



Annual Report 2012

VP Bank (Schweiz) AG – Excerpt



Imprint

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

Media & Investor Relations

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Illustrations and realisation

VP Bank, Vaduz

Text

VP Bank, Vaduz

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Report of the Board of Directors and Executive Board

Review of business in 2012

The 2012 financial year was a successful yet challenging one for VP Bank (Schweiz) AG. The year was marked by uncertainties surrounding the debt crisis and in particular by the tremendous momentum of regulatory developments. For example, numerous complex regulatory projects such as Basel III (capital adequacy and capital planning), Cross Border Banking, the flat-rate withholding tax for Austria and the United Kingdom, transposition of the OECD model agreement by means of a "white money strategy", as well as tasks in connection with the Federal Supreme Court decision on "retrocessions", were all launched and driven forward.

Nonetheless, very gratifying acquisition efforts on the part of our client advisory units despite the difficult environment, the measures introduced to enhance profitability, and relentless cost consciousness resulted in a favourable course of business in 2012 for VP Bank (Schweiz) AG.

Management and organisation

In 2012, the Executive Board of VP Bank (Schweiz) AG comprised the following individuals:

- Dr Marcel Tschanz, Chairman of the Executive Board
- Katharina Vogt-Schädler, Deputy Chairman of the Executive Board and Head Banking Services & Company Center Switzerland
- Jürg Moll, Head Key Clients
- Marc Wallach, Head Private Banking & Intermediaries Switzerland
- Tobias Kaeser, Head Family Office Services (until 31.08.2012)

VP Bank (Schweiz) AG caters to the needs of clients in its two business segments, "Private Banking & Intermediaries" and "Key Clients". Both segments offer a clearly defined package of services and have a growth mandate that focuses on the markets of Switzerland and Russia.

The front-office units are actively supported with the products and services of "Group Investment & Trading", which renders them on a Group-wide, location-transcending scale, as well as those rendered by "Key Client Services", whose activities centre on the asset management and asset structuring requirements of key clients.

Together, the Banking Services units and Company Center staff offices constitute an internal service centre that provides traditional back-office support for VP Bank (Schweiz) AG and ensures properly functioning banking operations.

Entrepreneurial conduct

Again in 2012, entrepreneurialism and the prudent deployment of available financial resources were accorded a high priority. The cornerstone was laid for building up capacities in the strategically important markets and the related work was driven forward successfully.

In order to leverage existing know-how and exploit synergies, some of the back-office services are being rendered in close collaboration with the Head Office in Vaduz. This enables a close focus on advisory services and allows for the provision of a broad, client-oriented range of services.

Regulatory challenges

As a Swiss bank with an international focus, VP Bank (Schweiz) AG and its cross-border asset management business are affected by the latest developments in domestic and international regulation as well as the heightened requirements of supervisors. Previous location-specific advantages have been diluted, and new cross-border regulations have led to high administrative costs in the risk management of client services.

The basic parameters of the flat-rate withholding tax for Austria and the United Kingdom are being worked up in order to retain long-standing client relationships.

VP Bank (Schweiz) AG – like VP Bank Group as a whole – is facing these new challenges by continuously adapting and enhancing advisory processes and competencies in its core markets to afford even better service in the front-office and tax areas. The Legal & Compliance and HR departments today constitute a centre for specialist expertise, training and advisory services. Instruction is provided on foreign supervisory and labour law in the target markets, those learnings are integrated into the local work processes, and adequate supervision is ensured.

2012 financial results

At CHF 19.152 million, income from the commission business and services declined by 9 per cent versus the previous year (2011: CHF 20.964 million). This decrease was mainly due to the volatile, uncertainty-plagued market environment.

Commission income for 2012 stood at CHF 4.960 million, 19.4 per cent lower than the prior-year total (2011: CHF 6.157 million).

Interest income during the period under review increased from CHF 4.125 million to CHF 4.527 million, while income from trading activities fell by 22 per cent versus the previous year to stand at CHF 3.052 million (2011: 3.914 million).

Compared to the prior-year period, total operating expenses increased by 2.1 per cent to CHF 24.954 million.

Personnel expenses in 2012 totalled CHF 18.978 million, 1.7 per cent higher than in the previous year.

Again in 2012, a tight rein was held on general and administrative expenses, with outlays being made only on the basis of entrepreneurial considerations. The year-on-year increase of 3.1 per cent, from CHF 5.797 million to CHF 5.976 million, was mainly attributable to added expenditures for contractual adjustments introduced by various information providers and miscellaneous fees.

In the past financial year, VP Bank (Schweiz) AG recorded total net income of 0.850 million (2011: 2.884 million).

The total assets of VP Bank (Schweiz) AG rose in 2012 by CHF 18 million to stand at CHF 1.047 billion.

The headcount at VP Bank (Schweiz) AG declined by 7.2 per cent to 82.6 full-time equivalents (2011: 89.0 FTEs).

Outlook for 2013

The persistently heavy international pressure on the Swiss financial centre has been accompanied by a wide array of new topics and positioning issues. Accomplishing the related tasks with the customary high degree of care is a matter of course, but doing so also continues to pose tremendous challenges for us as a financial services provider.

VP Bank (Schweiz) AG, as part of a solid Group with a stable shareholder base, is ideally positioned to continue to support its clients optimally in the year ahead by fulfilling their individual needs and wishes while taking into account the new circumstance. We are committed to working together in a spirit of partnership on the basis of competence and quality. With our tireless dedication and determination to uphold our service promise, we are convinced that we can ensure our clients' satisfaction over the long term and offer them the best, sustainable solutions.

VP Bank (Schweiz) AG has the necessary flexibility and adaptability to meet the complex, rigorous requirements that lie ahead.

A word of gratitude

The figures reported here confirm both our strategy and efforts in recent years, as well as highlight the positive development of VP Bank (Schweiz) AG. We would like to take this opportunity to express our sincere gratitude to all of our clients for the loyalty, trust and partnership they have demonstrated to us.

The thanks of the Board of Directors and Executive Board also go to all of the employees of VP Bank (Schweiz) AG, who, through their dedication, resolutely pursue their activities in a targeted manner and build further on their strengths in client care and the acquisition of new clients.



Juerg W. Sturzenegger
Chairman of the
Board of Directors



Dr Marcel Tschanz
Head of the
Executive Board

A stylized graphic of a plant with several leaves and a stem, rendered in a light blue color against a dark blue background. The leaves are elongated and pointed, with some showing a central vein. The stem is a simple vertical line.

Financial Year 2012
VP Bank (Schweiz) AG

A large, light blue graphic element consisting of a vertical bar with a horizontal top bar and a horizontal base bar, forming a stylized '1' or a similar shape. The bars have a slight 3D effect with a white shadow on the top and bottom surfaces.

Governing bodies

Board of Directors

Roger H. Hartmann, Vaduz	Chairman ¹
Dr Georg R. Lehner, Thalwil	Vice Chairman ²
Fredy Vogt, Balzers	
Juerg W. Sturzenegger, Schaan ³	
Alexander Vögele, Zürich	
Siegbert Näscher, Gamprin ⁴	
Georg Wohlwend, Vaduz ⁵	

Executive Management

Dr Marcel Tschanz	Head of Executive Management
Katharina Vogt-Schädler	Vice Chairman of Executive Management
Tobias Kaeser ⁶	
Juerg Moll	
Marc Wallach	

External and internal auditors

Statutory auditors	Ernst & Young AG, Bern
Internal Audit	Internal Audit of Verwaltungs- und Privat-Bank Aktiengesellschaft, Vaduz

¹ until 13/07/2012

² Chairman a.i. from 13/07/2012 to 29/08/2012

³ Chairman as of 29/08/2012

⁴ as of 25/04/2012

⁵ from 25/04/2012 to 06/06/2012

⁶ until 31/08/2012

Income statement 2012

Income and expenses from ordinary banking activities

in CHF	2012	2011
Interest income		
Income from lending and discounting activities	5,380,100	5,234,170
Interest and dividends from trading inventories		
Interest and dividends from financial investments		
Interest expenses	-853,477	-1,108,924
Net interest income	4,526,623	4,125,246
Income from commission business and services		
Commission income from lending activities	139,686	154,846
Commission income from securities and investing activities	23,075,300	25,349,523
Commission income from other services	2,246,814	2,219,199
Commission expenses	-6,309,584	-6,759,796
Net income from commission business and services	19,152,216	20,963,772
Net trading income	3,052,188	3,913,994
Other ordinary income		
Income from sale of financial investments		
Income from financial participations		
Income from real estate		
Other ordinary income	11,071	18,032
Other ordinary expenses		
Gain on financial investments		
Net other ordinary income	11,071	18,032
Operating expenses		
Personnel expenses	-18,978,187	-18,652,508
General and administrative expenses	-5,975,796	-5,796,662
Total operating expenses	-24,953,983	-24,449,170
Gross income	1,788,115	4,571,874
Depreciation and amortization	-903,996	-848,760
Value adjustments, provisions and losses	-68,459	-741,074
Subtotal	815,660	2,982,040
Extraordinary income	135,000	
Extraordinary expenses		
Taxes	-101,000	-98,450
Net income	849,660	2,883,590

Profit appropriation

in CHF	2012	2011
Net income	849,660	2,883,590
Retained earnings	7,990,588	5,256,998
Balance sheet net income	8,840,248	8,140,588
Profit appropriation		
Allocation to general legal reserves	-42,500	-150,000
Allocation to other reserves		
Distributions on equity capital		
Retained earnings	8,797,748	7,990,588

Balance sheet as at 31 December 2012

Assets

in CHF	2012	2011
Cash and cash equivalents	56,829,810	16,370,640
Claims on money market instruments		
Due from banks	742,818,710	744,730,466
Due from customers	150,703,286	144,336,954
Mortgage claims	81,747,302	66,546,685
Securities and precious metals trading inventories		
Financial investments		
Financial participations		
Property and equipment	2,692,281	3,570,461
Accrued income and prepaid expenses	5,702,836	6,412,426
Other assets	6,903,314	47,075,656
Corporate capital yet to be paid in		
Total assets	1,047,397,539	1,029,043,288
Total subordinated receivables		
Total due from Group companies and qualified participants	609,627,978	634,562,658

Liabilities and shareholders' equity

in CHF	2012	2011
Due on money market instruments		
Due to banks	61,607,092	37,288,605
Due to customers – savings and deposits	2,485,660	1,272,310
Due to customers – other liabilities	910,551,833	879,172,954
Medium-term notes		
Debenture issue		
Accrued liabilities and deferred items	2,557,255	2,807,807
Other liabilities	8,687,494	48,266,067
Value adjustments and provisions	8,917,957	8,494,957
Reserves for general banking risks		
Share capital	20,000,000	20,000,000
General legal reserves	2,770,000	2,620,000
Reserves for own financial interests		
Unrealized appreciation reserve		
Other reserves	20,980,000	20,980,000
Retained earnings	7,990,588	5,256,998
Net income	849,660	2,883,590
Total liabilities and shareholders' equity	1,047,397,539	1,029,043,288
Total subordinated amounts due (incl. accrued interest)	6,157,560	6,157,560
Total due to Group companies and qualified participants	7,162,980	35,477,564

Off-balance-sheet transactions

in CHF	2012	2011
Contingent liabilities	19,323,533	17,843,955
Irrevocable commitments	3,895,000	2,648,000
Derivative financial instruments		
Positive replacement values	3,407,933	46,305,853
Negative replacement values	3,355,517	46,013,419
Contract volumes	277,244,938	925,980,939
Fiduciary transactions	198,636,897	235,820,369

VP Bank Group
(Excerpt)



VP Bank at a glance

VP Bank Group is an internationally active private bank focused on rendering asset management services for private individuals and financial intermediaries.

VP Bank is one of the largest banks in the Liechtenstein financial centre. In addition to its headquarters in the Principality of Liechtenstein, VP Bank Group is present with offices in six other locations around the globe: Switzerland, Luxembourg, the British Virgin Islands, Singapore, Russia and Hong Kong.

The shares of VP Bank are listed on SIX Swiss Exchange. An "A-" rating from Standard & Poor's vouches for the financial strength of this banking enterprise. A large proportion of its equity capital is in the hands of two major shareholders, Stiftung Fürstlicher Kommerzienrat Guido Feger and U.M.M. Hilti-Stiftung – a guarantee for continuity, independence and sustained quality.

VP Bank's workforce of more than 700 employees administers the wealth of close to 60,000 clients in some 60 countries. Its client advisors are supported by a global network of partner firms that contribute to the outstanding international know-how of VP Bank Group.

The roots, the strengths

Founded in 1956 in Vaduz, Liechtenstein, VP Bank has grown steadily from a friendly local bank to become a globally active financial services group.

The founder of VP Bank, Guido Feger, was a successful entrepreneur and one of Liechtenstein's most highly regarded fiduciaries. Right from the start, he demonstrated innovativeness, competence and courage, while never veering from the fundamental principles of client orientation and financial security. And those tenets have been resolutely upheld for what is now more than half a century.

Performance and trust – Guido Feger lived and breathed this business philosophy. And to this very day, each and every employee of VP Bank Group lays claim to that ethos of quality. An array of international awards for client advice and business excellence, as well as numerous ISO certifications, attest to this pronounced quality consciousness.

In 1983, VP Bank became Liechtenstein's first exchange-listed company, and ever since then it has been present in the international banking system via the euro money market. The philanthropic activities of the Bank's founder have been perpetuated by its major shareholder, Fürstl. Kommerzienrat Guido Feger.

The structure of VP Bank provides for a streamlined, client-oriented management hierarchy. And the linkage of its service and product business units affords strong marketing support.

Client advice

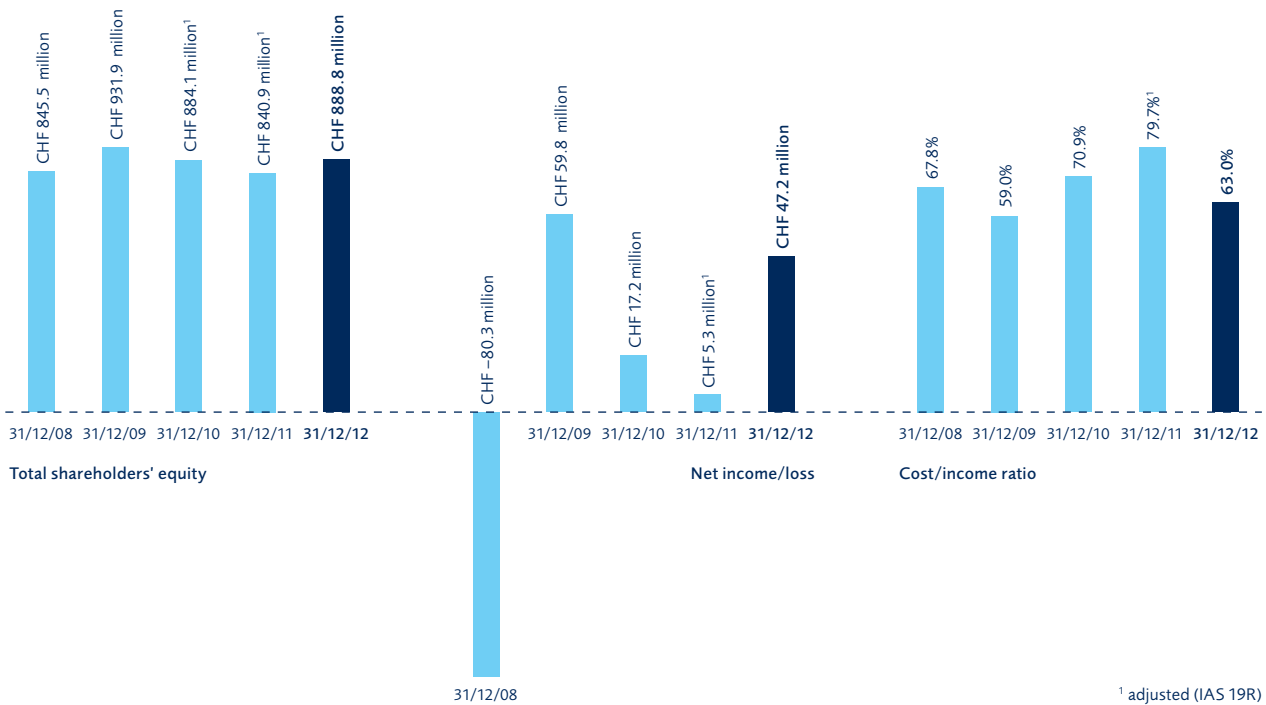
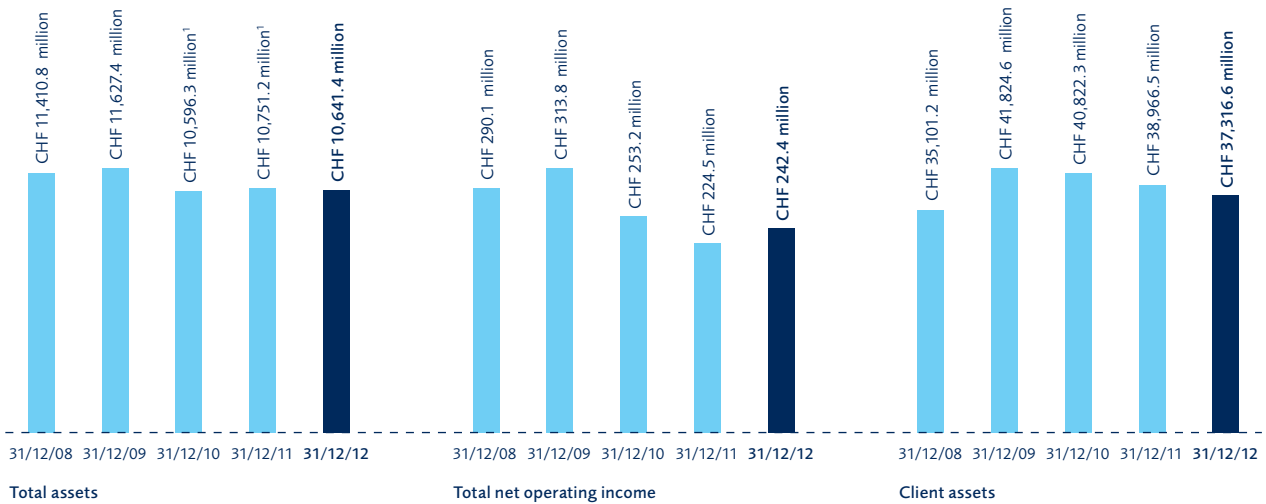
A unique aspect of VP Bank is its independence in terms of providing financial advice. Investment solutions are based on the principle of "open architecture", an approach that also takes into account the best-in-class products and services of third-party providers. The result: avoidance of conflicts of interest right from the start.

VP Bank distinguishes itself through client care and proximity. The following factors are also part of its special uniqueness:

- open architecture with a first-class range of financial products
- tailor-made wealth structuring, asset management and investment advice
- holistic, comprehensive advice and planning
- qualitatively outstanding service
- in-depth grasp of client needs
- trust, transparency and reliability
- resolute protection of the client's private sphere

Top grades earned each year for the quality of advice it provides are a clear confirmation that VP Bank deserves the trust of its clients. With a staff of roughly 700 employees, it has the right size to offer intelligent solutions with a personal touch. Clients enjoy the individualised advice of a private bank while simultaneously gaining access to a worldwide network of specialists. And not least of all, the uniform investment process ensures straightforward decisions, which accrue to the benefit of the client.

Key figures of VP Bank Group



¹ adjusted (IAS 19R)

Key figures of VP Bank Group

	2012	2011 adjusted ¹	Variance in %
Key balance sheet data in CHF million²			
Total assets	10,641.4	10,751.2	-1.0
Due from banks	4,789.1	5,143.9	-6.9
Due from customers	3,713.3	3,851.1	-3.6
Due to customers	8,702.0	8,692.5	0.1
Total shareholders' equity	888.8	840.9	5.7
Shareholders' equity, attributable to shareholders of Verwaltungs- und Privat-Bank AG, Vaduz	871.1	821.9	6.0
Equity ratio (in %)	8.2	7.6	7.1
Tier 1 ratio (in %) ³	21.5	18.0	19.4
Key income statement data in CHF million			
Total net operating income	242.4	224.5	8.0
Interest income	83.5	66.6	25.3
Income from commission business and services	115.1	121.9	-5.6
Income from trading activities	21.1	29.4	-28.0
Operating expenses	152.8	178.8	-14.5
Net income	47.2	5.3	797.0
Net income attributable to shareholders of Verwaltungs- und Privat-Bank AG, Vaduz	47.1	3.2	n.a.
Client assets in CHF million³			
On-balance-sheet customer deposits (excluding custody assets)	8,979.9	9,028.4	-0.5
Fiduciary deposits (excluding custody assets)	513.8	696.6	-26.2
Client securities accounts	18,996.9	17,703.8	7.3
Custody assets	8,826.1	11,537.7	-23.5
Net new money	-192.0	994.5	n.a.
Key operating indicators			
Ratio of foreign assets (in %)	44.1	47.3	-6.7
Return on equity (in %) ^{2,4}	5.5	0.5	n.a.
Cost/income ratio (in %) ⁵	63.0	79.7	-20.9
Headcount (expressed as full-time equivalents, excluding trainees) ⁶	706.9	737.8	-4.2
Total net operating income per employee (in CHF 1,000)	342.9	304.2	12.7
Total operating expenses per employee (in CHF 1,000)	216.2	242.4	-10.8
Net income per employee (in CHF 1,000)	66.7	4.3	n.a.
Key indicators related to shares of VP Bank in CHF²			
Net income per bearer share ⁷	8.17	0.56	n.a.
Net income per registered share ⁷	0.82	0.06	n.a.
Dividend per bearer share	2.50 ⁸	1.50	66.7
Dividend per registered share	0.25 ⁸	0.15	66.7
Dividend yield (in %)	3.8	1.8	112.8
Payout ratio (in %)	30.6	269.7	n.a.
Total shareholders' return on bearer shares (in %)	-19.9	-24.7	n.a.
Shareholders' equity per bearer share on the balance-sheet date	150.97	143.02	5.6
Shareholders' equity per registered share on the balance-sheet date	14.84	13.99	6.1
Quoted price per bearer share	65.00	83.00	-21.7
Quoted price per registered share	5.50	7.25	-24.1
Highest quoted price per bearer share	85.00	119.00	-28.6
Lowest quoted price per bearer share	60.00	74.00	-18.9
Market capitalisation (in CHF million) ⁹	378	485	-21.9
Price/earnings ratio per bearer share	7.96	149.22	n.a.
Price/earnings ratio per registered share	6.73	130.34	n.a.
Rating Standard & Poor's	A-/Negative/A-2	A-/Stable/A-2	

¹ Adjustments arising from IAS 19R.

² The reported key data and operating indicators are computed and reported on the basis of the share of the net profit and shareholders' equity attributable to the shareholders of Verwaltungs- und Privat-Bank Aktiengesellschaft, Vaduz.

³ Details in the notes to the consolidated income statement and consolidated balance sheet.

⁴ Net income / average shareholders' equity less dividend.

⁵ Total operating expenses / total net operating income.

⁶ In accordance with legal requirements, trainees are to be included in headcount statistics as 50 per cent of equivalent full-time employees.

⁷ Based on the weighted average number of shares (bearer) (note 11).

⁸ Subject to approval by the annual general meeting.

⁹ Including registered shares.

The organisational structure of VP Bank Group

VP Bank Group is subdivided into four business segments: Banking Liechtenstein & Regional Market, Private Banking International, Chief Operating Officer (COO) and Chief Financial Officer (CFO) & Corporate Center.

Changes to the organisational structure in the 2012 financial year

At the beginning of the year, the Board of Directors of VP Bank agreed on organisational and personnel changes aimed at increasing the responsibilities borne by the local offices, thereby taking a further step towards aligning the organisation with the specific requirements of the given market. Since 1 January 2012, the range of tasks of Group Executive Management and the Executive Board at the parent bank in Vaduz are now more clearly defined and allocated.

VP Bank's most important market segment, Banking Liechtenstein & Regional Market, is now represented in Group Executive Management. The Head of Commercial Banking has also been a member of the Executive Board at the Vaduz location since the start of 2012.

Group Executive Management at VP Bank comprises Siegbert Näscher (Chief Financial Officer) and Juerg W. Sturzenegger (Chief Operating Officer). Both have acted as joint Chief Executive Officers on an ad interim basis following the departure of the former CEO, Roger H. Hartmann.

Effective as of 1 January 2012, the Wealth Management Solutions (WMS) unit, previously headed by Juerg W. Sturzenegger, was integrated into the new Investment Services Center organisational unit of the Private Banking International business segment.

Also on 1 January 2012, the tasks of the Private Banking Liechtenstein, Private Banking Western Europe and Intermediaries LI & CH units, which are part of the Private Banking Liechtenstein & Regional Market business segment, were reoriented. The objective of this change was, on the one hand, to create a more streamlined management structure and, on the other, to lay the organisational foundation for a more efficient and client-oriented approach to providing advice.

Private & Affluent Banking has been combined into a single unit that focuses on the consulting-intensive private client business. In the new Intermediaries & Transaction Banking unit, efficient order execution and operating excellence take centre stage.

At the annual general meeting of shareholders in late April 2012, Chief Financial Officer Fredy Vogt was elected to succeed Hans Brunhart as Chairman of the Board of VP Bank Group. Siegbert Näscher followed Fredy Vogt as a member of Group Executive Management and Chief Financial Officer of VP Bank Group.

After 18 years, 14 of which as a member of Group Executive Management, Georg Wohlwend departed from VP Bank Group at the end of December 2012 in order to pursue new professional challenges. After close to two years in office, former CEO Roger H. Hartmann also decided to leave VP Bank Group in mid-July 2012.

Changes to the organisational structure subsequent to 31 December 2012

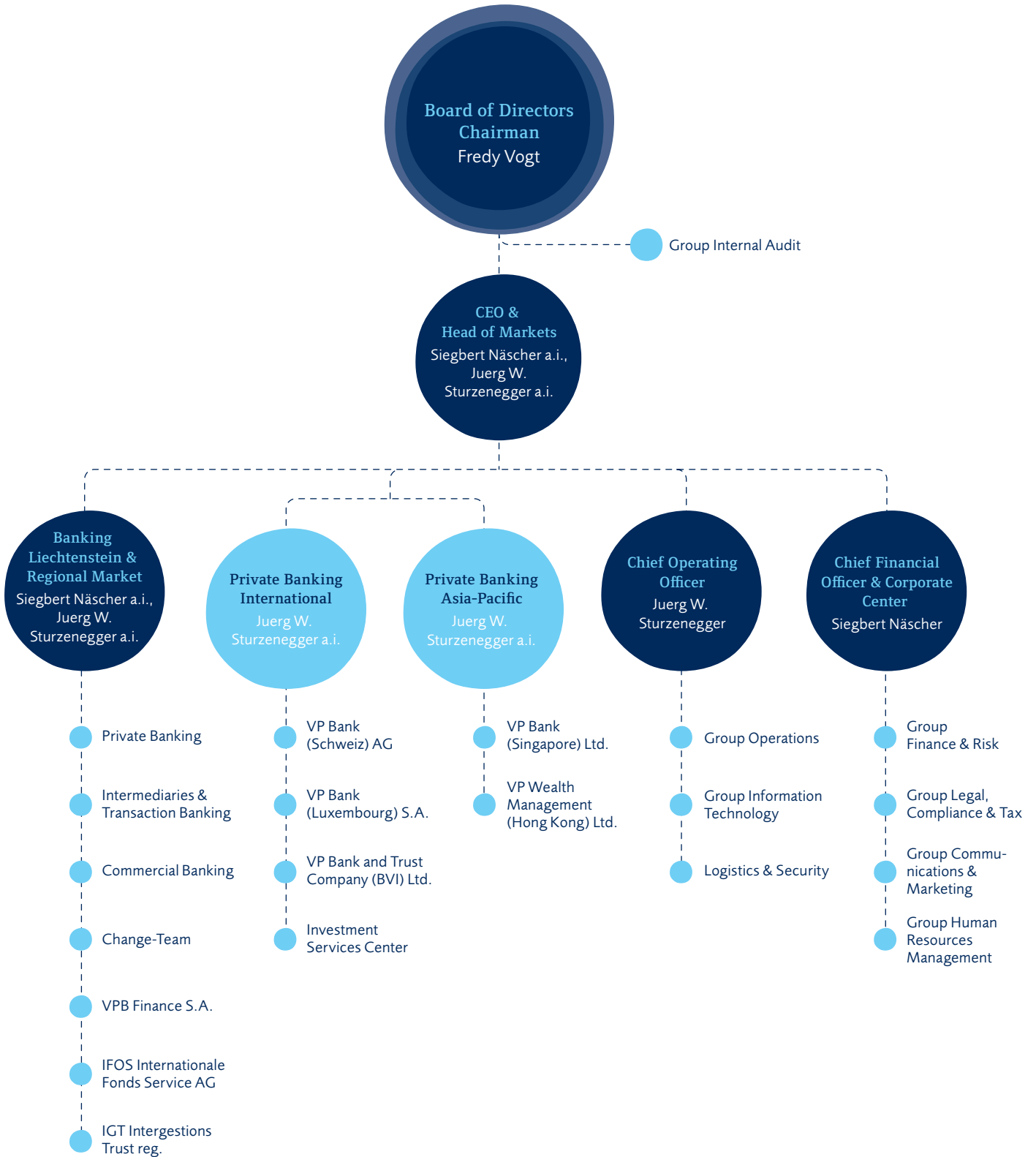
At the start of 2013, VP Bank Group expanded the Executive Board at the Vaduz location through the promotion of Martin Engler, Head of Private Banking Liechtenstein, and Günther Kaufmann, Head of Intermediaries & Transaction Banking, to members of the Executive Board of Verwaltungs- und Privat-Bank Aktiengesellschaft. With these promotions at the Liechtenstein Head Office, the Board of Directors is emphasising the Bank's orientation towards market and client needs.

As a result, the Executive Board at the parent bank in Vaduz comprises as of 1 January 2013 the Group Executive Management members of VP Bank Group, namely Chief Financial Officer Siegbert Näscher and Chief Operating Officer Juerg W. Sturzenegger, as well as the Head of Commercial Banking, Rolf Jermann and new members Martin Engler and Günther Kaufmann.

As of 1 January 2013, the "Investment Services Center" (IVS) and "Group Trading" (GRT) units were merged to create the "Group Investment & Trading Center". Overall responsibility for this new segment is now borne by the previous Head of Group Trading, Hendrik Breitenstein.

The combination of the IVS and GRT units has the goal of establishing a stable leadership structure, even as it maintains the well-organised and time-tested departments. At the same time this new, larger structure makes it possible to exploit synergies in neighbouring work areas and align the development of both fields with the strategic goals of VP Bank Group.

As of 1 January 2013, four new areas were created at IFOS, responsibility for each of which is now assigned to a member of Executive Management. As a result, Executive Management at IFOS has been expanded to include two new members. Reto Grässli and Ralf Konrad have been appointed to join the existing two members, Alex Boss and Sothearith Kol. At the same time, a switch has been made in the chairmanship of Executive Management of IFOS: Sothearith Kol will take over from Alex Boss as chair.



VP Bank, Vaduz, Head Office

Segments	Area	Head
Board of Directors	Group Internal Audit	Nikolaus Blöchlinger
Chief Executive Officer & Head of Markets		
Chief Financial Officer & Corporate Center	Group Finance & Risk Group Legal, Compliance & Tax Group Communications & Marketing Group Human Resources Management	Dr Hanspeter Kaspar Monika Vicandi Tanja Muster Dr Karl Walch
Banking Liechtenstein & Regional Market	Private Banking Intermediaries & Transaction Banking Commercial Banking Change-Team	Martin Engler Günther Kaufmann Rolf Jermann Werner Wessner
Chief Operating Officer	Group Information Technology Group Operations Logistics & Security	Dr Andreas Benz Andreas Zimmerli Lorenz Kindle
Private Banking International	Investment Services Center	Juerg W. Sturzenegger a.i.

Subsidiaries with bank status

Company	Country	City	Head
Verwaltungs- und Privat-Bank Aktiengesellschaft	Liechtenstein	Vaduz	Siegbert Näscher, Juerg W. Sturzenegger, Rolf Jermann
VP Bank (Schweiz) AG	Switzerland	Zurich	Dr Marcel Tschanz, Katharina Vogt-Schädler, Jürg Moll, Marc Wallach
VP Bank (Luxembourg) S.A.	Luxembourg	Luxembourg	Yves de Vos, Romain Moebus, Marco Predetti
VP Bank (BVI) Ltd.	British Virgin Islands	Tortola	Sjoerd Koster a.i.
VP Bank (Singapore) Ltd.	Singapore	Singapore	Reto Isenring

Asset management companies

Company	Country	City	Head
VP Wealth Management (Hong Kong) Ltd.	China	Hong Kong	Clare Lam

Fund management companies

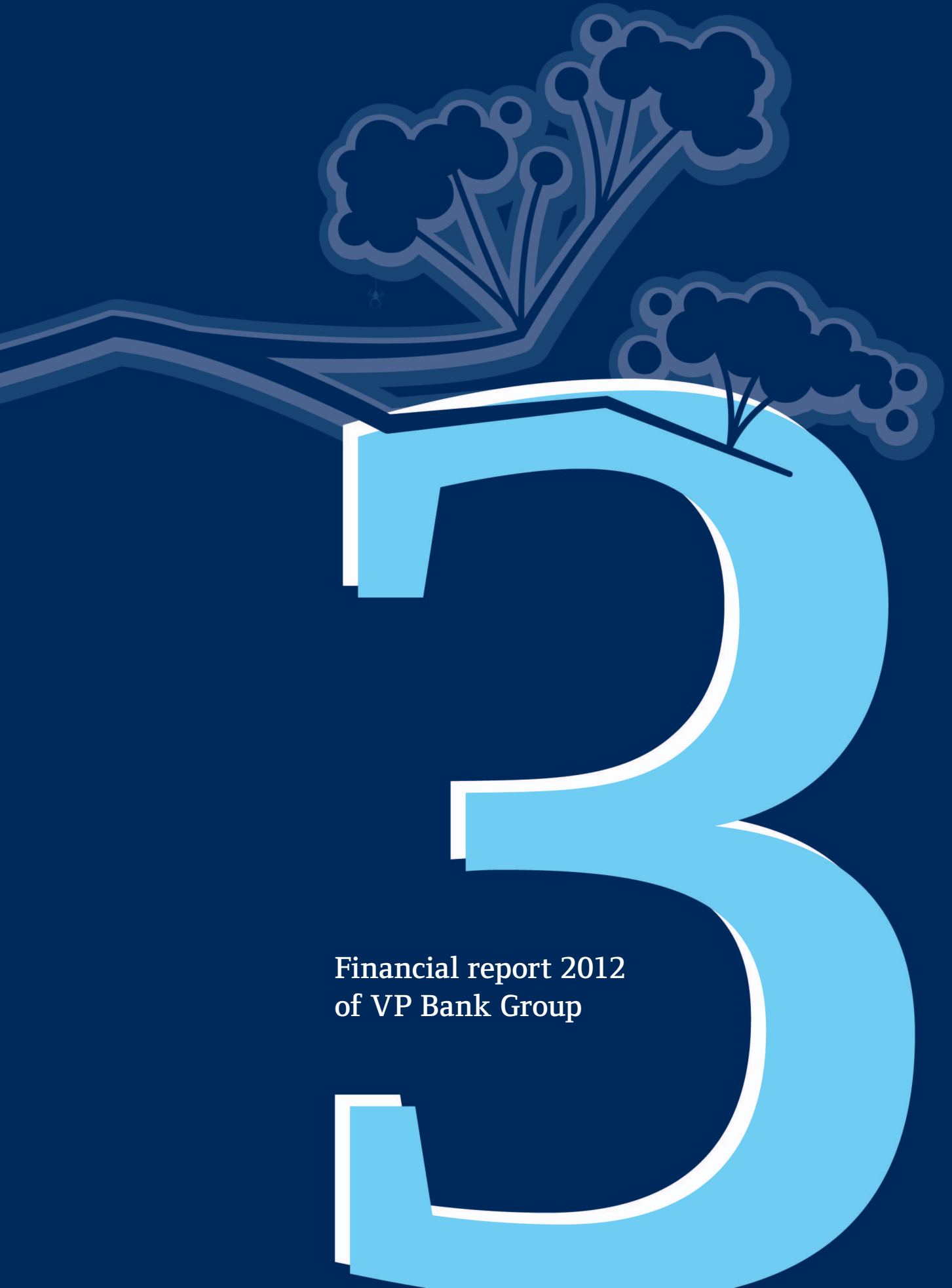
Company	Country	City	Head
IFOS Internationale Fonds Service Aktiengesellschaft	Liechtenstein	Vaduz	Alexander Boss, Sothearith Kol
VPB Finance S.A.	Luxembourg	Luxembourg	Enrico Mela, Joachim Kuske, Jos Wautraets
ATU Fund Administrators (BVI) Ltd.	British Virgin Islands	Tortola	Dr Christoph Gutmann

Trust companies

Company	Country	City	Head
IGT Intergestions Trust reg.	Liechtenstein	Vaduz	Dominik Risch
ATU General Trust (BVI) Ltd.	British Virgin Islands	Tortola	Dr Christoph Gutmann
ATU General Trust (Anguilla) Inc.	Anguilla	The Valley	Dr Christoph Gutmann

Representative offices

Company	Country	City	Head
VP Bank (Switzerland) Limited Moscow Representative Office	Russia	Moscow	Jürg Moll a.i.
Verwaltungs- und Privat-Bank Aktiengesellschaft Hong Kong Representative Office	China	Hong Kong	Clare Lam



Financial report 2012
of VP Bank Group

Consolidated Annual Report of VP Bank Group

Consolidated results

The consolidated financial statements for 2012 of VP Bank Group, prepared in accordance with International Financial Reporting Standards (IFRS), disclose Group net income of CHF 47.2 million. In the prior year, the Group realised a Group net income, after restatement in accordance with IAS 19 (revised), of CHF 5.3 million.

After a first half-year of 2012 marked by ongoing uncertainties in connection with the debt crisis, the situation gradually eased in the second half of the year. The ECB's clear commitment to the Euro, as well as progress on the political front, led to a noticeable stabilisation on financial markets.

Following the introduction of a minimum Swiss-franc/Euro parity in the autumn of 2012, little movement in the Swiss-franc/Euro exchange rate was noticeable during the financial year. Only after a degree of easing of the debt crisis could be seen to emerge in the autumn was the Euro able to break away somewhat from the minimum parity. A similar momentum was observable with interest rates. In the meantime, yields again came under strong pressure so that even negative yields could be observed over the summer in the case of five-year Swiss government bonds. US and European central banks further extended their expansionary monetary and low-interest-rate policies, thus adding to the general stabilisation of markets.

These factors impacted both revenues and client activities.

During 2012, VP Bank Group succeeded, to a large measure, in offsetting outflows of client money resulting from political uncertainties thanks to intensive market-development activities. For the whole of 2012, only a marginal outflow of client money of CHF 65 million was recorded. In addition, the complete repurchase and redemption of the Group's own debentures maturing in 2012 totalling CHF 127 million further took its toll on the development in inflows of net new money.

Having regard to the increased net income and the balanced dividend policy pursued by the Group, the Board of Directors will propose the payment of a dividend of CHF 2.50 per bearer share and of CHF 0.25 per registered share to the forthcoming annual general meeting of shareholders to be held on 26 April 2013.

Medium-term goals

In the medium term, VP Bank Group strives to achieve the following measures:

- a net new money inflow of an average of 5 per cent per annum
- a cost/income ratio of 65 per cent, and
- a tier 1 ratio of 16 per cent.

The positive net inflows of net client money of the two preceding years could not be carried over to the current financial year. During the past financial year, VP Bank Group suffered a net outflow of client money of CHF 65 million and a further outflow of CHF 127 million, or minus 0.7 per cent, resulting from the repayment of the Group's own debentures. The net inflow for 2011 was CHF 1.0 billion or 3.5 per cent.

In 2012, the cost/income ratio could be reduced to 63.0 per cent (prior year: 79.7 per cent). In the process, income rose by 8.0 per cent and costs reduced by 14.5 per cent. With a tier 1 ratio of 21.5 per cent (prior year: 18.0 per cent), VP Bank Group possesses a very good starting point, compared with other financial institu-

Consolidated net income combined with cost/income ratio



tions, for its growth strategy, both organically as well as through acquisitions. The medium-term goal of 16.0 per cent which is far in excess of the legally prescribed level was again significantly exceeded in 2012. The future regulatory framework Basel III will impose stricter capital-adequacy and liquidity requirements on banking institutions. Even after the introduction of Basel III, VP Bank Group will continue to possess a robust core capital (tier 1 ratio), thus reflecting a high measure of stability and security.

Client assets under management

At the end of 2012, client assets under management of VP Bank Group aggregated CHF 28.5 billion. Compared to the prior-year figure of CHF 27.4 billion, this equated to an increase of 3.9 per cent. The performance-related increase in assets resulting from the positive development in market values amounted to CHF 1.3 billion. Thanks to successful market-development activities, VP Bank Group was able to keep the outflow of client money within reasonable limits. In total, VP Bank Group recorded an outflow of money totalling CHF 192 million (prior year: inflow of new client money of CHF 995 million). Of this outflow, CHF 127 million relates to repayment of own debentures maturing in 2012.

Custody assets declined by 23.5 per cent to CHF 8.8 billion (prior year: CHF 11.5 billion).

As of 31 December 2012, client assets including custody assets totalled CHF 37.3 billion (prior year: CHF 39.0 billion).

Income statement

The year-on-year comparison of individual items is hampered by the restatement rendered necessary as a result of the early adoption of IAS 19 (revised). This concerns primarily the items personnel expense, Group net income and comprehensive income within shareholders' equity.

Total operating income

Total operating income rose year-on-year by 8.0 per cent from CHF 224.5 million to CHF 242.4 million. Income from the interest-differential business grew by CHF 16.9 million to CHF 83.5 million. Because of the ongoing low level of interest rates, VP Bank

implemented several measures designed to enhance net interest income. In comparison with the prior year, changes in the value of interest-rate swaps had a less strong impact on net interest income. These interest-rate swaps are deployed to hedge interest-rate risk primarily on long-term client loans. As VP Bank Group does not apply hedge accounting in accordance with IFRS, the underlying assets and the hedges are valued differently; only changes in the value of the hedges are recognised in the income statement.

As a result of the volatile market environment marked by uncertainties – stock-exchange turnover for Swiss equities on the SIX Swiss Exchange declined by some 30 per cent in 2012 and even by 67 per cent compared with 2007 – income from commissions and services declined by 5.6 per cent to CHF 115.1 million. Both trade-related net commissions as well as those unrelated to trades for the asset-management and investment business recorded a slight increase year-on-year, whilst commissions from the investment-fund business receded.

Trading income declined in 2012 by 28.0 per cent from CHF 29.4 million to CHF 21.1 million. Trading on behalf of clients fell slightly by 6.6 per cent to CHF 22.7 million. Trading for the Bank's own account fell from CHF 5.0 million in 2011 to CHF –1.6 million in 2012 as a result of lower gains from currency hedges.

In 2012, financial investments yielded gains of CHF 19.5 million, the bulk of which result from the positive movement in interest-bearing securities in the conservative investment portfolio. In the prior year, an income of CHF 5.9 million had ensued.

Money market

Interest – 3 months	31/12/2012	31/12/2011	Δ previous year
Swiss-franc LIBOR	0.01%	0.05%	–4 BP
Euribor	0.13%	1.29%	–116 BP
Dollar LIBOR	0.31%	0.58%	–27 BP
Yen LIBOR	0.18%	0.20%	–2 BP

Capital market

Benchmark bonds – 10 years	31/12/2012	31/12/2011	Δ previous year
Switzerland	0.46%	0.67%	–21 BP
Germany	1.30%	1.83%	–53 BP
USA	1.75%	1.88%	–13 BP
Japan	0.79%	0.99%	–20 BP

Forex rates

Exchange rates	31/12/2012	31/12/2011	Δ previous year
EUR	1.2068	1.2139	–0.6%
USD	0.9154	0.9351	–2.1%
JPY	1.0586	1.2154	–12.9%
GBP	1.4879	1.4532	2.4%

Operating expenses

As a result of strict cost discipline and non-recurring items, operating expenses fell by 14.5 per cent to CHF 152.8 million year-on-year. At the end of 2012, VP Bank Group employed 707 employees, expressed as full-time equivalents, which corresponds to a reduction of 31 positions (–4.2 per cent).

Year-on-year, personnel expense declined by CHF 21.6 million, or 17.1 per cent to CHF 104.3 million. This relates principally to a non-recurring credit totaling CHF 19.6 million relating to the conversion of the Treuhand-Personalstiftung (Group pension fund) from a defined-benefit to defined-contribution scheme as well as the early adoption of the revised standard IAS 19, in particular a non-recurring credit of CHF 3.2 million arising on plan settlements.

General and administrative expenses could be reduced by 8.4 per cent to CHF 48.4 million. Cost savings were achieved in particular in the areas of IT systems and marketing.

Year-on-year, depreciation and amortisation fell by 12.5 per cent to CHF 29.4 million.

In 2012, valuation allowances, provisions and losses increased year-on-year by CHF 5.3 million reflecting principally increased credit risks. At the same time, unused valuation allowances of CHF 8.1 million could be released (prior year: CHF 7.2 million). In aggregate, the items valuation allowances, provisions and losses totalled CHF 11.1 million (prior year: CHF 5.8 million).

Group net income attributable to the shareholders of VP Bank

After deducting non-controlling interests, there remained a Group net income attributable to the shareholders of Verwaltungs- und Privat-Bank Aktiengesellschaft of CHF 47.1 million (prior year: CHF 3.2 million). Group net income per bearer share increased from CHF 0.56 to CHF 8.17.

Comprehensive income

Comprehensive income encompasses all income and expenses recognised in the income statement as well as in shareholders' equity. VP Bank Group generated comprehensive income of CHF 73.6 million, in contrast to CHF –14.6 million in the prior year.

Balance sheet

Year-on-year, total assets of CHF 10.6 billion fell marginally by 1.0 per cent. On the assets side, cash and cash equivalents increased to CHF 927.0 million since 1 January 2012 (end of 2011: CHF 245.4 million), explained by the complete winding down of positions in money-market papers on the one hand, and the reduction in deposits with banks (CHF –354.9 million), on the other.

In view of the current situation on the real-estate market and the continuing period of low interest rates, VP Bank continues to pursue a policy of strict discipline and control in credit-granting activities. Client loans declined from the beginning of 2012 by CHF 137.8 million to CHF 3.7 billion, whereby mortgage loans recorded an increase of 11.3 per cent to CHF 2.6 billion.

On the liabilities side, client deposits and medium-term bonds increased marginally by 0.5 per cent to CHF 9.0 billion. With the repayment of the Group's own debentures, the position debentures issued fell from CHF 324.7 million at 31 December 2011 to CHF 198.5 million at the end of 2012.

Group shareholders' equity amounted to CHF 888.8 million at the end of 2012 (end of 2011: CHF 840.9 million). After deducting non-controlling interests, the shareholders' equity attributable to the shareholders of Verwaltungs- und Privat-Bank Aktiengesellschaft was CHF 871.1 million (prior year: CHF 821.9 million). As of 31 December 2012, the tier 1 ratio amounted to 21.5 per cent (prior year: 18.0 per cent).

Outlook

With their liquidity measures, the major central banks have brought about a stabilisation of financial markets. The expansionary monetary policy of central banks and developments on the political front will continue to significantly impact markets in 2013. Positive developments on stock markets at the beginning of the year seem to be more broadly based than in 2012. Even if the debt crisis has lost some of its edge, economic problems remain.

The fragile composition of the real economy and financial markets means that any prognosis regarding future business developments is fraught with great uncertainty. VP Bank Group expects no significant increase in interest rate levels in the first half of 2013. Furthermore, the Swiss National Bank will not modify its goal of achieving a minimum parity of the Swiss franc in relation to the Euro of CHF 1.20. These conditions and regulatory changes will impact the results of VP Bank Group.

Consolidated income statement

in CHF 1,000	2012	2011 adjusted	Variance absolute	Variance in %
Interest income	109,499	118,841	-9,342	-7.9
Interest expense	26,033	52,242	-26,209	-50.2
Total interest income	83,466	66,599	16,867	25.3
Commission income	159,285	165,963	-6,678	-4.0
Commission expense	44,191	44,038	153	0.3
Total income from commission business and services	115,094	121,925	-6,831	-5.6
Income from trading activities	21,147	29,367	-8,220	-28.0
Income from financial instruments	19,471	5,912	13,559	229.3
Other income	3,222	655	2,567	391.9
Total net operating income	242,400	224,458	17,942	8.0
Personnel expenses	104,384	125,947	-21,563	-17.1
General and administrative expenses	48,416	52,871	-4,455	-8.4
Operating expenses	152,800	178,818	-26,018	-14.5
Gross income	89,600	45,640	43,960	96.3
Depreciation and amortisation	29,445	33,636	-4,191	-12.5
Valuation allowances, provisions and losses	11,059	5,769	5,290	91.7
Income before income tax	49,096	6,235	42,861	687.4
Taxes on income	1,895	973	922	94.8
Net income	47,201	5,262	41,939	797.0
Net income attributable to minority interests	54	2,058	-2,004	-97.4
Net income attributable to the shareholders of Verwaltungs- und Privat-Bank AG, Vaduz	47,147	3,204	43,943	n.a.
Undiluted consolidated earnings per share of Verwaltungs- und Privat-Bank AG, Vaduz				
Net income attributable to the shareholders of Verwaltungs- und Privat-Bank AG, Vaduz (in CHF 1,000)	47,147	3,204		
Weighted average number of bearer shares	5,174,812	5,163,336		
Weighted average number of registered shares	5,963,174	5,967,975		
Total weighted average number of bearer shares	5,771,129	5,760,134		
Undiluted net income per bearer share	8.17	0.56		
Undiluted net income per registered share	0.82	0.06		
Fully diluted consolidated earnings per share of Verwaltungs- und Privat-Bank AG, Vaduz				
Adjusted net income attributable to the shareholders of Verwaltungs- und Privat-Bank AG, Vaduz (in CHF 1,000)	47,147	3,204		
Number of shares used to compute the fully diluted consolidated income	5,771,129	5,760,134		
Fully diluted consolidated income per bearer share	8.17	0.56		
Fully diluted consolidated income per registered share	0.82	0.06		

Consolidated statement of comprehensive income

in CHF 1,000	2012	2011 adjusted	Variance absolute	Variance in %
Net income	47,201	5,262	41,939	797.0
Financial instruments				
• Changes in value transferred to profit reserves	0	0	0	n.a.
• Changes in value of FVTOCI financial instruments	-2,220	5,429	-7,649	-140.9
Total financial instruments	-2,220	5,429	-7,649	-140.9
Actuarial gains/losses from defined-benefit pension plans	31,028	-25,025	56,053	n.a.
Foreign-currency translation differences	-2,411	-288	-2,123	n.a.
Other comprehensive income for the period recognised directly in equity (net-of-tax)	26,397	-19,884	46,281	n.a.
Total comprehensive income for the period (net-of-tax)	73,598	-14,622	88,220	n.a.
Attributable to non-controlling interests	-200	2,027	-2,227	-109.9
Attributable to the shareholders of Verwaltungs- und Privat-Bank AG, Vaduz	73,798	-16,649	90,447	n.a.

Consolidated balance sheet

Assets

in CHF 1,000	31/12/2012	31/12/2011 adjusted	Variance absolute	Variance in %	31/12/2010 adjusted
Cash and cash equivalents	926,961	245,381	681,580	277.8	130,548
Receivables arising from money-market papers	0	124,938	-124,938	-100.0	439,767
Due from banks	4,789,054	5,143,910	-354,856	-6.9	5,622,808
Due from customers	3,713,290	3,851,050	-137,760	-3.6	3,266,872
Trading portfolios	215	-44	259	n. a.	4,011
Derivative financial instruments	50,751	103,690	-52,939	-51.1	63,322
Financial instruments at fair value	429,288	461,325	-32,037	-6.9	108,221
Financial instruments measured at amortised cost	502,566	558,297	-55,731	-10.0	685,604
Associated companies	44	25	19	76.0	34
Property and equipment	122,359	129,157	-6,798	-5.3	135,791
Goodwill and other intangible assets	55,832	70,812	-14,980	-21.2	85,636
Taxes receivable	58	368	-310	-84.2	392
Deferred tax assets	11,903	17,934	-6,031	-33.6	12,396
Accrued receivables and prepaid expenses	25,080	31,374	-6,294	-20.1	28,398
Other assets	14,028	12,957	1,071	8.3	12,463
Total assets	10,641,429	10,751,174	-109,745	-1.0	10,596,263

Liabilities and shareholders' equity

in CHF 1,000	31/12/2012	31/12/2011 adjusted	Variance absolute	Variance in %	31/12/2010 adjusted
Due to banks	374,727	352,481	22,246	6.3	189,117
Due to customers – savings and deposits	966,870	931,733	35,137	3.8	954,218
Due to customers – other liabilities	7,735,165	7,760,773	-25,608	-0.3	7,753,020
Derivative financial instruments	82,467	129,443	-46,976	-36.3	70,034
Medium-term notes	284,370	251,713	32,657	13.0	183,334
Debentures issued	198,513	324,664	-126,151	-38.9	446,798
Tax liabilities	3,689	3,230	459	14.2	5,782
Deferred tax liabilities	8,401	8,992	-591	-6.6	8,244
Accrued liabilities and deferred items	22,547	25,791	-3,244	-12.6	28,834
Other liabilities	68,755	115,112	-46,357	-40.3	69,596
Provisions	7,098	6,362	736	11.6	3,214
Total liabilities	9,752,602	9,910,294	-157,692	-1.6	9,712,191
Share capital	59,148	59,148	0	0.0	59,148
Less: treasury shares	-33,493	-38,632	5,139	-13.3	-38,465
Capital reserves	-10,923	-3,882	-7,041	181.4	-5,323
Income reserves	878,136	822,665	55,471	6.7	871,092
Unrealised gains/losses on financial instruments FVTOCI	-4,986	-2,766	-2,220	80.3	-5,841
Foreign-currency translation differences	-16,796	-14,639	-2,157	14.7	-14,382
Shareholders' equity attributable to the shareholders of Verwaltungs- und Privat-Bank AG, Vaduz	871,086	821,894	49,192	6.0	866,229
Minority interests	17,741	18,986	-1,245	-6.6	17,843
Total shareholders' equity	888,827	840,880	47,947	5.7	884,072
Total liabilities and shareholders' equity	10,641,429	10,751,174	-109,745	-1.0	10,596,263

Consolidated changes in shareholders' equity

in CHF 1,000	Share capital	Treasury shares	Capital reserves	Income reserves	Reserves financial instruments IAS 39	Unrealised gains/losses FVTOCI	Actuarial gains/losses from defined-benefit pension plans	Foreign-currency translation differences	Equity of shareholders of Verwaltungs- und Privat-Bank AG, Vaduz	Minority interests	Total shareholders' equity
Total shareholders' equity 01/01/2012	59,148	-38,632	-3,882	879,246	0	-2,766	-56,581	-14,639	821,894	18,986	840,880
Changes in value transferred to profit reserves				0		0			0		0
Changes in value of FVTOCI financial instruments						-2,220			-2,220		-2,220
Actuarial gains/losses from defined-benefit pension plans							31,028		31,028		31,028
Foreign-currency translation differences								-2,157	-2,157	-254	-2,411
Net income				47,147					47,147	54	47,201
Total reported result 31/12/2012	0	0	0	47,147	0	-2,220	31,028	-2,157	73,798	-200	73,598
Dividends 2011				-8,671					-8,671	-1,045	-9,716
Coupon tax on old reserves ¹				-14,033					-14,033		-14,033
Management equity participation plan (LTI)			-3,527						-3,527		-3,527
Movement in treasury shares		5,139	-3,514						1,625		1,625
Total shareholders' equity 31/12/2012	59,148	-33,493	-10,923	903,689	0	-4,986	-25,553	-16,796	871,086	17,741	888,827
Total shareholders' equity 01/01/2011	59,148	-38,465	-5,323	902,648	-5,841	0		-14,382	897,785	17,843	915,628
Initial adoption IFRS 9				-6,429	5,841	-8,195			-8,783		-8,783
Restatement resulting from IAS 19 (revised 2011)							-31,556		-31,556		-31,556
Total shareholders' equity 01/01/2011, adjusted	59,148	-38,465	-5,323	896,219	0	-8,195	-31,556	-14,382	857,446	17,843	875,289
Changes in value transferred to profit reserves				0		0			0		0
Changes in value of FVTOCI financial instruments						5,429			5,429		5,429
Actuarial gains/losses from defined-benefit pension plans							-25,025		-25,025		-25,025
Foreign-currency translation differences								-257	-257	-31	-288
Net income				3,204					3,204	2,058	5,262
Total reported result 31/12/2011	0	0	0	3,204	0	5,429	-25,025	-257	-16,649	2,027	-14,622
Dividends 2010				-20,177					-20,177	-884	-21,061
Management equity participation plan (LTI)			1,313						1,313		1,313
Movement in treasury shares		-167	128						-39		-39
Total shareholders' equity 31/12/2011	59,148	-38,632	-3,882	879,246	0	-2,766	-56,581	-14,639	821,894	18,986	840,880

¹ Reduction of coupon tax on old reserves of Verwaltungs- und Privat-Bank Aktiengesellschaft, Vaduz, pursuant to AGM resolution in 2012.

Consolidated statement of cash flow

in CHF 1,000	2012	2011 adjusted
Cash flow from operating activities		
Net income	47,147	3,204
Sale of non-controlling interests in Group net income	54	2,058
Valuation allowances on financial instruments available for sale	29,445	33,636
Increase/release in retirement pension provisions	-54,776	5,342
Increase/release in provisions	3,049	5,777
Unrealised gains/losses on trading portfolios	0	20
Unrealised gains/losses on financial instruments at fair value	-4,721	-4,320
Unrealised gains/losses on financial instruments at amortised cost	4,159	12,624
Deferred income taxes	-615	-1,328
Tax on income paid, interest received less interest paid and dividends received	-97,240	-73,004
Subtotal	-73,498	-15,991
Changes in assets and liabilities in connection with operating business activities, after adjustment for non-cash-related transactions:		
Due from/to banks, net	553,261	438,819
Trading portfolios, including replacement values, net	5,802	23,004
Interest received from interest-differential business	100,919	103,722
Interest received from trading portfolio	-404	48
Dividends received from trading portfolio	0	2
Interest received on financial instruments at fair value	5,717	7,923
Dividends received on financial instruments at fair value	5,372	4,761
Interest received on financial instruments at amortised cost	13,143	10,963
Dividends received on financial instruments, FVTOCI	1,985	805
Due from/to customers	170,225	-642,738
Foreign-exchange impact on intra-group payments	-2,271	5,113
Accrued receivables, prepaid expenses and other assets	6,623	-3,080
Accrued liabilities and other liabilities	17,639	5,211
Interest paid in connection with interest-differential business	-32,449	-51,922
Taxes on income paid	-340	-3,298
Net cash flow from operating activities	771,724	-116,658

Consolidated statement of cash flow (continued)

in CHF 1,000	2012	2011
Cash flow from investment activities		
Net reduction/increase in financial instruments at fair value	41,069	-317,762
Net reduction in financial instruments at amortised cost	53,544	94,420
Acquisition of property and equipment and intangible asset	-7,780	-12,240
Cash flow from investment activities	86,833	-235,582
Cash flow from financing activities		
Net reduction/increase in treasury shares	1,630	-35
Dividends paid	-8,671	-20,177
Coupon tax on old reserves	-14,033	0
Issuance of medium-term notes	32,657	68,379
Redemption of debenture	-126,700	-125,300
Dividend payments to minority shareholders	-1,045	-884
Net cash flow from financing activities	-116,162	-78,017
Impact of foreign-currency translation (incl. non-controlling interests)	-8,149	13,583
Net increase/decrease in cash and cash equivalents	734,246	-416,674
Cash and cash equivalents at the beginning of the financial year	1,168,151	1,584,825
Cash and cash equivalents at the end of the financial year	1,902,397	1,168,151
Net increase/decrease in cash and cash equivalents	734,246	-416,674
Cash and cash equivalents are represented by		
Cash	926,961	245,381
Receivables arising from money-market papers	0	124,938
Due from banks – at-sight balances	975,436	797,832
Total cash and cash equivalents	1,902,397	1,168,151

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 needs of VP Bank Group. Interest rates are based upon equivalent market rates. The fair value of cash and cash equivalents amounts to CHF 1,902.4 million (2011: CHF 1,168.2 million).

Consolidated off-balance-sheet transactions

in CHF 1,000	2012	2011
Contingent liabilities		
Credit guarantees and similar	13,907	13,345
Performance guarantees and similar	84,554	85,027
Irrevocable commitments	0	0
Other contingent liabilities	0	0
Total contingent liabilities	98,461	98,372
Credit risks		
Irrevocable facilities granted	24,045	34,204
Capital subscription and margin obligations	0	0
Commitment credits	0	0
• liabilities arising from deferred payment obligations	0	0
• acceptances	0	0
• other commitment credits	0	0
Commitments arising from artificial repurchase transactions	0	0
Total credit risks	24,045	34,204
Fiduciary transactions		
Fiduciary deposits ¹	961,029	1,444,199
Fiduciary loans	7,009	12,793
Other fiduciary financial transactions	0	0
Total fiduciary transactions	968,038	1,456,992

¹ Placements that Group companies made with banks outside of the scope of consolidation in their own name but at the expense and risk of the client.

Maturity structure

in CHF 1,000	at sight	1 year	1 to 5 years	over 5 years	Total
31/12/2012					
Contingent liabilities	35,198	55,686	5,185	2,392	98,461
Credit risks	2,110	19,032	810	2,093	24,045
31/12/2011					
Contingent liabilities	30,635	56,408	8,694	2,635	98,372
Credit risks	2,748	23,991	5,040	2,425	34,204

Securities lending and repurchase and reverse repurchase transactions with securities

in CHF 1,000	31/12/2012	31/12/2011
Amounts receivable arising from cash deposits in connection with securities borrowing and reverse repurchase transactions	511,738	203,900
Amounts payable arising from cash deposits in connection with securities lending and repurchase transactions	149,993	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	575,966	605,897
• of which securities where the unlimited right to sell on or pledge has been granted	303,384	433,801
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	974,065	895,076
• of which securities which have been resold or repledged	125,407	243,272

These transactions were conducted on conditions which are customary for securities lending and borrowing activities as well as trades for which VP Bank acts as intermediary.

VP Bank Group

Verwaltungs- und Privat-Bank Aktiengesellschaft is a bank domiciled in Liechtenstein and is subject to the Finanzmarktaufsicht Liechtenstein (FMA), Landstrasse 109, Postfach 279, LI-9490 Vaduz, www.fma-li.li

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