiduciary deposits with affiliated banks and finance companies	81,433	133,019	-51,586	-38.8
Fiduciary loans	0	0	0	0.0
Other fiduciary transactions of financial nature	0	0	0	0.0
Total fiduciary transactions	189,275	340,609	-151,334	-44.4

Information on the income statement

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Income from trading activities				
Gains from securities	2	-91	93	-102.4
Gains from trading derivatives	370	808	-438	-54.2
Gains from foreign-exchange transactions	21,640	19,897	1,743	8.8
Gains from trading in banknotes	764	727	37	5.0
Gains from precious metals	761	466	295	63.3
Total income from trading activities	23,537	21,808	1,729	7.9

¹ The forward component of forward transactions will be recognized in interest income from fiscal year 2025 onwards (previously recognized in income from financial transactions). The previous year's figures have been adjusted accordingly to improve comparability.

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Personnel expenses				
Salaries and wages	98,744	104,163	-5,419	-5.2
Social security costs and staff retirement pensions and assistance costs	18,992	18,572	420	2.3
of which for staff retirement pensions	16,629	16,209	420	2.6
Other personnel expenses	-44	83	-127	-153.4
of which internally produced and capitalized assets	-3,005	-2,515	-490	19.5
Total personnel expenses	117,692	122,818	-5,126	-4.2

The remuneration of the Board of Directors and the Executive Board is disclosed under "[Compensation paid to Members of the Board of Directors](#)".

in CHF 1,000	2025	2024	Variance absolute	Variance in %
General and administrative expenses				
Occupancy expenses	2,963	3,104	-141	-4.5
Expenses for IT, equipment, furniture, motor vehicles and other installations	34,533	32,297	2,236	6.9
Other operating expenses	29,261	32,970	-3,709	-11.3
Total general and administrative expenses	66,757	68,371	-1,614	-2.4

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Other ordinary expenses				
Losses and differences	556	603	-47	-8.0
Other ordinary expenses ¹	2,139	6,589	-4,450	-67.5
Total other ordinary expenses	2,695	7,192	-4,497	-62.5

¹ 2025: of which CHF 0.3 million resulting from service agreements with subsidiaries and CHF 1.5 million from tax expenses relating to other periods 2024: of which CHF 6.6 million resulting from service agreements with subsidiaries.

in %	2025	2024	Variance absolute	Variance in %
Return on capital¹	0.72	0.28	0.44	157.1

¹ Net income / average balance sheet total.

in CHF 1,000	2025	2024	Variance absolute	Variance in %
Other ordinary income				
Income from real estate	143	187	-44	-23.5
Other ordinary income ¹	24,776	24,506	270	1.1
Total other ordinary income	24,919	24,693	226	0.9

¹ 2025: of which CHF 23.9 million resulting from service agreements with subsidiaries. 2024: of which CHF 24.0 million resulting from service agreements with subsidiaries.

Other assets and liabilities

in CHF 1,000	31.12.2025	31.12.2024	Variance absolute	Variance in %
Other assets				
Precious metals	578	372	206	55.3
Unsettled derivative financial instruments (positive replacement values)	24,712	85,747	-61,035	-71.2
Trading positions	24,712	85,747	-61,035	-71.2
Liquidity positions	0	0	0	0.0
Compensation accounts	111	301	-190	-63.0
Settlement accounts	10,023	24,072	-14,049	-58.4
Miscellaneous other assets	8,416	6,805	1,611	23.7
Total other assets	43,840	117,297	-73,457	-62.6
Other liabilities				
Accounts for disbursement of taxes and fees	6,639	5,248	1,391	26.5
Unsettled derivative financial instruments (negative replacement values)	22,831	18,904	3,927	20.8
Trading positions	22,673	18,490	4,183	22.6
Liquidity positions	158	414	-256	-61.8
Compensation accounts	0	0	0	0.0
Settlement accounts	26,945	58,733	-31,788	-54.1
Miscellaneous other liabilities	1,990	2,642	-652	-24.7
Total other liabilities	58,405	85,527	-27,122	-31.7

Income and expense analysed by permanent establishment

in CHF 1,000	2025		2024	
	Domestic	Foreign	Domestic	Foreign
Interest income ¹	212,465	40,836	270,242	47,952
Interest expenses	130,271	29,488	198,500	36,956
Current income from securities	61,384		68,026	
Income from commission business and services	73,190	11,892	71,808	10,278
Commission expenses	12,323	3,054	11,899	2,718
Income from financial transactions ¹	24,809	3,663	6,185	4,122
Other ordinary income	30,041		30,468	
Operating expenses	169,328	20,457	171,631	25,199
Other ordinary expenses	2,667	13	7,174	18

¹ The forward component of forward transactions will be recognized in interest income from fiscal year 2025 onwards (previously recognized in income from financial transactions). The previous year's figures have been adjusted accordingly to improve comparability.

The breakdown between domestic and foreign is based on the domicile of the reporting branches.

The values listed under "Foreign" refer to VP Bank Ltd Singapore Branch in Singapore (business activity: bank). Adjusted to reflect full-time equivalents, this unit employed 62 persons as at 31 December 2025 (31 December 2024: 70 persons). On a consolidated basis, total operating income in the 2025 financial year amounts to the equivalent of CHF 3.488 million (previous year: CHF 7.934 million) and earnings before tax to CHF -11.834 million (previous year: CHF -12.138 million). The unit received the equivalent of CHF 0.016 million in government subsidies in the 2025 financial year (previous year: CHF 0.041 million).

Auditor's report



Statutory Auditor's Report to the General Meeting of VP Bank Ltd., Vaduz

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VP Bank Ltd. ("the Company"), which comprise the balance sheet as at 31 December 2025, the income statement and the cash flow statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 196 to 216) give a true and fair view of the financial position of the Company as at 31 December 2025 and its financial performance for the year then ended in accordance with Liechtenstein law.

Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISA). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the provisions of Liechtenstein law and the requirements of the audit profession that are relevant to audits of the financial statements of public interest entities, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Our audit approach



Overview

Overall materiality: CHF 2'100'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matters the following areas of focus have been identified:

- Impairment testing of due from customers
- Completeness and valuation of provisions for legal risks

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.



Overall materiality	CHF 2'100'000
Benchmark applied	Income from normal business operations (average of the last three years)
Rationale for the materiality benchmark applied	We chose income from normal business operations (average of the last three years) as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured. Income from normal business operations represents income before taxes and before changes to the provisions for general banking risks and is a generally accepted benchmark for materiality considerations.

Audit Scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of due from customers

Key audit matter	How our audit addressed the key audit matter
<p>As at 31 December 2025, the Company reported due from customers in the amount of CHF 4.918 billion, of which 0.24 % were assessed as impaired. Due from customers is the Company's largest asset and about 69.2 % are backed by mortgages, 28.6 % by other collateral provided by customers (i.e., mainly in the form of Lombard loans) and 2.2 % are provided without collateral.</p> <p>Due from customers are valued by calculating the expected credit loss. Determining the factors and calculating the expected credit loss and the resulting valuation allowances requires judgement. We consider</p>	<p>Our audit procedures were primarily tests of the proper functioning of the internal controls performed by the Company. We tested compliance with the rules and processes as well as the effectiveness of these controls through risk-based sample testing. In doing so, we assessed the design of the key controls and, on a sample basis, tested compliance with them.</p> <p>Where significant scope for judgement exists (e.g., in the valuation of collateral or the estimation of property values), we also challenged Company's decisions with our own critical opinion as part of our substantive audit procedures. Our substantive tests included sample-</p>



the impairment testing of due from customers a key audit matter because of the amount they represent on the balance sheet and the significant scope for judgement inherent in their valuation.

The accounting principles applied to due from customers and the methods used to identify default risk, to determine the need for impairment and to evaluate collateral are described in the annual report.

Please refer to page 201 (Principles of accounting and valuation) and page 204 (Notes regarding the balance sheet and income statement: Analysis of collateral).

based testing of loans at risk in the loan portfolio to assess whether an additional valuation allowance was needed. We also assessed the method and accuracy of the calculation of the expected credit losses.

Completeness and valuation of provisions for legal risks

Key audit matter

As at 31 December 2025, the Company has recorded provisions for legal risks of CHF 0.44 million.

The Company is exposed to legal risks as it operates in a regulatory and legal environment. The completeness and valuation of provisions for legal risks involves significant scope for judgement. We therefore consider the audit of the accounting for provisions for legal risks to be a key audit matter.

The Company assesses the legal risks through internal analyses conducted by the department responsible and in cooperation with external legal counsel.

The annual report provides details on the accounting and valuation principles for the provisions. Please refer to page 201 (Principles of accounting and valuation) and page 207 (Notes regarding valuation allowances / provisions for general banking risks).

How our audit addressed the key audit matter

We assessed the accounting principles for the provisions for the settlement of litigation and regulatory proceedings. In doing so, we used a risk-based approach to test the Company's estimates of the amounts for potential claims for damages and the provisions required for such. The evidence we examined included, among others, correspondence with third parties, confirmations from external legal counsel on selected litigation and claims, and the Company's internal analyses.

Regarding as yet unidentified risks, we reviewed a sample of customer complaints. In this way, we assessed whether systematic weaknesses existed for which provisions might have to be made.

Further, on the basis of our understanding of the Company's business and our inspection of business correspondence, we assessed the completeness of the provisions. Additionally, the completeness of the provisions was evaluated on the basis of selected assessments by external legal counsel.

Other information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the consolidated annual report, the stand-alone annual report, the sustainability statement and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.



In connection with our audit, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors or the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the General Meeting on 25 April 2025. We have been the statutory auditor of the Company without interruption since the financial year ending 31. December 2020.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014.

Further, we declare that no prohibited non-audit services pursuant to Article 5 in accordance with Article 10 para. 2 lit. f Regulation (EU) No. 537/2014 Article 5 para. 1 Regulation (EU) No. 537/2014 were provided.



Further Confirmations pursuant to Article 196 PGR

The annual report (page 195) has been prepared in accordance with the applicable legal requirements, is consistent with the financial statements and, in our opinion, based on the knowledge obtained in the audit of the financial statements and our understanding of the Company and its environment does not contain any material misstatements

We further confirm that the financial statements and the proposed appropriation of profit comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd

Claudio Tettamanti
Liechtenstein Certified Public Accountant
Auditor in Charge

Patrick Wiech
Liechtenstein Certified Public Accountant

Zürich, 27 February 2026