

Corporate Communications
November 2009

VP Bank Equity Story



Content

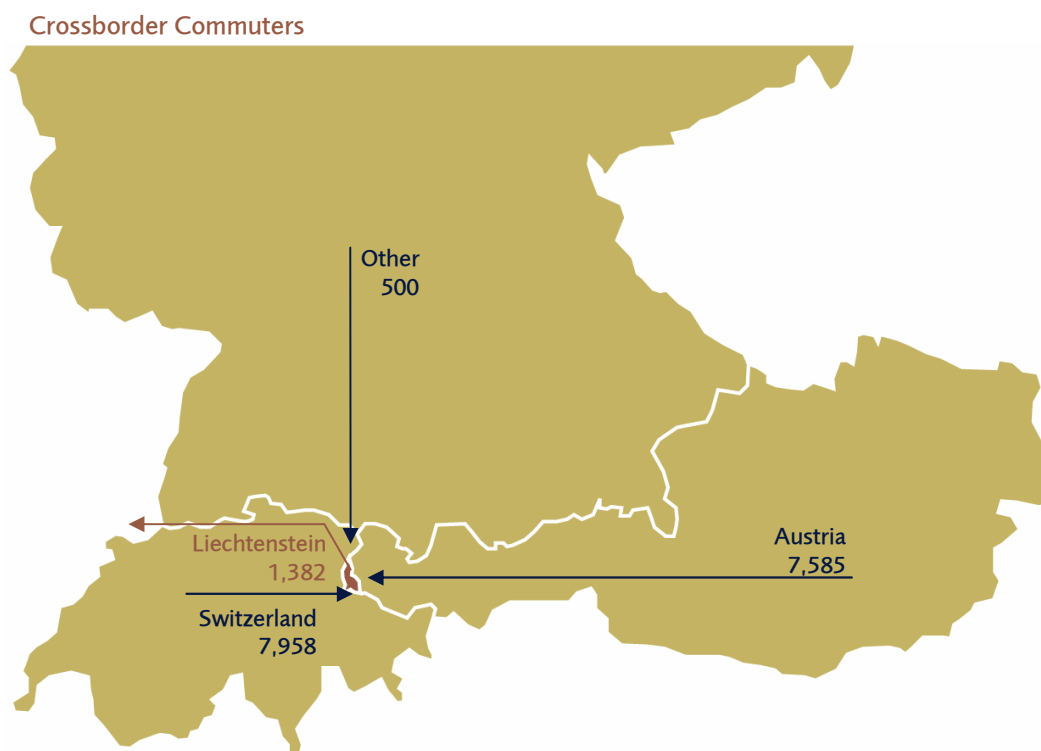
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History of Liechtenstein

- 1396: Earldom Vaduz
- 1699 / 1712: Earldoms of Schellenberg / Vaduz granted to Johann Adam Andreas von Liechtenstein
- 1719: Elevation to imperial principality, part of the German nation of the Holy Roman Empire
- 1806: Member of the German "Rheinbund"
- 1815: Seat and vote within the German Federation
- 1852: Customs treaty with Austria; dawn of industrialization (textile industry)
- 1919/1920: After end of WWI, termination of customs treaty and postal agreement with Austria; turn toward Switzerland
- 1921: Postal treaty with Switzerland
- 1923: Customs treaty with Switzerland
- 1924: Introduction of the Swiss franc as national currency of Liechtenstein
- 1950: Acceptance into the International Court of Justice in Den Haag
- 1975: OSCE membership
- 1978: Member of the European Council
- 1990: UN membership
- 1991: EFTA membership
- 1995: EEA membership
- 1995: WTO membership

Liechtenstein – figures and constitution










Surface area	160 km ²
Boundaries	41.2 km border with Switzerland; 36.7 km with Austria
GDP (at current prices, in CHF million)	1998 – 3'595, 1999 – 4'002, 2000 – 4'195, 2001 – 4'205, 2002 – 4'191, 2003 – 4'135, 2004 – 4'296, 2005 – 4'555
Population	35,350; 1/3 foreigners
Crossborder commuters	16,000 daily (see chart)
Industrial exports (in CHF million)	2002: 2820; 2003: 2877; 2004: 3203; 2005: 3227; 2006: 3604; 2007: 4182 (Switzerland excluded)
Form of government	Constitutional hereditary monarchy based on democratic and parliamentary principles
Head of state	Prince Hans-Adam II; since 2004, Hereditary Prince Alois as deputy entrusted with the assertion of sovereign rights
Parliament	25 members of parliament, each elected by the populace in general, direct, secret-ballot elections for a four-year term of office
Government	5 members of government, each appointed by the Prince on the suggestion of parliament



Status: September 2009 (latest survey)

Important Industrial Companies in Liechtenstein

Liechtenstein's major industrial companies

	1923	Ivoclar Vivadent AG
	1935	Hilcona
	1936	Hoval AG
	1941	Hilti Maschinenbau AG
	1941	Thyssen Krupp Presta AG
	1946	oerlikon
	1948	Swarovski
	1957	Herbert Ospelt Anstalt
	2000	Inficon Holding AG



Market environment – the Liechtenstein financial center

Characteristics

- Streamlined political system oriented toward citizenry
- Stable legal and social system
- Liberal economic system
- Short administrative paths
- Transparent, calculable legislation
- Simultaneous interrelationship with Swiss economic area and the EEA
- Access to highly qualified professionals from the neighboring countries (50% of the workforce comprised of commuters)



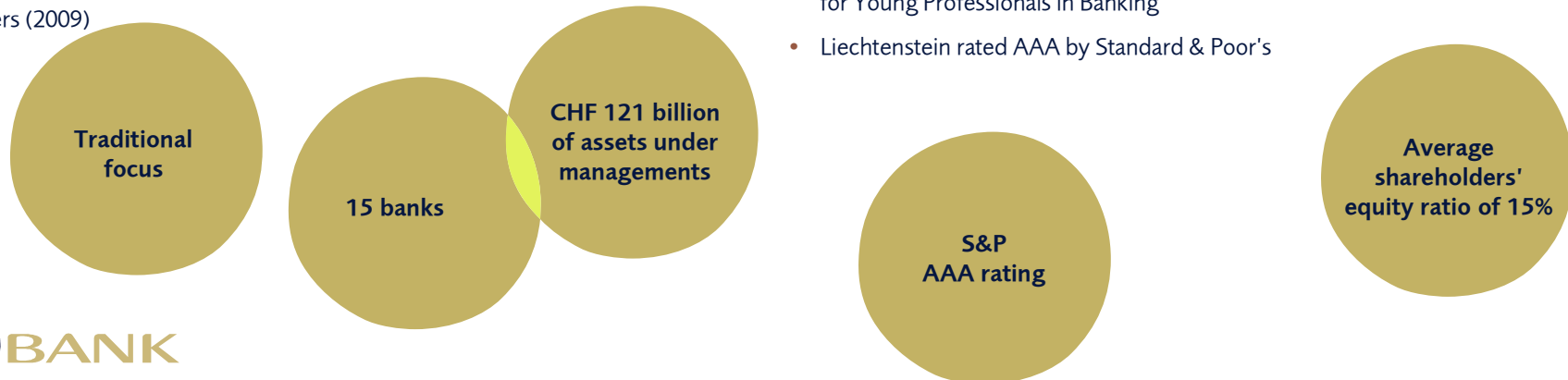
Market environment – Liechtenstein as a banking center

Characteristics

- Financial services represent the country's second most important commercial sector (30% of GDP) behind the manufacturing industry
- 150-year banking tradition
- Customs treaty with Switzerland (1923); introduction of the Swiss franc as legal tender; EEA membership since 1995
- 1923: Banking secrecy officially anchored
- 2001: Establishment of the Financial Intelligence Unit (FIU)
- 2005: Founding of the Financial Market Authority (FMA)
- Active participation in battle against money laundering and the financing of terrorism
- Full implementation of the third EU Directive on Combating Money Laundering
- Application of OECD standard on international cooperation in tax-related matters (2009)

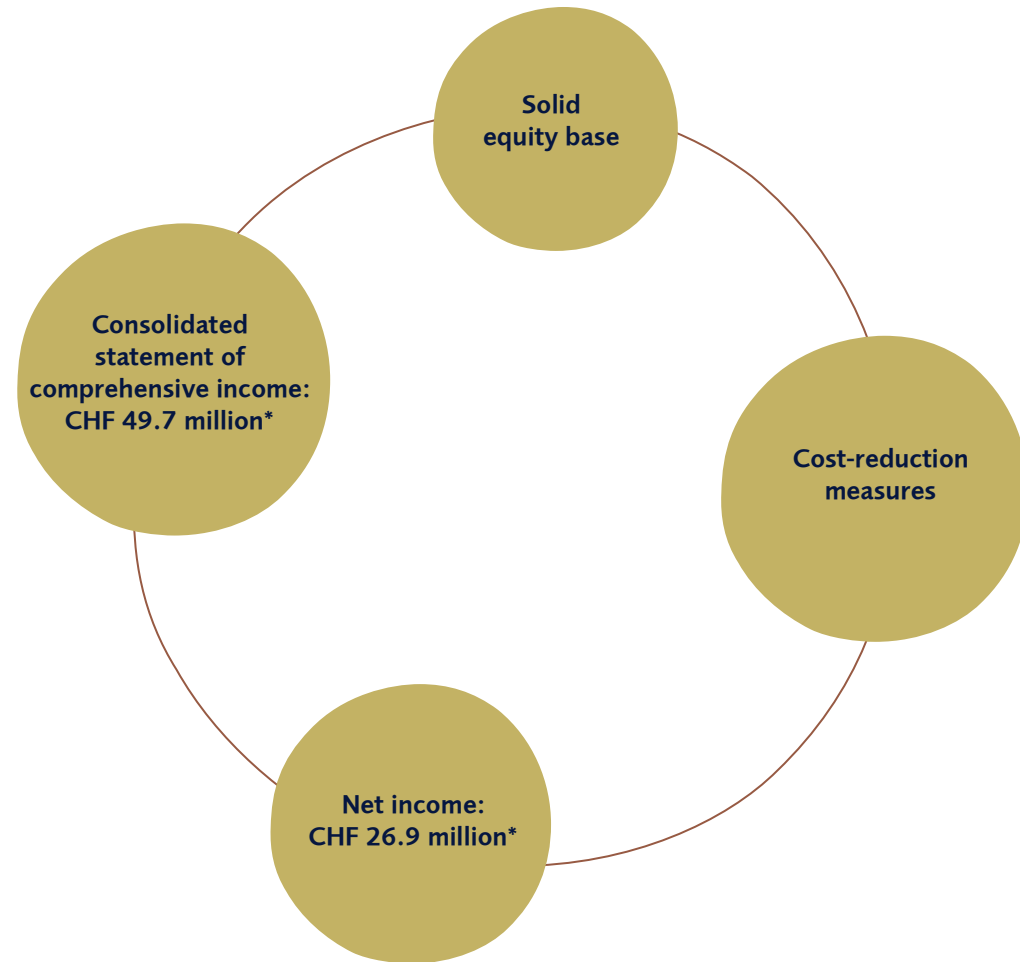
Structure

- 15 banks
- Total assets under management: CHF 121 billion (2008)
- Financial center oriented toward continuity and sustainability
- Traditional focus on private banking and wealth management
- No risky investment banking activities
- Banks fully free to provide services in all EEA states
- Interesting diversification possibilities with financial products approved on an EU-wide scale
- Client deposits insured via comprehensive depositor protection system
- Solid equity base of the banks (average shareholders' equity: 15 %)
- No governmental support of the banks during the financial crisis
- Tremendous financial know-how through collaboration with Liechtenstein University of Applied Sciences (Institute for Financial Services) and the "Center for Young Professionals in Banking"
- Liechtenstein rated AAA by Standard & Poor's



Overview of VP Bank

- Founded in 1956
- Third-largest bank in Liechtenstein
- Total client assets CHF 39.9 billion*
- Net assets CHF 12.4 billion*
- Shareholders' equity ratio 7.2%*
- Cost/income ratio 64.2%*
- 769.7 employees (expressed in fulltime equivalents)*
- Close to 60,000 clients from 60 countries
- Listed on SIX Swiss Exchange in Zurich
- «A-» rating from Standard & Poor's
- Nine locations worldwide in key international financial centers
- Focus on asset management for private individuals and intermediaries

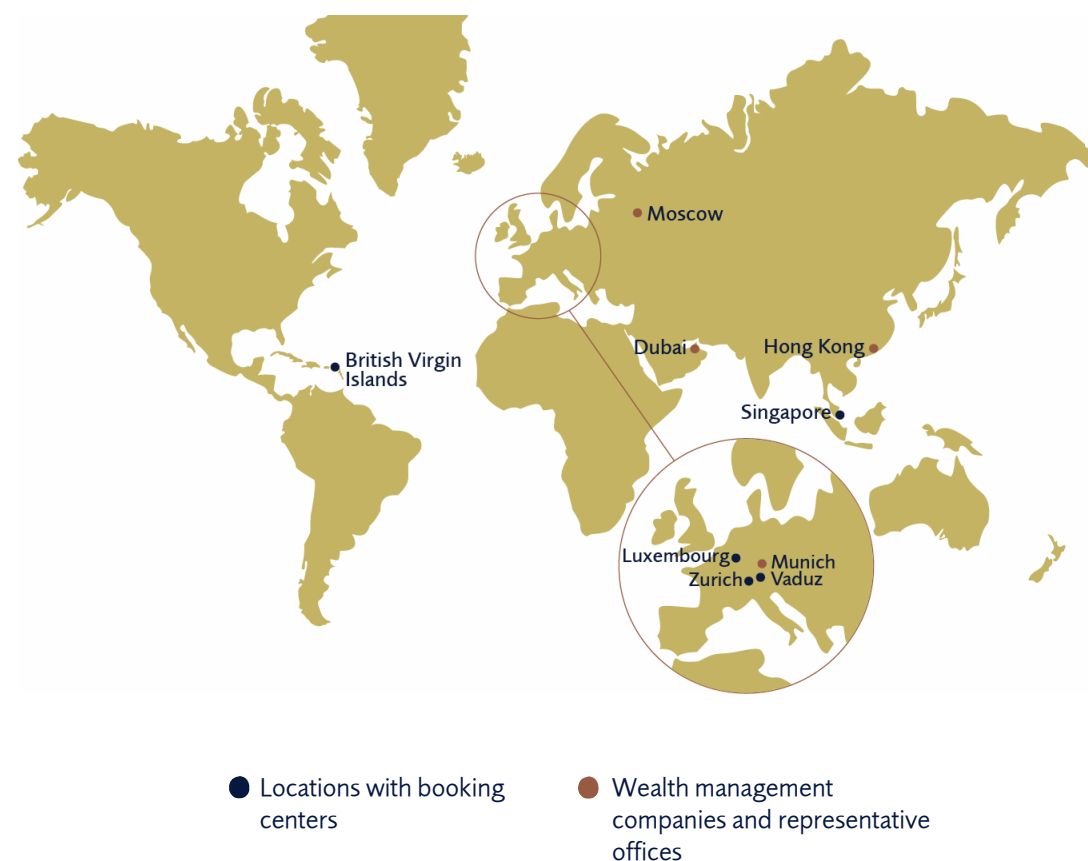


* Status: June 30, 2009

History of VP Bank

- 1956: Guido Feger founds parent bank in Vaduz
- 1962: Conversion to a joint-stock company
- 1974: Introduction of public and employee-owned shares
- 1983: Listing in the side market of the Swiss Stock Exchange (today's SIX Swiss Exchange) as first Liechtenstein company to be publicly traded
- 1987: Trading commences in the main segment of the Swiss Stock Exchange
- 1988: Founding of VPB Finance S.A. subsidiary in Luxemburg and VP Bank (Schweiz) AG in Zurich
- 1995: Founding of VP Bank and Trust Company (BVI) Limited subsidiary as a joint venture with ATU Allgemeines Treuunternehmen in the BVIs
- 2001: Simplification of the shareholder structure (registered and bearer shares, participation certificates)
- 2003: Repurchase of large (33%) block of shares from BZ Group and reduction of outstanding equity capital through cancellation of most of those shares
- 2004: Founding of VP Vermögensverwaltung GmbH in Munich
- 2005: Opening of representative office in Moscow
- 2006: Opening of representative office in Hong Kong
- 2007: Opening of VP Wealth Management (Middle East) Ltd. in Dubai
- 2007: Opening of VP Wealth Management (Hong Kong) Ltd. in Hong Kong
- 2008: Opening of VP Bank (Singapore) Ltd. in Singapore

Locations of VP Bank Group



Roots and strengths of VP Bank

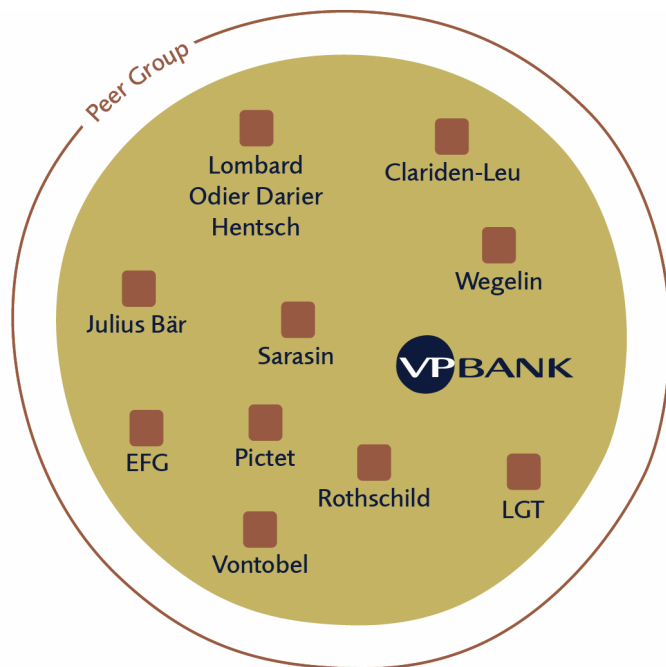
- VP Bank founded by Guido Feger, a successful entrepreneur as well as one of Liechtenstein's most important fiduciaries
- Continual growth in size and profitability
- Successful as the third bank to be established in Liechtenstein
- Continuation of the founder's charitable activities under the auspices of the Stiftung Fürstl. Kommerzienrat Guido Feger (majority shareholder of VP Bank)
- First Liechtenstein company to be exchange-listed
- Present in the international money market since day one via the European interbank market
- International Advisory Board manned with renowned personalities
- Outstanding reputation through high standards for quality and efficiency
- Great value has always been attached to continuing education of employees



Guido Feger
Founder of VP Bank

Positioning among private banks

Peer group overview as of 2010



Brief description of peer group

Clariden Leu	Strengths in the area of retirement and succession planning, tax and inheritance advice; broad product range; concentration on foundations/trusts; more than 20 locations worldwide.
EFG International	Global private banking organization of the EFG Group; listed on SIX Swiss Exchange; focus on private banking and asset management; 44 locations in 30 countries throughout the world.
Julius Bär	Switzerland's leading pure asset manager; with roots leading back to the 19 th century, the group focuses exclusively on the fields of private banking and asset management for private and institutional investors; 32 locations worldwide.
LGT	The Princely bank, headquartered in Vaduz; a universal bank with strengths in the field of trusts and financial structures; 30 locations throughout the world.
Liechtensteinische Landesbank	Headquartered in Vaduz; focus on savings and mortgage business; 8 locations in Europe and Asia.
Lombard Odier Darier Hentsch	Geneva-based private bank in existence since 1798; 24 locations worldwide.
Pictet	One of the largest Swiss private banks; concentrates on private and institutional asset management; no investment banking activities; no commercial, mortgage or unsecured loans; 20 locations worldwide.
Rothschild	International private banking group since 1968; innovative financing concept and high-quality, personalized service; 10 locations throughout the world.
Sarasin	International private banking in the premium segment; corporate philosophy of sustainability; investment counseling and asset management for private/institutional clients; 16 locations worldwide.
Vontobel Group	Private bank; Swiss market leader for innovative financial products; core competencies in asset management and investment banking; 14 locations throughout the world.
Wegelin	Oldest Swiss bank (founded in 1741); specialized in asset management for private and institutional clients; 10 locations worldwide.

Structure of VP Bank

Organization

Business Units	
Private Banking Clients	Direct clients
Intermediaries	External asset managers, fiduciaries, attorneys

Service Units	
Banking Services	Services for the Business Units
Corporate Center	Support of Group management

Strategy

- Two Business Units, aligned according to client segments
- Product responsibility borne by the Business Units
- «Open architecture» for products and services offers the best-in-class solutions available in the market (proprietary and third-party products)

Organization chart

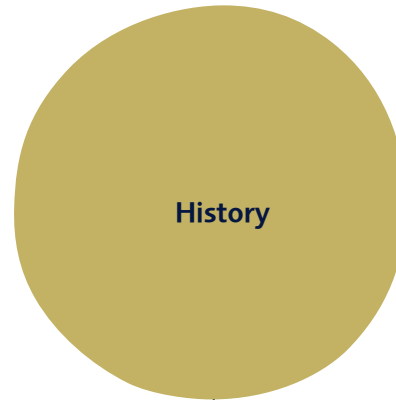


Specific features of VP Bank



Strategy

- Long-term orientation of corporate strategy
- Concentration on two Business Units
- No investment banking activities
- Presence in the major financial centers
- Solid equity base
- Constantly maintained dividend policy
- «A-» rating from Standard & Poor's
- Independent enterprise
- Stable shareholder base – long-term orientation facilitated by steadfast major shareholders



History

- Liechtenstein tradition
- More than a half-century of experience
- Long-lasting relationships



Products and marketing

- Uniform investment philosophy, uniform investment process
- No conflicts of interest in advice thanks to open-architecture philosophy (selection of the best-possible products and services offered in the marketplace)
- Consistent, unmistakable appearance in the market

Goals of VP Bank

Vision

We rank among the best private banks.

We earn the privilege of being our clients' preferred partner.

Values (mindset of the company)

We build upon our Liechtenstein tradition.

We stand out for fair business relationships based on partnership.

Mission (purpose of the company)

VP Bank creates added value for its stakeholders (clients, shareholders, employees, social environment).

VP Bank is a bank that clients, shareholders and employees alike can be proud of.

Qualitative goals

- Position as one of the best Swiss and Liechtenstein private banks
- Reinforcement of the Bank's market position
- Optimization of VP Bank Group's services and processes
- Sustainable establishment and improvement of quality in all facets of the Bank's activities (quality awards, certifications)
- Strengthening of an already solid base for the further development of VP Bank Group
- Cost-containment measures
- Earnings-generation measures
- Streamlining of the Bank's project portfolio
- Reinforcement of marketing clout

Quantitative goals

- Cost/income ratio maintained at H1 2009 level (currently: 64.2%*)
- Gross margin of 100bp (currently 93.1bp*)
- Tier 1 ratio of 13.6% (currently 14.7%*); medium-term: 16%
- Reduction of operating expenses: 10% below prior-year level

Status as at June 30, 2009

Markets of VP Bank



VP Bank Range of services

Business fields

- Holistic consulting and accompaniment of wealthy individuals with regard to financial matters and related issues (e.g. inheritance, succession, taxes, legal structures, etc.)
- Catering to the needs of intermediaries in all banking-related areas and questions regarding wealth structuring
- Execution of the relevant transactions
- Retail banking in Liechtenstein
- Commercial loans

Competence and know-how

- Clearly defined investment process represents important pillar for asset management
- Group-wide competence center for investment products
- Analysis and assessment of third-party products
- Holistic advisory principle
- Group-wide, uniformly applied management methods

Target groups and client segments

Segment	Target group
Retail Banking	Accounts valued at less than CHF 100,000 (regional; cost-optimized to the extent possible)
Affluent Banking	CHF 100,000 through 1 million
Private Banking	In excess of CHF 1 million
Commercial Banking	Mortgages, commercial loans, sureties, guarantees, import/export finance (regional, cost-optimized to the extent possible)
Intermediaries	External asset managers, fiduciaries and attorneys
Institutional Banking	Pension funds, etc. (opportunistic growth)

Group Executive Management of VP Bank



Gerhard Häring 1962
Head of Banking Services
GEM since 2005,
Commercial Information Manager,
Advanced Executive Program
Swiss Banking School

Fredy Vogt 1958
Chief Executive Officer a.i.
Chief Financial Officer
GEM since 1996,
Swiss Federally Certified Expert in
Accounting/Controlling,
Swiss Certified Public Accountant

Ernst Näf 1958
Head of Private Banking Clients
GEM since 2003,
Swiss Federally Certified Banking Specialist,
Swiss Banking School, Management
Development Program (UBS AG),
Senior Executive Program (New York, USA)

Georg Wohlwend 1963
Head of Intermediaries
GEM since 1998
Lic. Oec., Swiss Banking School

Board of Directors of VP Bank



Walo Frischknecht
Board member

Prof. Dr. Beat Bernet
Board member

Hans Brunhart
Chairman of the Board

Dr. Daniel Sigg
Board member

Lic.oec. Markus Thomas Hilti
Board member
Representative of major shareholder
U.M.M. Hilti-Stiftung

Dr. Guido Meier
Board member
Representative of major
shareholder
Stiftung Fürstlicher
Kommerzienrat Guido Feger

Roland Feger
Board member
Representative of major shareholder
Stiftung Fürstlicher Kommerzienrat
Guido Feger

VP Bank shares

Share capital

	31.12.2007 Number of shares	31.12.2007 Par value in CHF 1000	31.12.2008 Number of shares	31.12.2008 Par value in CHF 1000
Bearer shares (CHF 10.00 par value)	5,314,347	53,143	5,314,347	53,143
Registered shares (CHF 1.00 par value)	6,004,167	6,004	6,004,167	6,004
Total share capital	11,318,514	59,148	11,318,514	59,148

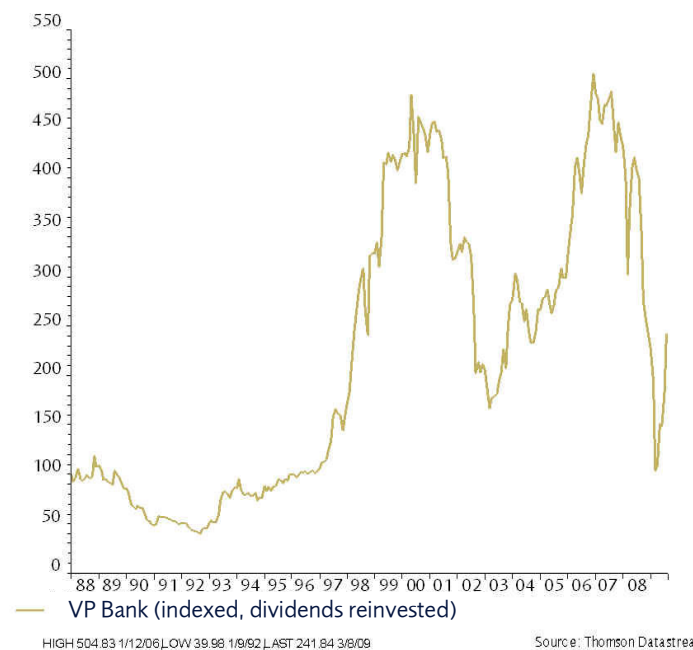
Share segmentation

Bearer shares	Registered shares
VP Bank's bearer shares are listed and freely tradable on SIX Swiss Exchange.	The registered shares are not listed but are broadly distributed among the population of Liechtenstein.

Significant shareholdings

Shareholder	Proportion of voting rights	Proportion of share capital
Stiftung Fürstlicher Kommerzienrat Guido Feger, Vaduz	48.4 %	24.9 %
U.M.M. Hilti-Stiftung, Schaan	10.5 %	10.1 %

Share price



The largest shareholder, the Guido Feger Stiftung (established in 1954 by the founder of VP Bank), supports social, charitable and cultural projects, thereby shaping the Bank's corporate culture and lending expression to its commitment to society as a whole.

Key figures of VP Bank

	13.12.2007	31.12.2008	30.06.2009
Consolidated net income per bearer share (in CHF)	26.68	-14.32	4.35
Shareholders' equity per bearer share (in CHF)	180.06	144.13	149.81
Price per bearer share (in CHF)	280.25	140.10	106.50
Market capitalization (in CHF million)	1,658	829	630
Dividend per bearer share (in CHF)	11.00	2.50	n.a.
Dividend per registered share (in CHF)	1.10	0.25	n.a.
Payout ratio (relative to consolidated net income)	41.2 %	n. a.	n.a.
Dividend yield (net)	3.9 %	1.8 %	n.a.
Free float	71.0 %	67.9 %	67.9 %
Rating: Standard & Poor's	«A» (A/stable/A-1)	«A» (A-/negative/A-1)	«A» (A-/stable/A-2)

Master Data

Bearer shares listed on the Swiss Stock Exchange (SIX) | Symbol SIX: VPB | Security number: 1073721 | ISIN number: LI0010737216 | Sedol number: 5968006 CH | Reuters Ticker: VPB.S | Bloomberg Ticker: VPB SW



VP Bank's 6 central messages

VP Bank Group is focused on value growth

We have a solid balance sheet and shareholders' equity base, and we constantly strive to achieve value enhancement.

VP Bank personifies a culture of business excellence

Based on the Business Excellence model of the European Foundation for Quality Management (EFQM), we resolutely apply quality management tools throughout the Group and pursue ISO certifications.

VP Bank combines tradition and innovation

As a private bank with more than 50 years of experience, we can look back on the healthy evolution of our business. The continuity in Group Executive Management assures long-term, sustainable strategies as opposed to short-term profit maximization.

VP Bank is positioned as a private bank

We rank among the best private banks. We offer integrated, holistic advice to private individuals (HNWIs) and institutions. We perceive ourselves as competent providers of high-quality services.

VP Bank Group is internationally active

We are a globally positioned, independent private bank. We cultivate the markets in Liechtenstein, Switzerland, Germany, the Far and Middle East, Central and Eastern Europe, as well as North America and cater to the needs of clients from more than 60 countries.

VP Bank is committed to its shareholders

The shares of VP Bank are listed on SIX Swiss Exchange. We have a stable base of core shareholders and a free float of approximately 68%. We offer our shareholders an above-average dividend yield.

Corporate Communications

Semi-annual report 2009 – VP Bank Group



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Semi-annual report 2009 – VP Bank Group

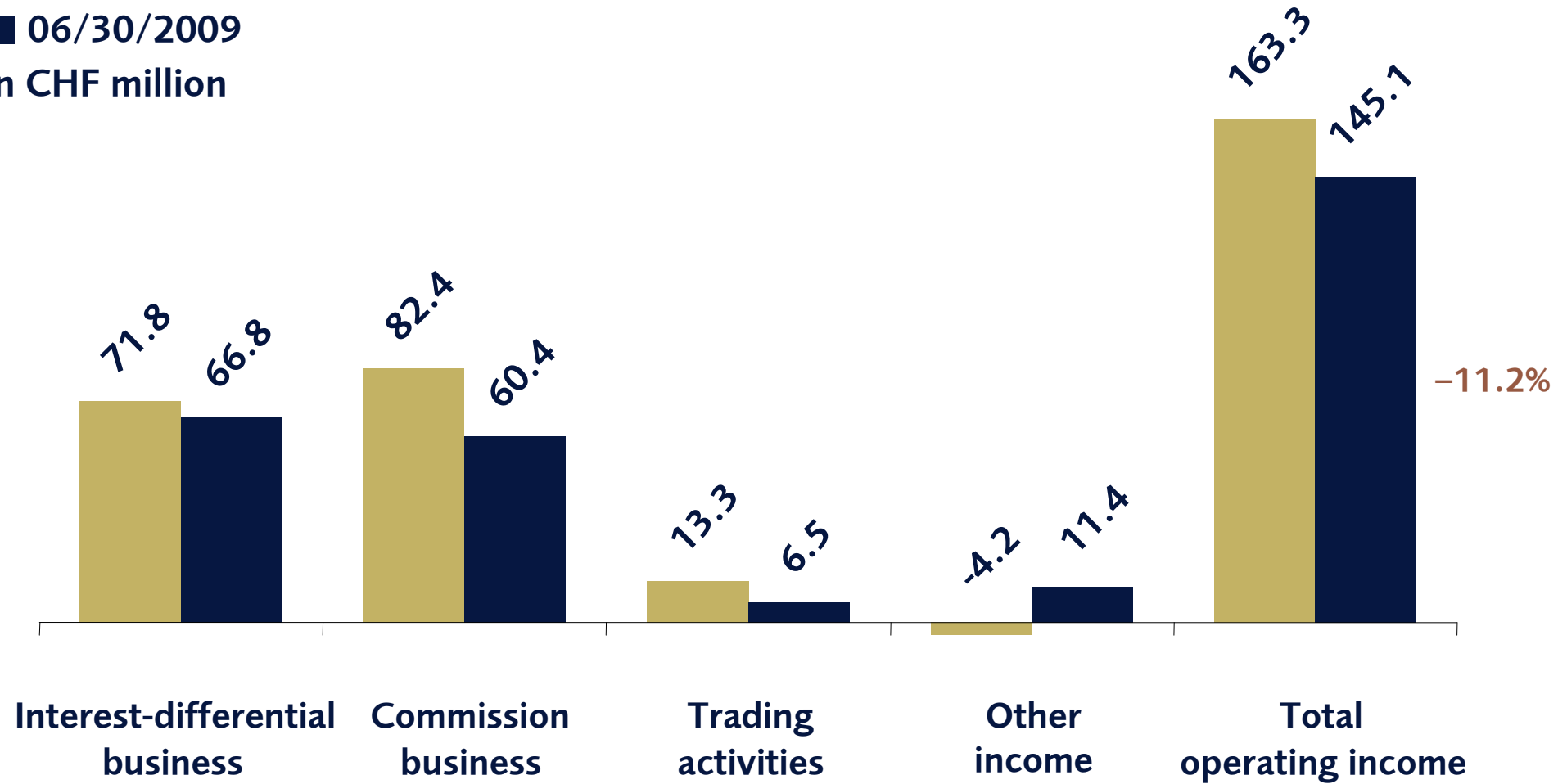
Consolidated income statement

Total operating income

■ 06/30/2008

■ 06/30/2009

in CHF million

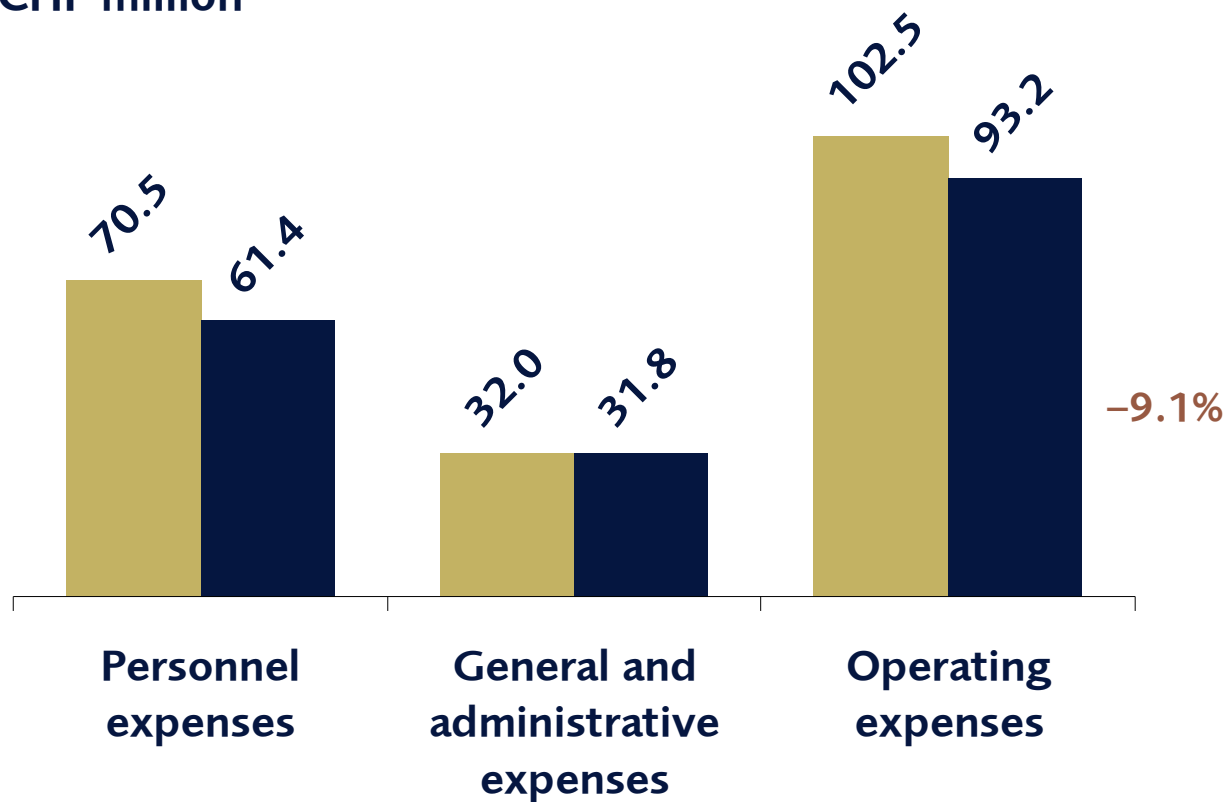


Operating expenses

■ 06/30/2008

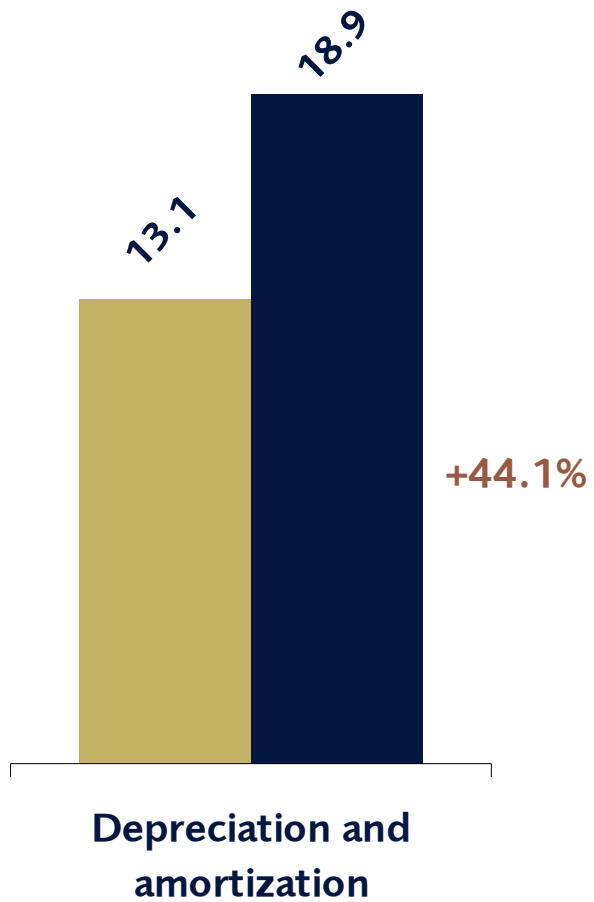
■ 06/30/2009

in CHF million



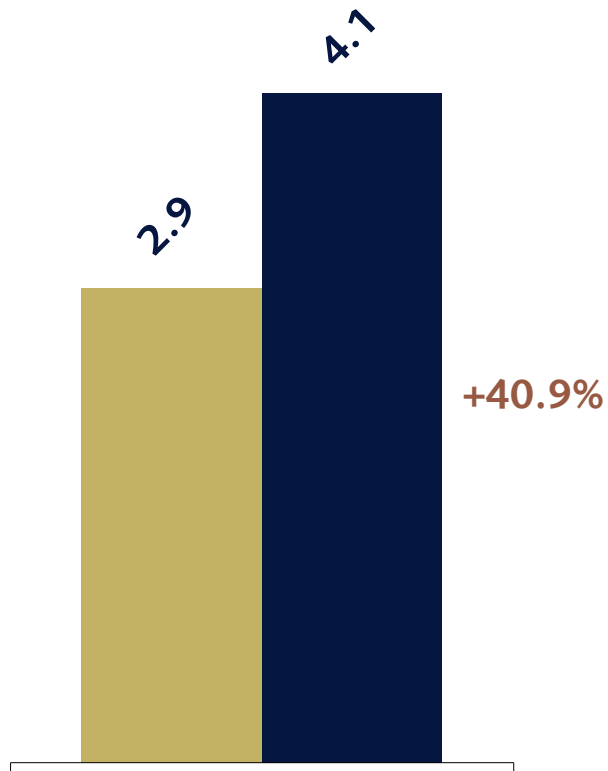
Depreciation and amortization

■ 06/30/2008
■ 06/30/2009
in CHF million



Valuation allowances, provisions and losses

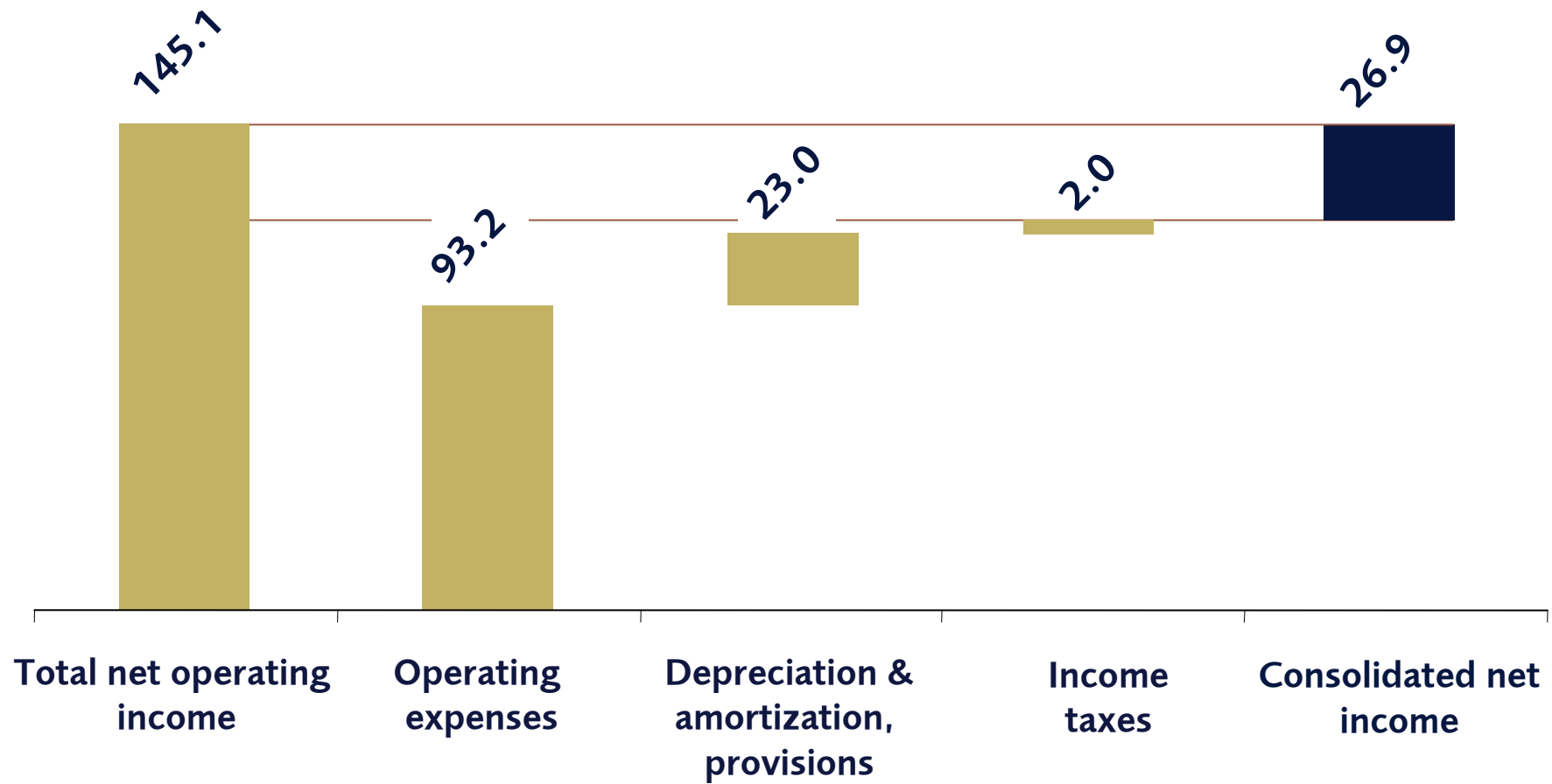
■ 06/30/2008
■ 06/30/2009
in CHF million



Valuation allowances,
provisions and losses

Consolidated net income

in CHF million



Consolidated Statement of Comprehensive Income

in 1,000 CHF	1.1.-30.6.2009	1.1.-30.6.2008	Variance absolute	Variance in %
Consolidated net income	26,889	40,961	-14,072	-34.4
Financial instruments available for sale				
• Reclassifying adjustments recorded in Income Statement	3,430	-4,396	7,826	
• Net change in unrealized gains/losses	18,510	-46,253	64,763	
Total financial instruments available for sale	21,940	-50,649	7,826	
Foreign-currency translation differences	875	-4,878	5,753	
Other comprehensive income for the period recognized directly in equity (net-of-tax)	22,815	-55,527	78,342	
Total comprehensive income for the period (net-of-tax)	49,704	-14,566	64,270	
Attributable to minority shareholders	2,043	306	1,737	
Attributable to shareholders of Verwaltungs- und Privat-Bank AG, Vaduz	47,661	-14,872	62,533	

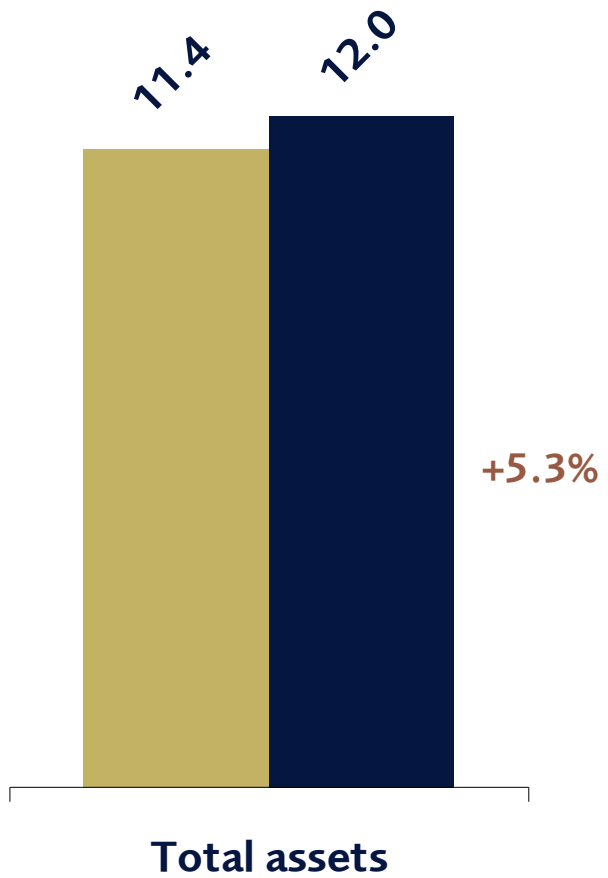
Semi-annual report 2009 – VP Bank Group

Consolidated balance sheet



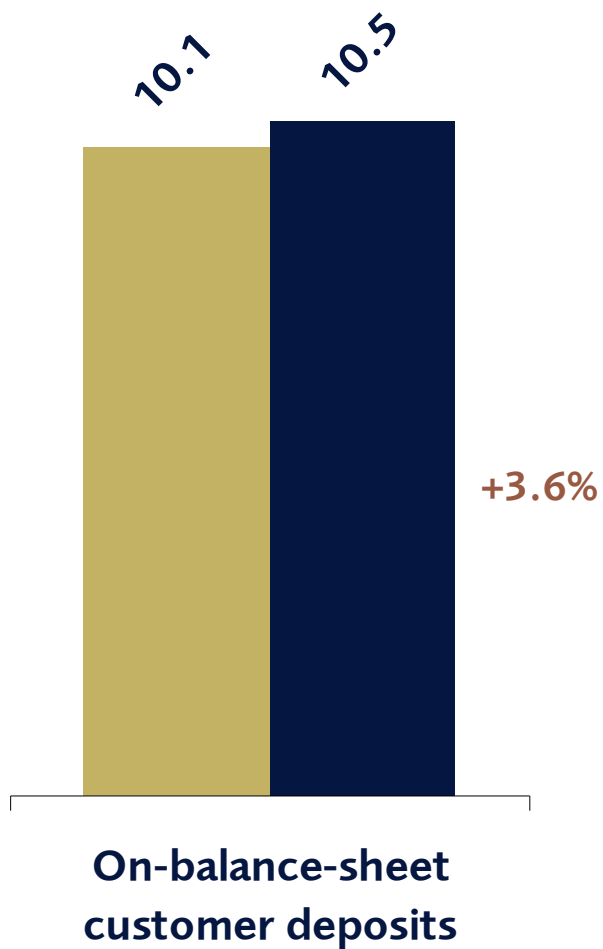
Total assets

■ 12/31/2008
■ 06/30/2009
in CHF billion



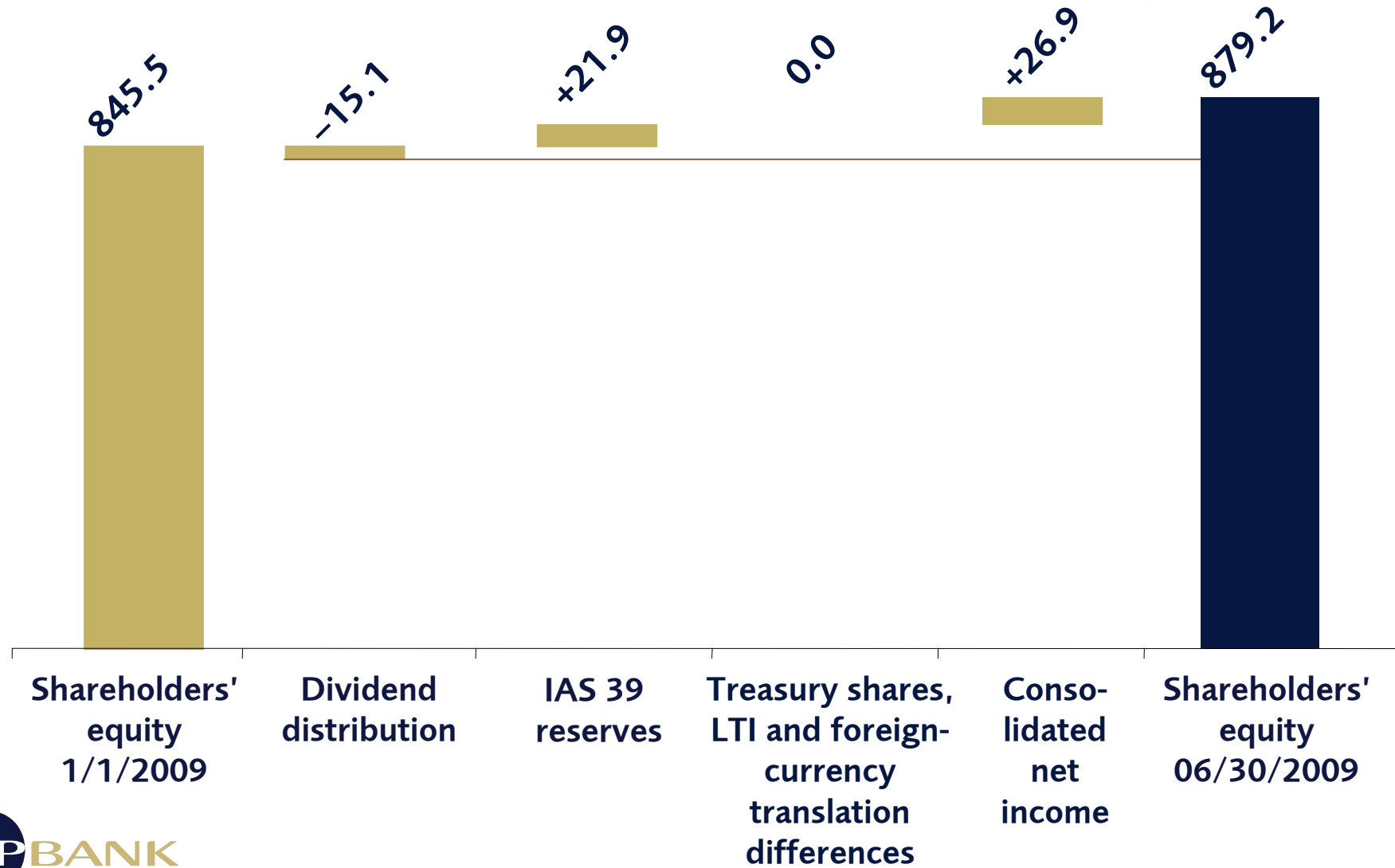
On-balance-sheet customer deposits (excl. custody assets)

■ 12/31/2008
■ 06/30/2009
in CHF billion



Shareholders' equity

in CHF million

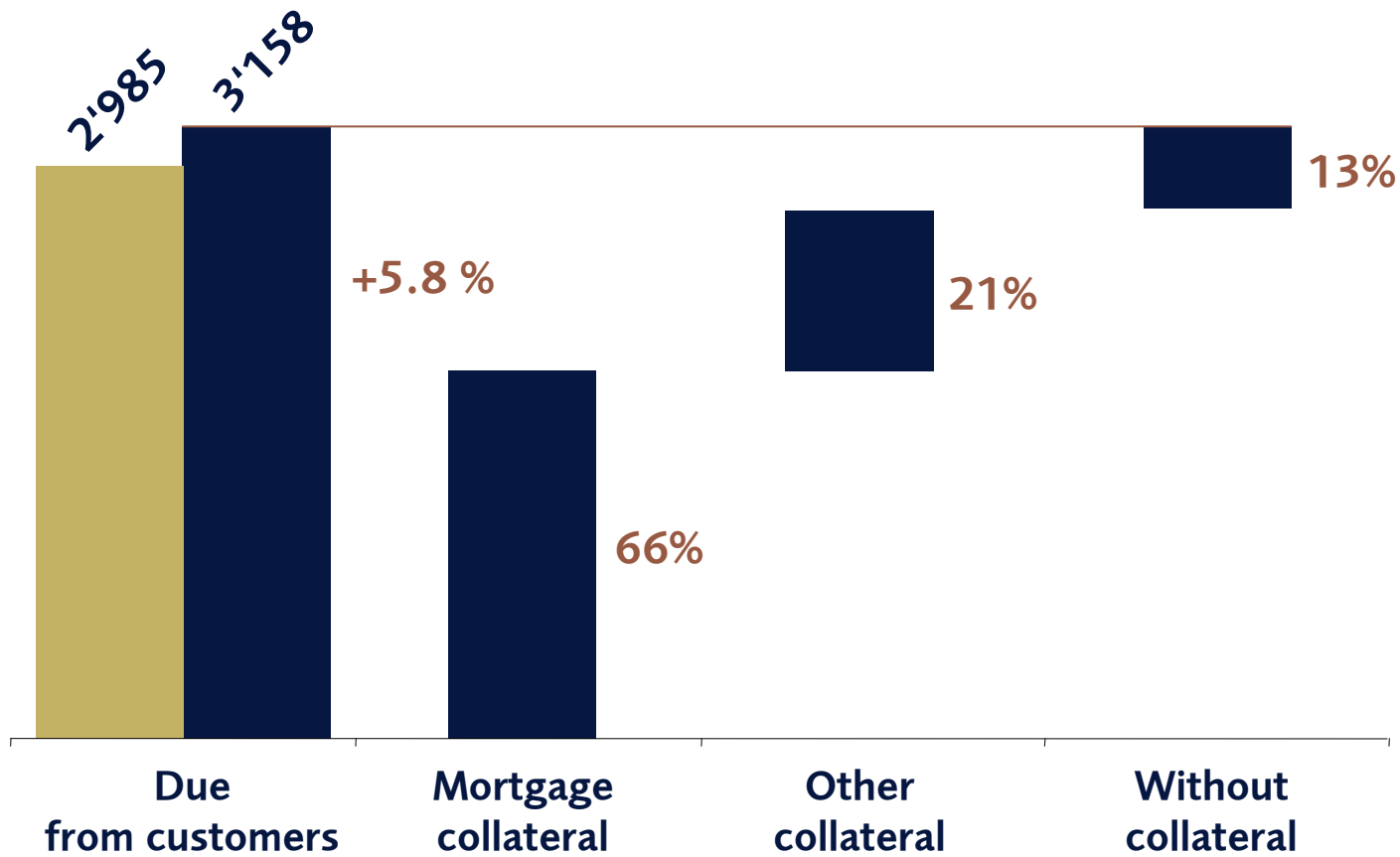


Due from banks



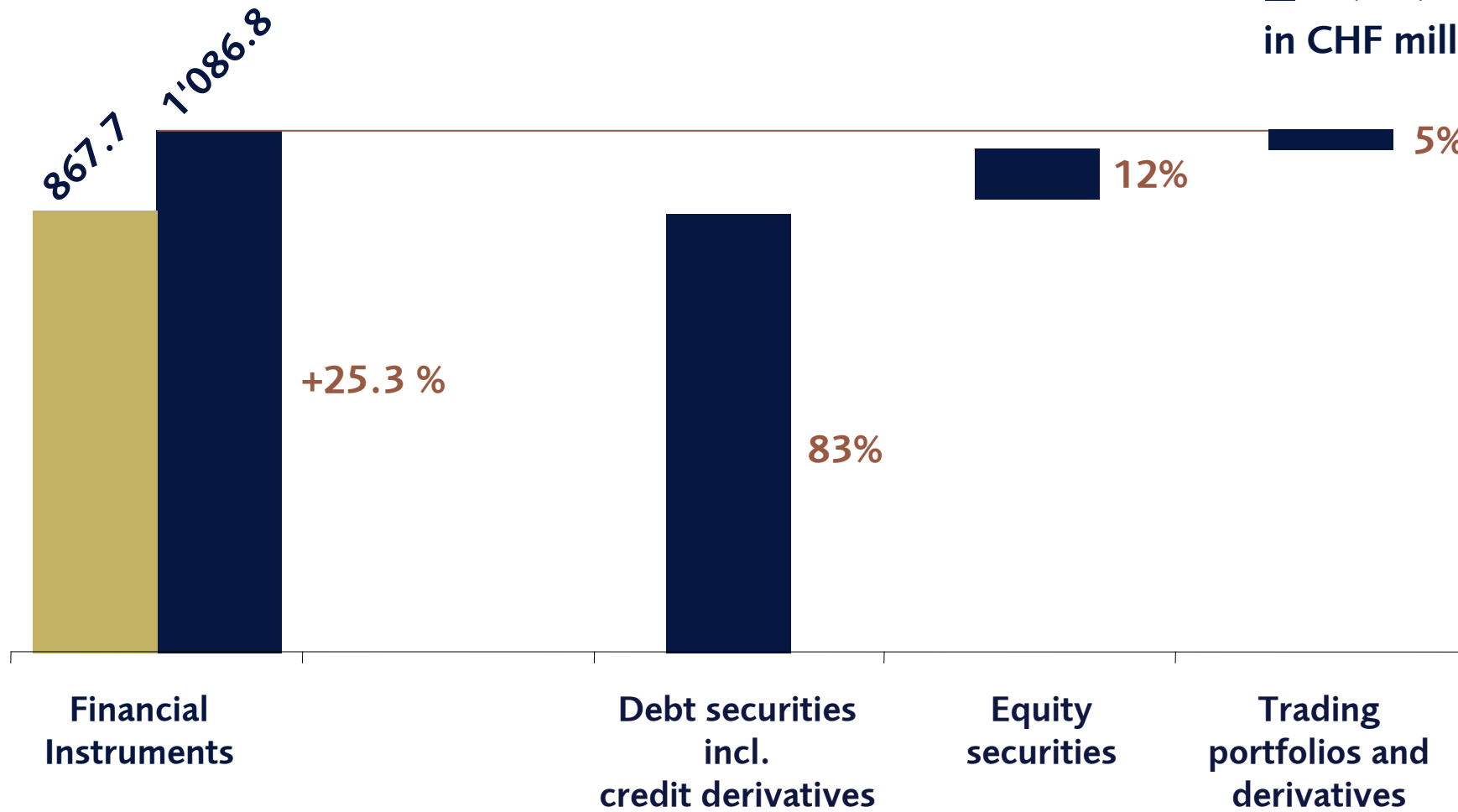
Due from customers

■ 12/31/2008
■ 06/30/2009
in CHF million



Financial instruments

■ 12/31/2008
■ 06/30/2009
in CHF million

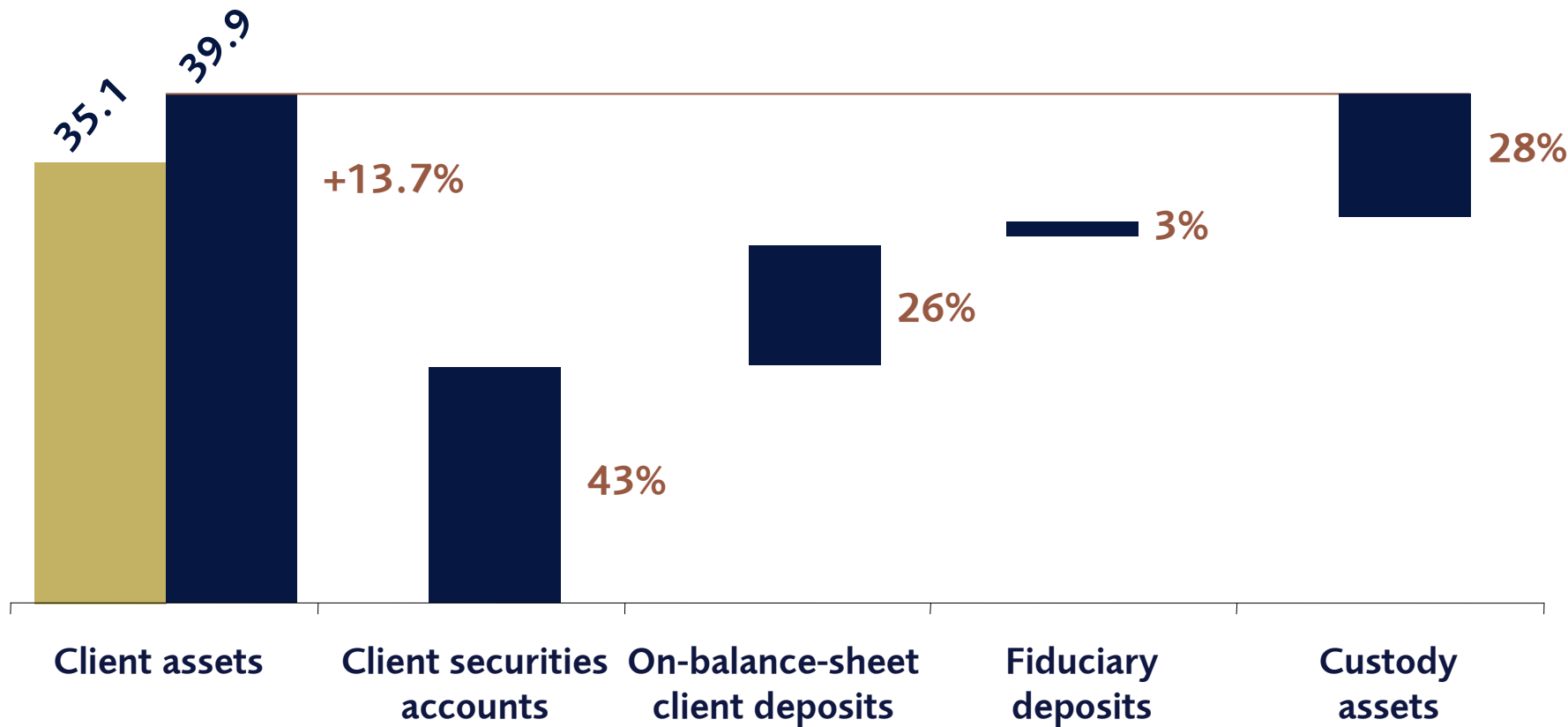


Semi-annual report 2009 – VP Bank Group

Client assets

Client assets (1/2)

■ 12/31/2008
■ 06/30/2009
in CHF million

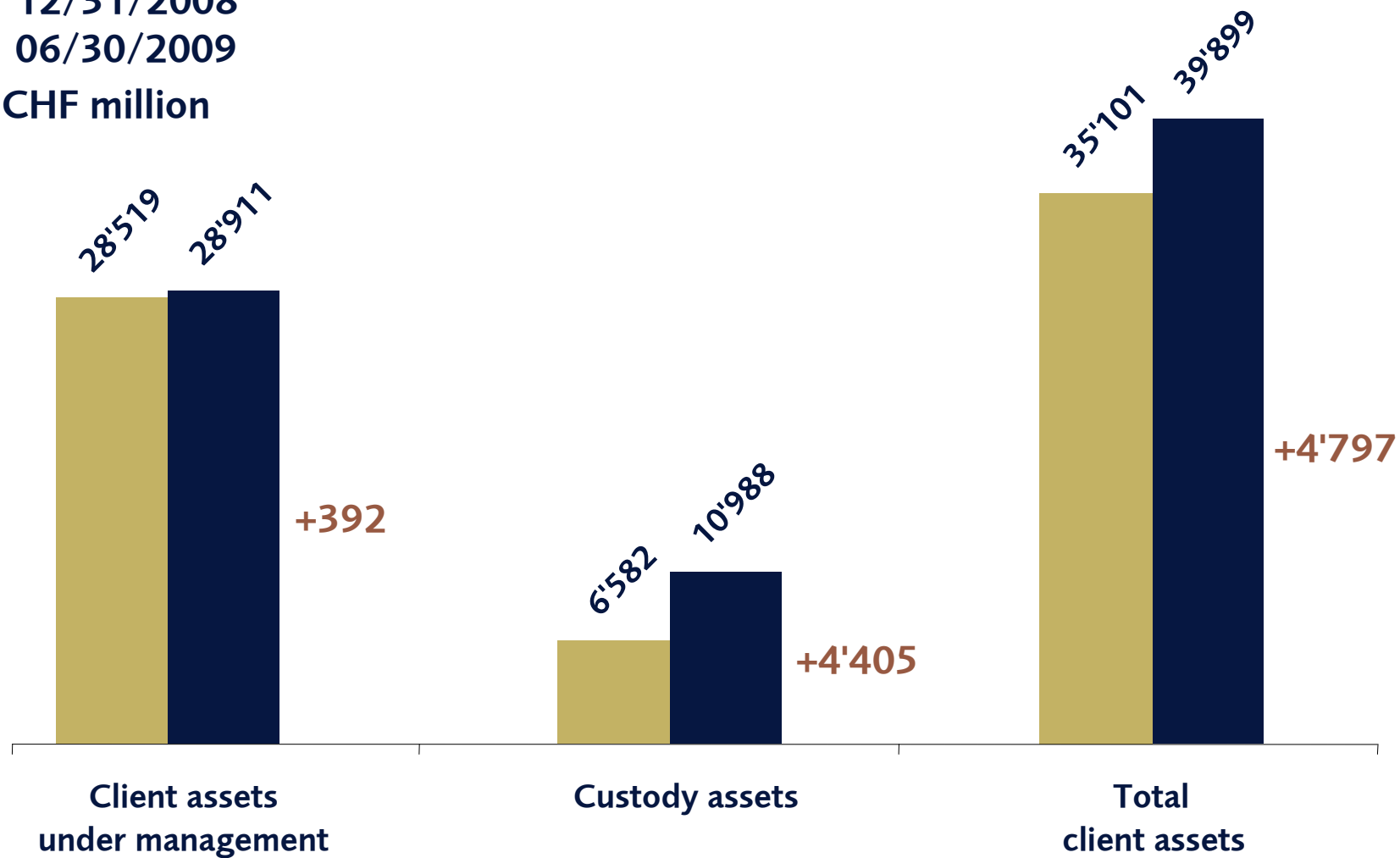


Client assets (2/2)

■ 12/31/2008

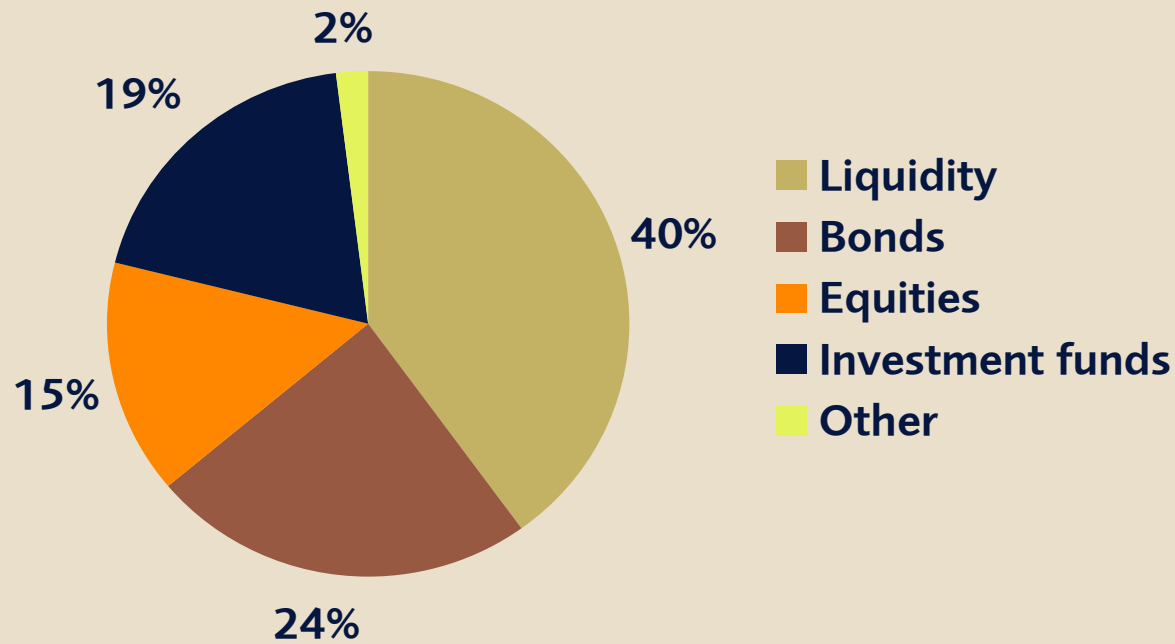
■ 06/30/2009

in CHF million

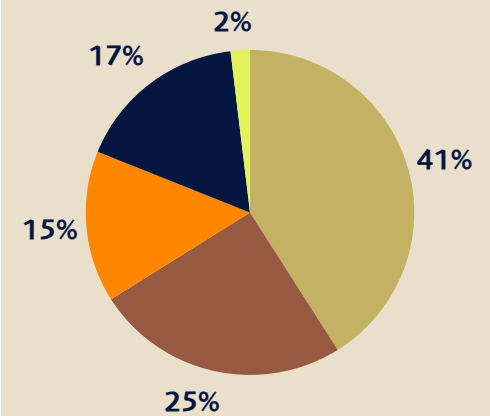


Client assets under management – asset classes

VP Bank Group as of 06/30/2009

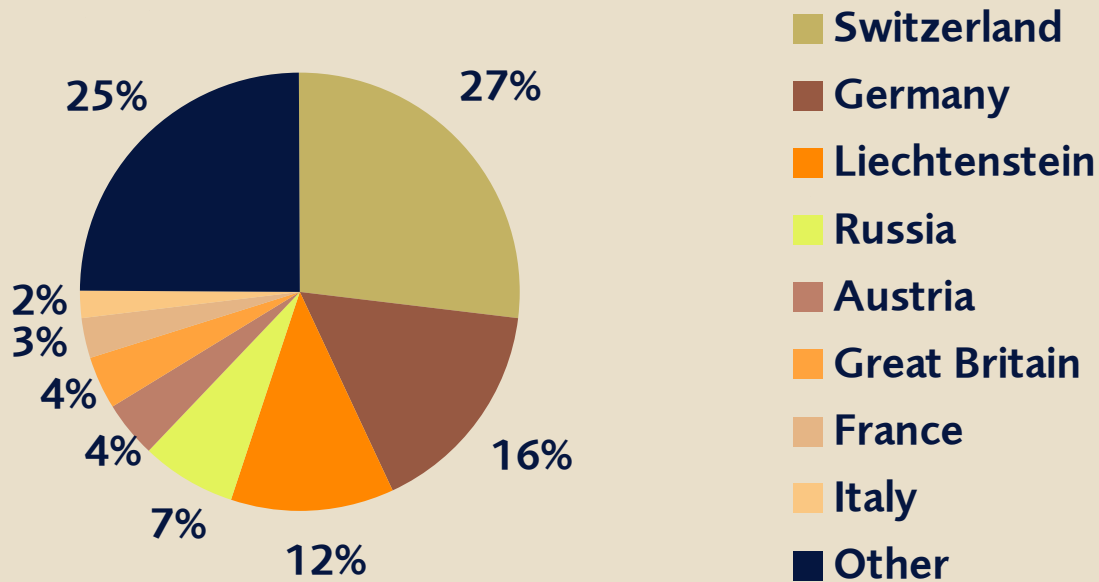


12/31/2008

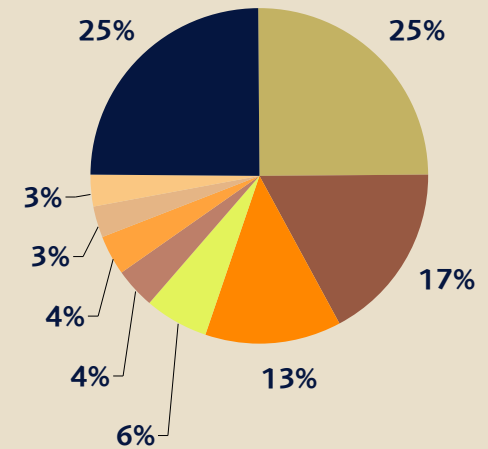


Client assets under management by country

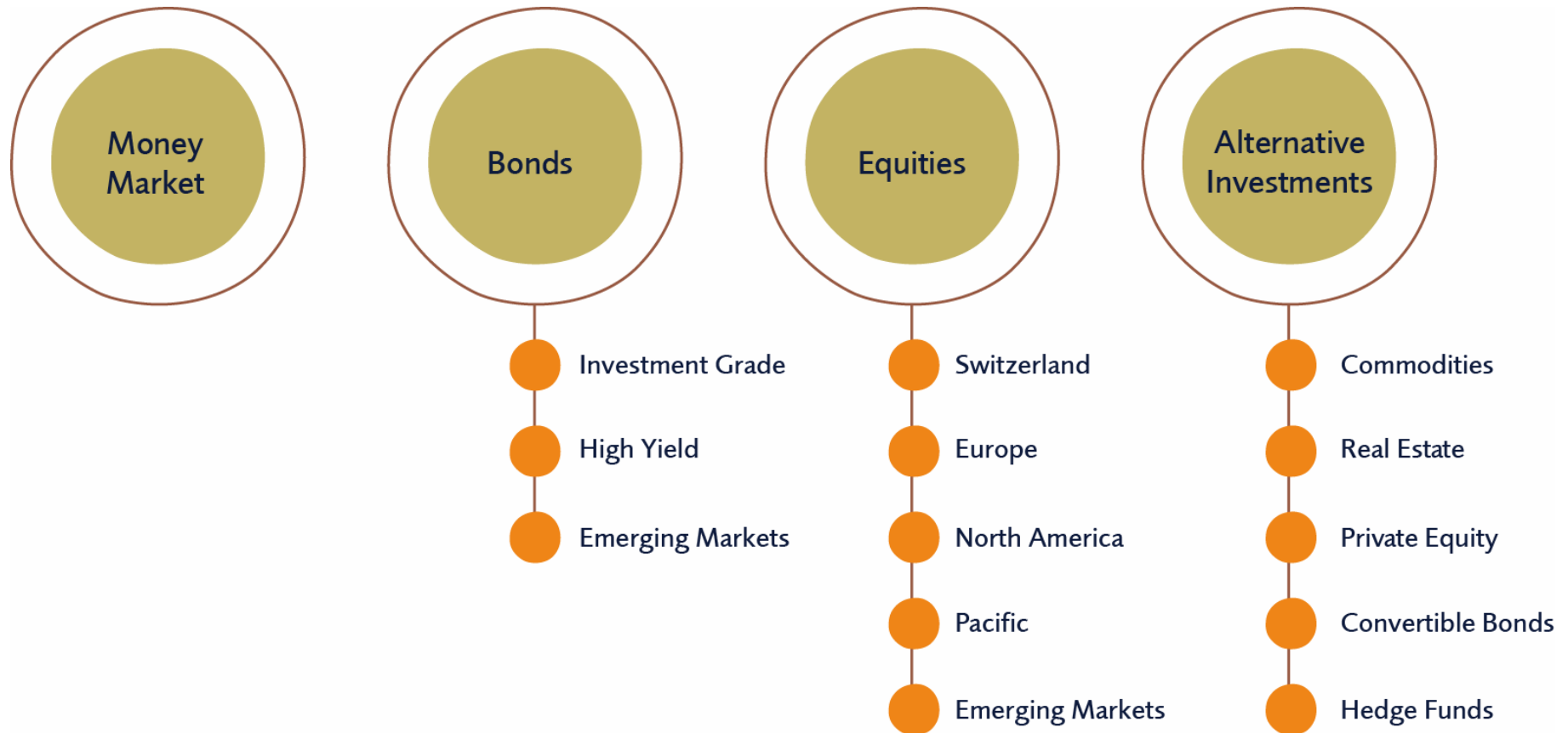
VP Bank Group as of 12/31/2008



12/31/2007



The investment universe of VP Bank



Semi-annual report 2009 – VP Bank Group

Segments



Overview of segments as of 06/30/2009

* in CHF	Private Banking Clients	Intermediaries	Banking Services	Corporate Center	Group
Group net result before tax*	19.1 mio.	36.9 mio.	-24.5 mio.	-2.6 mio.	28.9 mio.
Client assets under management*	13.4 bil.	15.3 bil.	0.0 bil.	0.2 bil.	28.9 bil.
Headcount (full-time equivalents)	253.6	114.9	274.0	127.2	769.7

Private Banking Clients

in CHF	06/30/2008	06/30/2009	Variance
Total net operating income	81.7 mio.	64.9 mio.	-20.6%
Operating expenses	45.7 mio.	41.8 mio.	- 8.6%
Depreciation & amort., val. allowances, provisions, losses	2.5 mio.	4.0 mio.	+61.4%
Group net result before tax	33.5 mio.	19.1 mio.	-43.1%
Net New Money	0.0 bil.	-0.4 bil.	n. a.

Intermediaries

in CHF	06/30/2008	06/30/2009	Variance
Total net operating income	65.8 mio.	56.1 mio.	-14.8%
Operating expenses	20.8 mio.	18.0 mio.	-13.3%
Depreciation & amort., val. allowances, provisions, losses	1.0 mio.	1.1 mio.	+14.2%
Group net result before tax	44.0 mio.	36.9 mio.	-16.1%
Net New Money	-0.1 bil.	-0.6 bil.	n. a.

Banking Services

in CHF	06/30/2008	06/30/2009	Variance
Total net operating income	8.8 mio.	8.7 mio.	- 0.8%
Operating expenses	13.1 mio.	19.0 mio.	+45.6%
Depreciation & amort., val. allowances, provisions, losses	8.0 mio.	14.2 mio.	+76.6%
Group net result before tax	-12.3 mio.	-24.5 mio.	-99.0%

Corporate Center

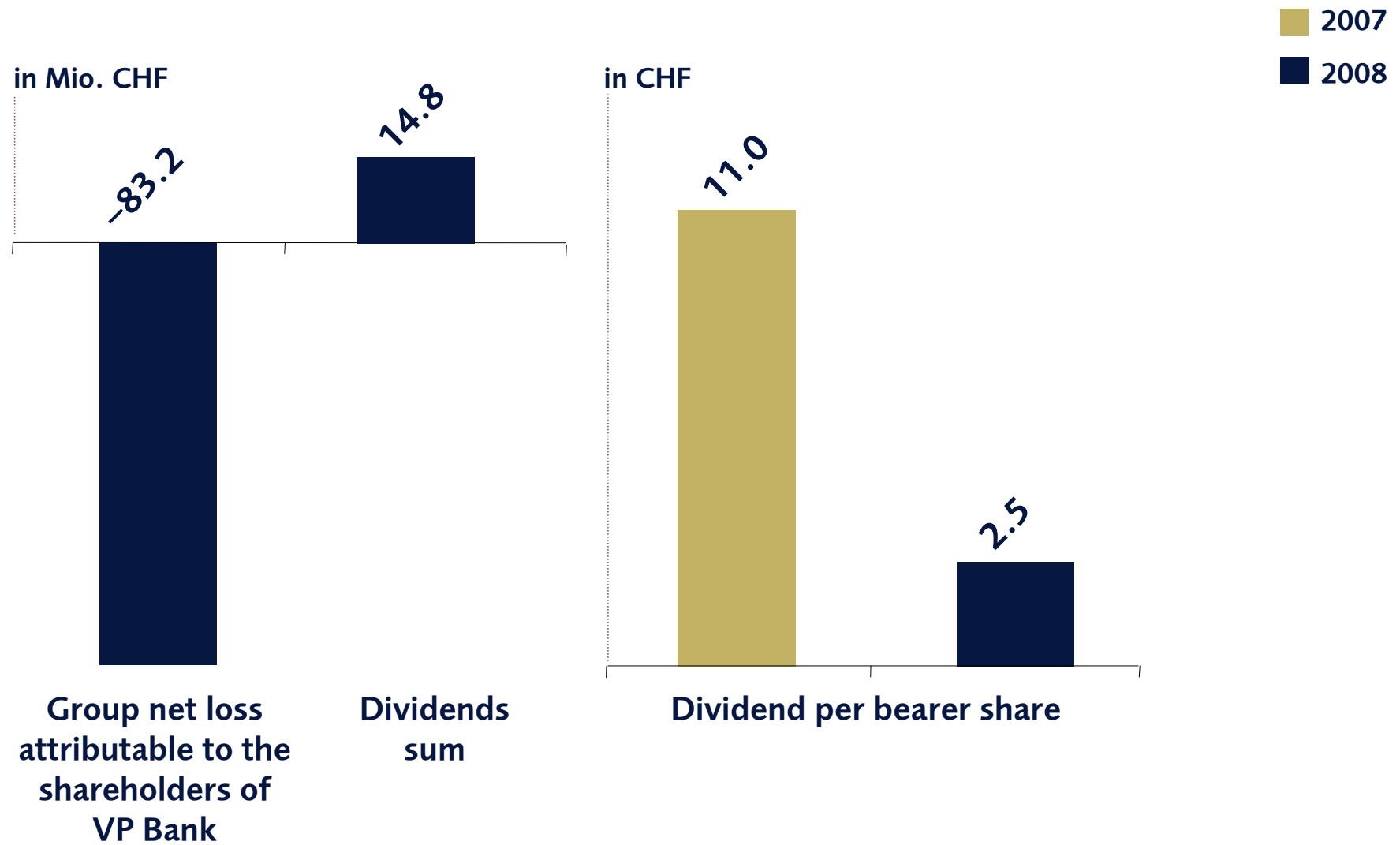
in CHF	06/30/2008	06/30/2009	Variance
Total net operating income	7.0 mio.	15.4 mio.	+119.9%
Operating expenses	22.9 mio.	14.3 mio.	-37.3%
Depreciation & amort., val. allowances, provisions, losses	4.5 mio.	3.7 mio.	-18.9%
Group net result before tax	- 20.4 mio.	-2.6 mio.	+87.2%

Semi-annual report 2009 – VP Bank Group

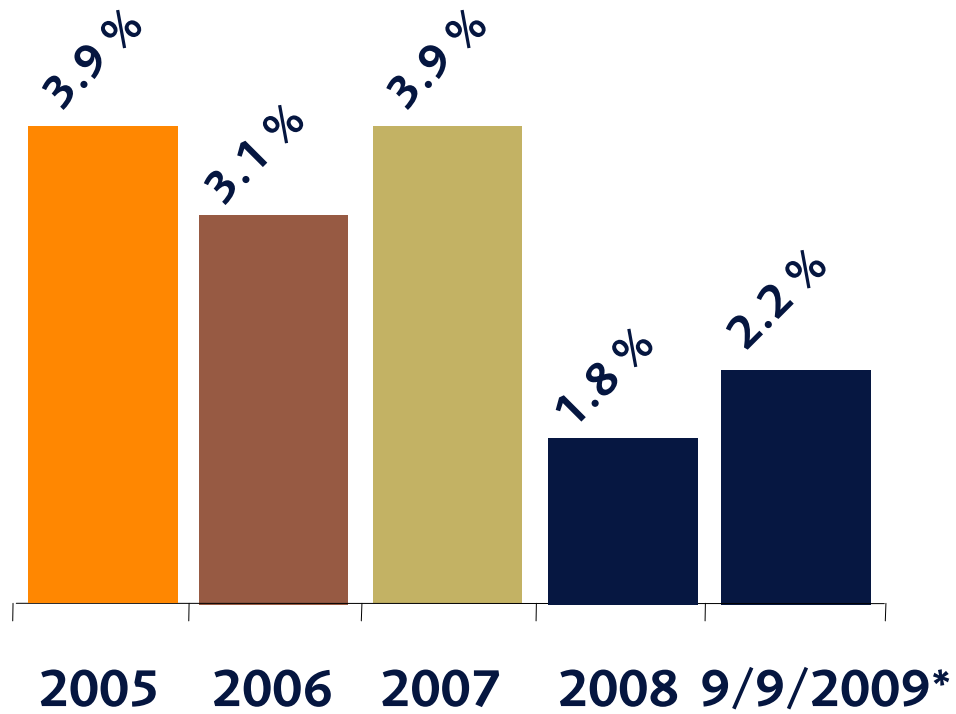
Dividend



Dividend



Dividend yield



* Share price "bearer shares" as of 09/09/2009: CHF 112

Contact address and agenda

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Agenda

- Media and analyst conference, 2009 financial results: March 9, 2010
- Annual General Meeting: April 30, 2010
- Roundtable, 2010 semi-annual results: August 31, 2010

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