

## Auditors

### Duration of the mandate and term of office of the lead auditor

Ernst & Young AG, Bern, have acted as auditors of Verwaltungs- und Privat-Bank Aktiengesellschaft since 1956 (in accordance with PGR) and since 1994 as Group auditors of VP Bank Group. In addition, Ernst & Young AG executes the mandate as statutory auditors within the context of the Liechtenstein Banking Act.

The auditor in charge, Stefan Fuchs, has been responsible for the VP Bank mandate since 2007 (Annual General Meeting of 27 April 2007).

**PGR = Persons and Companies Act of the Principality of Liechtenstein.**

### Auditing fees

During the 2011 financial year, Ernst & Young AG charged VP Bank Group fees in the amount of CHF 1.77 million (previous year: CHF 1.90 million) for services rendered in connection with the legally prescribed audits of the annual financial statements of VP Bank and the Group subsidiaries (with the exception of Proventus Trust AG), as well as the audit of the consolidated financial statements of VP Bank Group.

### Additional fees

Ernst & Young AG also rendered auditing-related services to VP Bank in the amount of CHF 721,200 (previous year: CHF 163,000). The services invoiced include support and audits in the following areas:

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- cross-border: composing country-specific manuals;

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  - audit work in connection with IFRS 9;

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  - tax advise;

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  - the conduct of an efficiency analysis;

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  - the review of the reports to the supervisory authorities.

### Informational instruments pertaining to the external audit

The Audit & Risk Management Committee reviews the multi-year audit planning as well as the planned annual auditing activities and, in a specific agenda item, discusses these issues with the Auditor in Charge from the external auditing firm and the Head of Group Internal Audit. The Audit & Risk Management Committee attaches particular value to a risk-oriented approach in the planning and conduct of the audit, as well as on a reasonable coordination of the auditing activities of the external auditors and the Internal Audit unit.

All reports by the auditors are reviewed at meetings of the Audit & Risk Management Committee. In 2011, the external auditors were present at all meetings of the Audit & Risk Management Committee in which external audit-related items were on the agenda.



In addition, the Auditor in Charge was in attendance at a Board of Directors meeting to present and discuss the audit report prescribed under the Banking Act.

Each year, the Audit & Risk Management Committee examines and evaluates the effectiveness and independence of the external auditors. In doing so, it relies on documents generated by the external auditors, such as the Auditors' Report prescribed under the Banking Act, management letters, as well as oral and written statements of position on individual aspects and technical questions in connection with accounting and the audit. In addition, an annual systematic assessment is made on the basis of checklists and fee comparisons within the auditing industry. With this information in hand, a proposal is submitted to the Board of Directors for the attention of the annual general meeting with regard to the election of the external auditors and Group auditors.