

Kaiser Partner Privatbank AG



Annual Report 2014

kaiser.partner
Responsibility in Wealth

Contents

Key figures 2014

(in CHF millions, rounded)

	12/31/2014	12/31/2013
Annual profit	2.6	2.1
Profit on ordinary activities	2.8	2.2
Equity base	47.0	51.5
Total assets	558.9	453.6
Assets under management	2,395.6	2,049.0
Employees	40	46

4	Annual Report Kaiser Partner Privatbank AG
10	Balance Sheet of Kaiser Partner Privatbank AG
12	Off-Balance Sheet Transactions
13	Appropriation of Balance Sheet Profit
14	Income Statement
15	Cash Flow Statement
16	Notes on Business Activities
17	Accounting and Valuation Principles
19	Risk Management
20	Notes on the Balance Sheet
28	Notes on Off-Balance Sheet Transactions
29	Notes on the Income Statement
30	Disclosure in Accordance with Article 27 of the CAO
31	Report of the Statutory Auditors
32	Board of Directors, Executive Board, Investment Partners, Executives and Auditors

Growth and a significant increase in profits in a challenging environment

Annual report by the Chairman of the Board of Directors and Executive Board of Kaiser Partner Privatbank AG

In 2014 Kaiser Partner Privatbank AG continued on the growth trajectory established over recent years: Earnings increased by 10 percent on the previous year and client assets under management rose by 17 percent. The profit climbed by 23 percent. We firmly believe that this growth trend is rooted in our values and that it results from our clear focus on tax compliance and selected strategic markets including the UK, the USA and Russia. We also believe that protecting privacy will remain very important even, or perhaps especially, in a tax-compliant world. Responsible Investing is our guiding principle. We help our clients invest sustainably and responsibly and we have developed the tools we need to do this.

The operating environment in 2014 was not the easiest. Europe's borders were redefined unexpectedly; but given the difficult political conditions, financial markets did well. Shored up by central bank action, the bond markets performed positively, and shares followed suit. The price of oil, gold and other commodities suffered a collapse that helped the industrial nations keep inflation low and maintain their expansive monetary policy. The environment remains challenging in 2015.

In 2006 Kaiser Partner anticipated many of the developments we are experiencing today, and was quick to make the necessary strategic adaptations. The two pillars of our strategy are to protect privacy and to secure the long-term value of tax-compliant assets. We offer a free choice of products and platforms, working with other banks where necessary, and we always put client interests at the heart of our work. Our principles pay off for clients for the long term.

Our main points of focus are:

- A holistic, sustainable asset management concept based on an ethical and responsible approach to investment.
- Expertise that allows us to provide country-specific services and solutions for each individual asset class.
- An investment concept that enables us to manage our clients' assets according to the principles of Responsible Investing.
- A focus on key markets including Liechtenstein, Switzerland, Germany, Austria, the UK, the USA, Russia and Eastern Europe.
- Cooperation with globally respected experts such as Wellershoff & Partners Ltd., which allows us to provide our clients with the best possible expertise in financial matters and thus achieve an attractive, competitive performance.

Global economic trends in 2014

Last year was a positive one overall on the financial markets. The stock market rally continued. Significant corrections in August and October were cancelled out very quickly, and towards the end of the year new record highs were recorded almost every day. US markets put in a particularly impressive performance, but the Swiss stock market can also look back on double-digit percentage gains.

Bond markets also saw strong growth. In fact government bonds posted their largest price rises for three years. Alongside the sharp decline in oil prices since the middle of the year, one of the biggest surprises of 2014 for us was the renewed fall in interest rates – in some places to record low levels. The fact that the strong demand for government bonds, especially in Europe, was driven mainly by the conduct of central banks is reflected in the performance of the other asset classes we hold in the portfolio as protection against crises. Gold is the most obvious example. It produced a negative return for the second year in a row. Not even the crisis in the Ukraine – undoubtedly one of the biggest challenges we currently face – led to any lasting support for gold prices.

Varying economic performances determined the main trends on the stock markets. The real high-flyer in 2014 was the USA. After a weather-related decline in growth at the start of the year, the economic climate in the USA is now better than it has been for ten years. As we expected, Europe found its way out of its long recession, though it experienced further setbacks around the middle of the year. The Ukraine crisis had a significant negative impact on the business climate in Europe, though the recovery was also hampered by home-grown problems. A stalling European economy made life difficult for Switzerland too; its domestic economy has shown signs of saturation for some time now and this trend was noticeably accentuated.

Any review of financial market developments in 2014 has to include a critical look at monetary policy. The financial markets benefited once again from the generosity of central banks. The SNB's defense of the Swiss franc's lower limit against the euro was not the only factor. The European Central Bank played an even more crucial role. In 2014 it not only cut interest rates, introduced negative rates on commercial bank deposits and announced several targeted credit programs, but also stoked increasing speculation that sooner or later it would buy up its member nation's government bonds. In the USA, the Federal Reserve took a different course, on this issue at least, ending its program of bond purchases in October 2014 as expected. But the Fed also had at least one eye on the health of the markets, as the conciliatory comments by central bankers showed when a touch of panic washed over the markets in mid-October. Of course this can all be explained as a response to the threat of deflationary tendencies. But ultimately inflation has fallen mainly as a result of lower energy prices, and it will remain low for some months to come. Declining energy and commodity prices cannot be corrected with monetary policy. Instead monetary policy gave its implicit blessing to risky investment behavior.

This dilemma will continue to occupy us in 2015. On the one hand the real economy generally gives us reasons for optimism. Low capacity utilization, a slow recovery in the crisis-hit property market and ultimately the continuing expansive monetary policy of the central banks should fuel solid growth in Western industrial nations. Only in Japan and China is the economy unlikely to gather much momentum, while emerging markets will only receive moderate growth impetus from exports. However, in an environment of solid global economic growth, company profits should continue to grow, providing further support for the stock markets. Given the low level of interest rates and the correspondingly small potential for gains on the bond markets, shares should once again be among the most promising asset classes this year. Within our portfolio, equities will therefore continue to be the largest single class, though we continue to ensure broad diversification across as many different asset classes as possible.

On the other hand, valuations on the financial markets will present an increasing challenge. This can be seen most clearly by looking at an example from the bond markets. Interest rates on 10-year Swiss bonds are currently so low that even a rise of 3.3 basis points would eat up the whole annual income on the coupon and give a negative overall return. The interest buffer isn't much higher in Europe's core countries. But after three years of upward movement, equity markets are also expensive. Regardless of which valuation model is used, US shares in particular are a long way, or even a very long way north of long-term average values. Swiss and European equity markets aren't cheap any more either, though valuations here do still clearly indicate potential for positive returns.

Meanwhile, the general monetary policy trend masks the potential for continuing uncertainty on the financial markets. Even if continuing low inflation rates imply that we won't see a quick rise in interest rates, central banks will want to prepare markets for a cautious reversal of the huge amounts of money that have been pumped into the system. This suggests rates will gradually go higher, which given the small interest rate buffer makes fixed-income investments less attractive. On the other hand, the experience of 2014 shows that despite current low interest rates bonds can earn their place in a diversified portfolio as a protection against crisis and as a diversification play. The same goes for gold, which in an environment of growth and a long-term increase in interest rates might not have much profit potential, but can still play a role in our portfolio as a protection against risks and recession.

Ultimately we invest the money entrusted to us with a view to capital preservation. This requires us to take the opportunities offered by the equity markets while simultaneously hedging the portfolio with investments chosen for their crisis-protection and diversification qualities. In a time when financial assets come at a high price, this also means maintaining an appropriate level of liquidity.

Geopolitical developments

International efforts to combat cross-border tax evasion have been going on for years now, and in 2014 a further decisive step was taken. The OECD developed a new standard for “Automatic Exchange of Information in Tax Matters” (AIA), which is comparable to the “US Foreign Account Tax Compliance Act” (FATCA) and which seeks to establish blanket tax transparency throughout the world. 93 countries, including the most important financial centers have since committed to introducing the AIA.

Liechtenstein, as an early adopter, will implement the AIA on January 1, 2016. This means that as from the second half of 2017, Kaiser Partner Privatbank AG will have to pass on client information relating to the 2016 financial year to the Liechtenstein Tax Administration. The Liechtenstein authorities will then share this information with their counterparts in other countries with which Liechtenstein has a bilateral agreement on information exchange.

In Europe discussion continues about the future of the Eurozone in the light of developments in Greece. Jean-Claude Juncker was elected as the new President of the EU Commission, while the EU Parliament has created the legal conditions for a banking union. In response to developments in the Ukraine, the USA and Europe have tightened sanctions against Russia. These include targeting high-ranking politicians and business people with asset freezes and travel bans, as well as sanctions relating to banned exports. Russia has reacted with similar counter-sanctions. Over the course of the year the oil price fell by 40 percent, and the Russian ruble lost almost half its value to finish the year at 53 rubles to the dollar.

In Switzerland, the Federal Parliament debated the recommendations of the Financial Action Task Force (FATF). The main measures to be implemented include increased transparency for bearer shares, establishing serious tax fraud as a predicate offence to money laundering, extending the definition of politically exposed persons (PEP) to include Swiss people and members of intergovernmental organizations, and a ban on cash payments over CHF 100,000. These measures should be implemented by the end of 2015/start of 2016.

The process of consolidation in the Swiss banking world continued. According to a study by KPMG the number of private banks in Switzerland fell by a quarter between 2005 and 2013 from 182 to 139. Further mergers and acquisitions followed in 2014.

Switzerland attracted international attention in 2014 with two of its referendums. The “yes” to the mass immigration initiative means that Switzerland and the EU will have to reconfigure their bilateral relationship. By contrast, Swiss voters rejected the “Ecopop” initiative.

All over the world, from China to the USA, central banks continued their expansive monetary policies. The value of central bank balance sheets rose by almost a half between 2010 and 2014 to 15,000 billion US dollars. In the light of this cheap money policy, the central problems of the last financial crisis, such as the vulnerability of the banking system and the high level of government debt in Western countries, remain unsolved. It is interesting to note in passing that according to the available data the Russian state, with a debt ratio of 15 percent of budget, has one of the lowest levels of indebtedness.

Twenty years ago the then relatively unknown Francis Fukuyama talked about the “end of history”, in the belief that the fall of Communism meant there was no alternative to liberal democracy. He predicted a peaceful process that would lead us all to freedom and liberalism. The trend towards democratization is under threat all over the world, and not just because of the ongoing situation in Russia. Across the globe religious fundamentalism and different worldviews stand in contrast to Western ways of thinking. This is hampering the trend towards globalization, even though globalization increases prosperity all over the world, as we discussed in our last annual report.

We also note that most Western countries aren't investing in their military forces, whereas China and Russia are building them up significantly. Given the different worldviews involved, this spending gap should give us pause for thought, as a military conflict would undoubtedly have catastrophic consequences.

Another unsettling fact is that, according to the Brussels-based think-tank Bruegel, between 1975 and 2007 only 3 of the 500 biggest global companies were founded in the EU, while 23 were based in the USA. Independently of this study, the University of St. Gallen established that 15 of the 500 biggest companies had their headquarters in Switzerland. The reasons why successful companies have their head offices outside the EU would appear to relate to the business environment. In Switzerland, Liechtenstein and the USA, working hours per week are longer than the EU average. Employees can be taken on and dismissed relatively easily – and the USA doesn't even have a statutory holiday entitlement. Socialist tendencies have led to a deterioration in Europe's competitiveness in recent decades. The price is a rising number of unemployed people and recipients of state benefits, as well as generally weak economic growth. Consequently, governments are increasingly looking for new sources of income, and believe that they can find them above all by targeting wealthy people and well-financed companies. Lawyer Robert Amsterdam coined the term “War on Wealth” to describe the phenomenon.

In the face of this threatening international trend, the Principality of Liechtenstein has established itself as a safe haven. Liechtenstein remains a stable and reliable partner in a world of constant change. The country still has the best possible AAA rating from Standard & Poor's, and is one of the few countries in the whole world that has no government debt. Liechtenstein also has very large financial reserves as measured against the national budget. Government reserves allied to a political system that focuses on the long term, make Liechtenstein a transparent and predictable partner. This applies to the banking system too: no Liechtenstein bank fell into difficulty as a result of the financial crisis, and not one had to ask for government assistance. This is largely because of the banking industry's cautious business policy. These are compelling arguments for families, companies and individuals seeking a stable financial center that offers good advice and a liberal underlying philosophy.

Financial Results for 2014

In 2014 Kaiser Partner Privatbank AG generated annual profit of CHF 2.6 million – 23 percent up on the previous year – in a market that remains challenging, not least because of changing operating conditions, intense competition and consolidation pressure.

Initiatives introduced in 2013 are having an effect. These include the new platform for US clients, greater cooperation with external asset managers, and our focus on Russia. Client assets under management saw very positive growth during the year under review, increasing by CHF 347 million, or 17 percent, to CHF 2.396 billion. This increase breaks down into a net inflow of new money of CHF 250 million, and positive market effects of CHF 97 million. The high asset management ratio of 32 percent underlines clients' appreciation of our asset management capabilities, which are based on a sustainable approach.

During the year under review Kaiser Partner Privatbank AG's total assets increased from CHF 454 million to CHF 559 million thanks to a significant inflow of new money. This represents an increase of 23 percent. On the liabilities side, client deposits rose 22 percent from CHF 378 million to CHF 461 million. On the assets side, holdings of fixed income securities rose 29 percent from CHF 214 million to CHF 276 million.

As at 31 December 2014, equity capital was down as a result of the dividend distribution by 9 percent to CHF 47.0 million. With a Tier 1 capital ratio of 19 percent before dividends, Kaiser Partner Privatbank AG continues to be solidly financed with capital well in excess of the minimum requirements.

Total income went up by 10 percent compared with the previous year to CHF 16.4 million. The increased holdings of fixed-interest securities led to an increase in income from interest business of 18 percent from CHF 2.6 million to CHF 3.0 million. The inflow of new money fuelled a 9 percent increase in net commission and service fee income to CHF 10.7 million. Income from financial business improved by 6 percent to CHF 2.5 million.

Business expenses came to CHF 13.1 million, which is 11 percent higher than in the previous year. At the end of 2014 Kaiser Partner Privatbank AG had 40 employees, or 37.3 full-time equivalents (FTE).

Solutions for US clients

Kaiser Partner Privatbank AG offers attractive solutions for US clients. As a custodian bank we work closely with asset managers that are registered with the US Securities and Exchange Commission (SEC) and that manage US assets tax compliantly.

Our group company Kaiser Partner Financial Advisors, based in Zollikon near Zurich, is registered with the SEC, so we are in a position to look after US citizens with taxed assets. This offer has met with lively demand, as reflected, for example, in the successful acquisition of numerous tax-compliant US-related accounts from Coutts (Schweiz) AG. We have been able to offer these Coutts clients a new platform. Kaiser Partner's US clients include those who live in the USA as well as US citizens resident abroad. Many of them have found it difficult in the current environment to obtain asset management services from European banks. US clients are very welcome at Kaiser Partner Privatbank AG as long as they comply with the criteria described.

Solutions for external asset managers and funds

We continued to expand our services as a custodian bank for external asset managers during the year under review. The relevant desk worked very successfully and its services, closely linked to those of our trading department, proved very popular. We are investing in a new IT system and are employing further qualified staff to serve this important clientele even more effectively. Our modular solutions, which we put together with internal and external specialists, focus on best-in-class products because we don't sell any products of our own. Kaiser Partner Privatbank AG is also much in demand as a custodian bank for investment funds. In this area we work with Liechtenstein and international fund administrators. Liechtenstein funds are well suited to asset management for wealthy families and entrepreneurs, particularly in times of regulatory change.

Family Office services

Another main focus of the Kaiser Partner group of companies is the provision of sophisticated Family Office services for wealthy families and individuals. These services, which are provided from the office in Zollikon near Zurich, bring together a wide range of expertise. There is an increasing need for assets to be managed and monitored across borders or even globally, which requires proven expertise in tax, legal and regulatory matters. We are also finding that investments often need to be in tune with the personal preferences and values of wealth owners, as well as being guided by the factors driving global change.

As a result, asset managers need to be able to cope with greater complexity and give their clients a much more personal service. Over the years, Kaiser Partner has continued to hone its skills in this form of customized asset management. In the light of changing operating conditions, Kaiser Partner brings in external experts and international custodian banks when the situation requires. However, the core mission remains the same: to preserve and increase family assets across the generations.

Investment controlling

Subsidiary company Serval AG provides tax regime directories for the main markets – Liechtenstein, Switzerland, Germany, Austria, the UK, the USA, Russia and Eastern Europe. This allows us to provide our clients with an integrated service that would usually only be available to them onshore. Serval AG's services are increasingly in demand from Family Office clients. These include putting together a portfolio including several banks or asset managers, analysis of investment strategies, fee models and other investment controlling services. These latter services include those for clients with "UK resident non domiciliary", status who want to ensure that their bank meticulously separates capital and income.

Expert knowledge

Sustainable asset management and responsible investment are impossible without first-class macroeconomic knowledge. This is why Kaiser Partner Privatbank AG has a strategic partnership with Wellershoff & Partners Ltd. in Zurich. Professor Klaus Wellershoff, who used to be Chief Economist for UBS, acts as Kaiser Partner's Chief Economic Advisor. The macroeconomic experience and skill of Klaus Wellershoff and his team help us formulate investment strategies more precisely and minimize risks.

For us, as a signatories of the UN Sustainability Charter, Responsible Investing means selecting investments according to the principle of sustainability. Key themes here are the environment, society and political control. This approach allows us to minimize portfolio risks and identify opportunities early on. We have seen a similar trend in the fixed-income sector, which over the last year has become very popular again with large institutional investors. The aim is to exploit earnings potential effectively. With interest rates so low, alternative investments remained a core element of our diversification strategy.

Outlook for 2015

We made substantial investments in strengthening our IT platform at the start of the year. In collaboration with our partner B-Source, we have decided to use the software provided by Avaloq. This opens a new chapter in our technical evolution that allows us to work more closely with our clients in the business-to-business sector. External asset managers and institutional investors such as investment funds or large family offices in particular will benefit from the extra efficiency of our IT systems.

Our bank's focus remains the same: we want to protect and increase the assets of wealthy individuals and families. In doing this we remain true to our strategy of offering a broad range of products so we can find the best possible solution for our clients. We avoid conflicts of interest by refusing to accept kickbacks or other financial incentives on financial products. This means that our focus is always rigorously on our clients' needs and expectations.

The outlook for the world economy in 2015 seems tenser than in the previous year. We were confident that 2014 would be a healthy year on the financial markets, but the signs aren't as good for 2015. In the face of intensified military conflicts, volatile exchange rates, rising share prices and a generally weaker economic performance, interest rates are stuck at record low levels or even moving into negative territory. There are a lot of risks to watch out for as a result.

None of this affects the principles of good asset management, however. The key is to listen to clients' needs, develop sustainable investment strategies and optimize these in regular dialogue with the client. Our Family Wealth Seminars are proving very popular. These help wealthy families to gain a clear view of their needs and goals, which in turn helps us develop a solid investment plan for our clients. From the middle of 2015 we will bring together various client services and Serval AG in a new group company called Kaiser Partner Reporting Services AG. Within this new unit, which will be a sister company of the bank, we will be able to strengthen our offering for large private clients, family offices and B2B advisors, who will be able to use our reporting as an independent basis for their strategic asset allocation.

Our main markets remain Liechtenstein, Switzerland, Germany, Austria, the UK, the USA, Russia and Eastern Europe. We offer flexible services and solutions for tax-compliant assets from a single source. To ensure standards are kept high, we work with proven experts in banking, as well as in other areas, such as legal and tax consultancy, and real estate. This allows us to complement our own skills in the most effective way and place client-focused, prompt and innovative solutions at the heart of our service.

We would like to thank our clients and business partners for their loyalty and trust over the last financial year. And a special thanks to our employees who are the main reason why our clients have confidence in us. 2015 will once again present us with new challenges and developments. We look forward to dealing with these in partnership with you.

Vaduz, April 2015



Fritz Kaiser
Chairman of the Board of Directors of
Kaiser Partner Privatbank AG



Dr. Ariel Sergio Goekmen
Head of Kaiser Partner Privatbank AG



Christian Reich
Member of the Executive Committee of
Kaiser Partner Privatbank AG



Christoph Küng
Member of the Executive Committee of
Kaiser Partner Privatbank AG

Balance Sheet of Kaiser Partner Privatbank AG

as of December 31, 2014 (in CHF thousands)

Assets

	12/31/2014	12/31/2013
Cash	40,330	41,102
Due from banks	183,547	130,626
<i>due on a daily basis</i>	57,136	43,685
<i>other claims</i>	126,411	86,941
Due from clients	32,443	48,786
<i>mortgage loans</i>	12,600	13,600
Debt securities and other fixed-income securities	276,463	214,151
<i>Debt securities</i>	276,463	214,151
<i>public-sector issuers</i>	24,597	16,155
<i>other issuers</i>	251,866	197,996
Shares and other non-fixed-interest securities	0	6
Shares in associated companies	500	500
Intangible assets	3,812	101
Fixed assets	2,723	3,092
Other assets	10,063	4,830
Accrued income and prepaid expenses	8,974	10,425
Total assets	558,856	453,620

Liabilities

	12/31/2014	12/31/2013
Due to banks	38,897	18,259
<i>due on a daily basis</i>	10,200	8,507
<i>other liabilities</i>	28,697	9,752
Due to clients	461,463	378,090
<i>other liabilities</i>	461,463	378,090
<i>due on a daily basis</i>	395,340	295,486
<i>with agreed maturity or period of notice</i>	66,122	82,605
Other liabilities	10,343	4,777
Accrued expenses and deferred income	872	592
Provisions	237	416
<i>provisions for taxes</i>	237	416
Provisions for general banking risks	500	500
Subscribed capital	10,000	10,000
Retained earnings	33,843	38,843
<i>legal reserves</i>	2,000	2,000
<i>other reserves</i>	31,843	36,843
Profit brought forward	142	67
Profit for the year	2,559	2,075
Total liabilities	558,856	453,620

Off-Balance Sheet Transactions

as of December 31, 2014 (in CHF thousands)

Off-balance sheet transactions

	12/31/2014	12/31/2013
Contingent liabilities	3,352	3,201
<i>of which liabilities from guarantees and indemnity agreements and from assets pledged as collateral security</i>	3,352	3,201
Derivative financial instruments		
<i>contract volume</i>	293,705	291,672
<i>positive replacement values</i>	8,615	3,827
<i>negative replacement values</i>	9,592	4,253
Fiduciary transactions	119,568	68,758
<i>fiduciary deposits with other banks</i>	119,568	68,758

Appropriation of Balance Sheet Profit

(in CHF thousands)

The Board of Directors will propose to the General Meeting that the balance sheet profit as of December 31, 2014, be appropriated as follows:

Appropriation of balance sheet profit

	12/31/2014	12/31/2013
Profit for the year	2,559	2,075
Profit brought forward	142	67
Balance sheet profit	2,701	2,142
Transfer from other reserves	0	5,000
Total distributable	2,701	7,142
Distribution of balance sheet profit		
<i>allocation to legal reserves</i>	0	0
<i>allocation to other reserves</i>	0	0
<i>payment of dividend</i>	2,500	7,000
Profit brought forward	201	142

Income Statement

from January 1 to December 31, 2014 (in CHF thousands)

Income statement		
	2014	2013
Results from interest activities		
Interest income	8,332	6,146
<i>of which from fixed-income securities</i>	7,048	4,694
Interest expenses	-5,253	-3,538
Subtotal income from interest activities	3,078	2,608
Current results from securities		
Equities and other non-fixed-interest securities	50	55
Subtotal income from securities	50	55
Results from commission and service fee activities		
Results from commission and service fee activities	12,353	11,118
<i>credit-related commissions and fees</i>	12	27
<i>commissions from securities and investment transactions</i>	10,634	9,390
<i>other commissions and fee income</i>	1,707	1,701
Commission and fee expenses	-1,700	-1,378
Subtotal income from commission and service fee activities	10,653	9,739
Results from financial transactions	2,499	2,358
<i>of which from trading business</i>	2,495	2,389
Subtotal income from financial transactions	2,499	2,358
Other ordinary income		
Other ordinary income	162	132
Subtotal other ordinary income	162	132
Operating expenses		
Personnel expenses	-6,228	-5,644
<i>wages and salaries</i>	-5,129	-4,596
<i>social benefits and pension scheme contributions</i>	-910	-881
<i>of which pension scheme contributions</i>	-759	-734
<i>other personnel expenses</i>	-189	-166
Administrative expenses	-6,868	-6,163
Subtotal operating expenses	-13,097	-11,806
Depreciation on intangible assets and fixed assets	-387	-394
Other ordinary expenses	-37	-375
Value adjustments on claims, provisions for contingent liabilities and credit risks	-141	-85
Results from ordinary activities	2,781	2,232
Extraordinary income	0	0
Subtotal extraordinary profit	0	0
Income taxes	-222	-157
Profit for the year	2,559	2,075

Cash Flow Statement

from January 1 to December 31, 2014 (in CHF thousands)

Cash flow statement				
	2014		2013	
	Source of funds	Use of funds	Source of funds	Use of funds
Cash flow from operating results (internal financing)				
Profit for the year	2,559		2,075	
Depreciation on fixed assets	387		394	
Value adjustments and provisions		179	124	
Accrued income and prepaid expenses	1,451			4,536
Accrued expenses and deferred income	280		138	
Dividend previous year		7,000		2,400
Total cash flow from operating results (internal financing)		2,502		4,205
Cash flow from equity capital transactions				
Total cash flow from equity capital transactions		0		0
Cash flow from investment activities				
Shares and other non-fixed-interest securities		62,306		85,201
Other fixed assets		3,729		0
Total cash flow from investment activities		66,035		85,201
Cash flow from banking business				
Short-term banking business (≤ 1 year)				
Due to banks	20,638		18,105	
Due to clients	83,373		40,071	
Other liabilities	5,566		1,022	
Due from banks		52,921	45,938	
Due from clients	16,343			16,621
Other assets		5,233		734
Liquidity				
Cash	772		1,625	
Total cash flow from banking business	68,537		89,406	

Notes on Business Activities

The activities of Kaiser Partner Privatbank AG are focused on private banking for a sophisticated international clientele, mainly from the USA, the UK, Switzerland, Eastern Europe and Russia. Its subsidiary, Serval AG, provides services in securities accounting, controlling activities, and performance and risk analysis.

Personnel

As of December 31, 2014, Kaiser Partner Privatbank Group had 43 employees (prior year 49) of which 40 (prior year 46) were employed by Kaiser Partner Privatbank AG.

Commission Business and Services

The principal activities of the Bank are asset management and investment consulting. Consequently, the largest share of income from commission business and services is generated by commissions related to securities trading for clients. Other significant earning components are securities management (including investment funds) and the arrangement of fiduciary investments.

Lending

As a basic principle, loans are granted in relation to asset management and investments against securities collateral and at margins that are customary in banking. Other loan commitments are offered in exceptional cases only.

Accounting and Valuation Principles

Bases

Accounting, valuation and reporting principles are in compliance with the provisions of the Liechtenstein Persons and Companies Law (PGR), the Liechtenstein Banking Act and the pertaining Banking Ordinance. The financial statements provide a true and fair view of the net assets, financial position and earnings situation of Kaiser Partner Privatbank AG.

Waiver of Consolidation

Kaiser Partner Privatbank AG, Vaduz, holds a majority interest in Serval AG. This interest is not significant and with regard to presenting a true and fair view of the net assets, financial position and earnings situation of Kaiser Partner Privatbank Group is of secondary importance within the meaning of article 1104 (1) PGR. For this reason, Serval AG has not been included in the scope of consolidation and there is no obligation to produce a consolidated financial statement.

Reporting of Transactions

All completed transactions are reported on the balance sheet and in the income statement in accordance with the defined valuation principles. Transactions are recognized and posted as of the date of completion.

Foreign Currencies

Receivables and obligations in foreign currencies are valued at the average rate of exchange in effect on the balance sheet date. Exchange gains or losses resulting from the valuation are recognized in the income statement.

The following exchange rates were used for foreign currency translations:

	12/31/2014	12/31/2013
USD	0.98955	0.88655
EUR	1.20290	1.22455
GBP	1.54120	1.46485

Cash, Receivables, Liabilities due to Banks and to Clients and Securitised Debt

Cash, receivables, liabilities due to banks and to clients and securitized debt are reported at nominal values. Allowances have been established for identifiable risks in consideration of the principle of caution.

Doubtful receivables, i.e. receivables for which debtors are unlikely to be able to meet future obligations, are individually valued, and impairments are covered by specific value adjustments. Off-balance sheet transactions, such as firm commitments, guarantees and derivative financial instruments, are also included in this valuation. Loans are classified as doubtful at the latest when the contractually stipulated repayments of principal and/or interest payments have been outstanding for more than 90 days. Interest payments outstanding for more than 90 days are considered overdue. Overdue interest and doubtful interest payments are no longer stated as income but posted directly to value adjustments and provisions. Loans are placed on a non-accrual basis if the collection of the interest is sufficiently doubtful to make accrual no longer practical.

Impairments are calculated based on the difference between the carrying amount of the receivable and the expected collectible amount, in consideration of the counterparty risk and the net proceeds from the sale of any collateral. Specific value adjustments are netted directly against the corresponding asset items.

Debt Securities and other Fixed-Interest Securities, Shares and other Non-Fixed-Interest Securities

Fixed-interest securities, that are to be held to maturity, are valued using the accrual method. The premium or discount is apportioned over the term of the security until maturity. Realized interest-related profits or losses from early disposal or repayment are apportioned over the remaining term, i.e. until the original maturity. Interest income is credited to "Interest income". Equities and fixed-interest securities that are not held to maturity are valued at the lower of cost or market. Interest income is credited to "Interest income", while dividends received are reported under "Income from securities". Value adjustments are recognized in "Depreciation of (or gains from the addition to) equity investments", "Shares in associated companies" and "Securities held as fixed assets".

Risk Management

Shares in Associated Companies

The majority interest in Serval AG, reported in this balance sheet item, is valued at acquisition cost minus the necessary value adjustments.

Fixed Assets and Intangible Assets

Other fixed assets and intangible assets are fully depreciated over their estimated useful life (three to thirteen years) based on operational criteria. Impairment is reviewed annually. If the impairment review results in a change in the useful life or a decrease in the value, the residual book value is depreciated over the remaining useful life, or unscheduled depreciation is taken.

Value Adjustments and Provisions

Specific value adjustments and provisions are established for all identifiable risks as of the balance sheet date in accordance with the principle of caution. Value adjustments are offset directly against the corresponding asset items. Provisions for taxes include accruals for taxes based on the result of the year review.

Provisions for General Banking Risks

Provisions for general banking risks are precautionary reserves established to cover latent risks in the operating activities of the Bank.

Off-Balance Sheet Transactions

Off-balance sheet transactions are reported at their nominal values. Identifiable risks arising from contingent liabilities and other off-balance sheet transactions are taken into account by establishing provisions.

Derivative Financial Instruments

The gross replacement values of individual contracts for derivative financial instruments – positive and negative replacement values are not offset – are reported on the balance sheet and in the notes. Positive and negative replacement values are booked to an adjustment account under “Other assets” or “Other liabilities” without affecting the income statement. All replacement values of contracts concluded for the Bank’s own account are reported. The replacement values for client transactions, on the other hand, are reported only for OTC contracts and stock exchange-traded products and if the margins are insufficient. Contract volumes and replacement values are reflected under “Off-Balance Sheet Transactions” and in the notes.

Changes in Accounting and Valuation Principles

The accounting and valuation principles remain unchanged from the prior year.

The risk policy defines the fundamental aspects of the risk management system of Kaiser Partner Privatbank AG. The risk policy forms an integral component of the general business policy.

It pursues the following objectives:

- a balanced, primarily qualitative definition of risk-bearing capacity and risk trends
- developing a risk culture to promote risk-relevant control and effective and efficient reporting
- establishing a risk management system for Kaiser Partner Privatbank AG with clearly defined roles, responsibilities, rights and obligations
- ensuring a consistent risk management process, in particular to identify, measure/assess, control/limit and monitor all risks
- setting up a reporting system that enables the executive bodies of the Bank to obtain a comprehensive view of the general risk situation and fulfill their supervisory duties

Risk management is based, legally and operationally, on the Liechtenstein Banking Act and Banking Ordinance, the risk management guidelines in accordance with the Appendix to the Banking Ordinance, as well as the Bank’s own bylaws, internal rules of procedure and standards.

Risk control is carried out in accordance with internal guidelines through regular risk monitoring, assessment and reporting to the Executive Board and the Board of Directors, and the implementation of appropriate risk limitation measures.

Risk Management is responsible for the areas of strategic risks, credit risks, market risks, liquidity risks and operational (including legal) risks.

External legal advisors are used occasionally to limit and manage legal risks.

The Compliance unit ensures that the statutory and regulatory guidelines relating to money laundering and duties of due diligence are observed.

Kaiser Partner Privatbank AG does not maintain a trading book. The risks in the bank book primarily relate to interest rate and counterparty risks. The investment and refinancing of borrowings are carried out in the matching currency.

Counterparty Risks

As a basic principle, the Bank only invests with first-class counterparties. Risk Management reviews the quality of counterparties periodically.

Interest Rate Risk

Interest rate risks are controlled through very conservative parameters with regard to permitted duration gaps. Interest rate swaps are concluded for larger duration gaps. The risks are monitored using sensitivity limits. Interest rate sensitivity measures the effect a change of 100 basis points in the interest rate level would have on the cash value and income for the Bank.

Liquidity Risks

Liquidity risks are monitored and controlled based on the provisions of the Banking Act.

Business Policy Regarding Derivative Financial Instruments

Transactions involving derivative financial instruments are concluded for clients and for hedging purposes. The Bank trades both standardized and OTC derivatives. The counterparties are first-class Swiss and Liechtenstein banks.

Personnel Risks / Remuneration Policy

The Bank takes various measures to avoid disproportionately high risks. When recruiting new employees, great care is taken to ensure that applicants not only have the right specialist expertise, but that they also have moral integrity and values that match those of the Bank. Employees are paid primarily through a fixed, non-performance-related remuneration based on an annual gross salary. The Bank does not pay variable compensation elements. At group level (Kaiser Partner Group), however, an employee dividend, based on the group’s performance, may be paid out by an associated company set up for this purpose. This distribution is determined by the group result rather than by the performance of an individual person or department, so no link is established between risk taking and the variable component of remuneration.

Notes on the Balance Sheet

(in CHF thousands)

Overview of loans and off-balance sheet transactions

		Type of collateral			Total
		Secured by mortgage	Other collateral	Unsecured	
Loans					
Due from clients		12,600	19,843	0	32,443
Total loans	12/31/2014	12,600	19,843	0	32,443
	12/31/2013	13,600	35,186	0	48,786
Off-balance sheet transactions					
Contingent liabilities		0	3,352	0	3,352
Total off-balance sheet transactions	12/31/2014	0	3,352	0	3,352
	12/31/2013	0	3,201	0	3,201
Doubtful receivables					
		Gross debt	Estimated proceeds from the sale of collateral	Net debt	Individual value adjustments
	12/31/2014	382	1	381	381
	12/31/2013	389	149	240	240

Securities and precious metals (fixed assets)

	Book value		Acquisition value		Market value	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Debt securities						
of which valued using the accrual method	275,320	212,552	288,166	206,869	281,628	220,586
of which valued at lower of cost or market	1,143	1,606	1,196	1,640	1,143	1,606
Total	276,463	214,157	289,362	208,509	282,771	222,192
of which eligible at central banks	118,673	172,145	125,135	165,029	111,938	179,017

Shares in associated companies

	12/31/2014		12/31/2013				
	Company capital	Voting share in %	Company capital	Voting share in %			
Shares in associated companies							
Without market value			500	500			
Total shares in associated companies			500	500			
Shares in associated companies							
Name of company, domicile	Type of business	Company capital	Voting share in %	Capital share in %	Company capital	Voting share in %	Capital share in %
Serval AG, Vaduz	Securities accounting	500	100.00	100.00	500	100.00	100.00

Statement of fixed assets

	Reporting year							Book value 12/31/2014
	Cost	Accu- mulated deprecia- tion	Book value 12/31/2013	Invest- ments	Disinvest- ments	Reclassifi- cations	Deprecia- tion	
Shares in associated companies								
Total shares in associated companies	500	0	500	0	0	0	0	500
Intangible assets								
Total intangible assets (software)	2,109	-2,008	101	3,729	0	0	-18	3,812
Other fixed assets	6,281	3,189	3,092	0	0	0	-369	2,723
Total fixed assets	6,281	3,189	3,092	0	0	0	-369	2,723

	12/31/2014	12/31/2013
Fire insurance value of other fixed assets (including IT equipment)	23,700	23,700

Pledged or assigned assets as well as assets under reservation of ownership and security lendings and repurchase agreements

	12/31/2014	12/31/2013
Book value of pledged or assigned (transferred by way of security) assets	11,743	10,423
Actual liabilities	0	0
Security lendings or repurchase agreements	0	0

Liabilities toward own pension funds

Kaiser Partner Privatbank AG does not have its own pension fund.

Value adjustments and provisions / provisions for general banking risks

	As of 12/31/2013	Specific use	Recoveries, overdue interest, exchange differences	New provisions charged to P/L account	Write- backs credited to P/L account	As of 12/31/2014
Value adjustments for loan default risks						
<i>specific value adjustments</i>	240	0	0	141	0	381
Provisions for tax and deferred tax	416	-266	0	222	-135	237
Total value adjustments and provisions	656	-266	0	363	-135	618
<i>net of value adjustments</i>	-240	0	0	-141	0	-381
Total provisions according to the balance sheet	416	-266	0	222	-135	237
Provisions for general banking risks	500	0	0	0	0	500

Company capital

	12/31/2014			12/31/2013		
	Total par value	Number of shares	Capital ranking for dividend	Total par value	Number of shares	Capital ranking for dividend
Company capital						
Share capital	10,000	10,000	10,000	10,000	10,000	10,000
Total company capital	10,000	10,000	10,000	10,000	10,000	10,000

Significant shareholders

	12/31/2014		12/31/2013	
	Nominal	Share in %	Nominal	Share in %
With voting rights				
Kaiser Partner Holding Anstalt, Vaduz (whose owner is: Kaiser Beteiligungen Anstalt 100%)	10,000	100.00	10,000	100.00

Statement of shareholders, equity

Shareholders, equity at the beginning of the business year	
Subscribed capital paid-in	10,000
Legal reserves	2,000
Other reserves	36,843
Provisions for general banking risks	500
Balance sheet profit	2,142
Total shareholders, equity at the beginning of the business year (before distribution of balance sheet profit)	51,485
- dividend paid-out of the net profit of the prior year	7,000
+ profit for the year	2,559
Total shareholders, equity at the end of the business year (before distribution of balance sheet profit)	47,044
<i>of which</i> subscribed capital paid-in	10,000
legal reserves	2,000
other reserves	31,843
provisions for general banking risks	500
balance sheet profit	2,701

Maturity structure of assets, liabilities and provisions

		Due						Total
		Sight deposits	Callable	within 3 months	between 3 and 12 months	between 12 months and 5 years	after 5 years	
Assets								
Cash	12/31/2014	40,330						40,330
Due from banks		57,136		109,995	16,416			183,547
Due from clients		1,086	360	9,847	7,200	6,350	7,600	32,443
<i>mortgage loans</i>					1,000	4,000	7,600	12,600
Other assets		19,537		18,714	65,867	191,882	6,535	302,535
Total assets	12/31/2014	118,090	360	138,556	89,482	198,232	7,600	558,856
	12/31/2013	117,188	385	104,487	44,175	175,591	8,600	453,620
Liabilities and provisions								
Due to banks		10,200		15,833	12,864			38,897
Due to clients		395,340		57,247	8,875			461,463
<i>other liabilities</i>		395,340		57,247	8,875			461,463
Provisions (without provisions for general banking risks)					237			237
Other liabilities		11,215						11,215
Total liabilities	12/31/2014	416,756	0	73,080	21,977	0	0	511,812
	12/31/2013	309,362	0	70,580	22,193	0	0	402,135

Due to and from associated companies, significant shareholders and members of the governing bodies and material transactions with affiliated parties

	12/31/2014	12/31/2013
Due from associated companies (contained in "Due from clients")	165	165
Due from significant shareholders (contained in "Due from clients")	12,600	13,600
Due to associated companies (contained in "Due to clients")	12,819	12,175
Due to significant shareholders (contained in "Due to clients")	6,124	6,828
Loans to members of the Bank,s governing bodies	0	0

Transactions with affiliated parties (such as securities transactions, payment transactions, lending and reimbursements on deposits) are carried out on terms used for third parties.

Within the context of consultancy and other services, Kaiser Partner Privatbank Group also remunerates associated companies. The total amount of this remuneration came to CHF 1.27 million in 2014 (2013: CHF 1.06 million).

Balance sheet by currency

	Currency				Total
	CHF	USD	EUR	Other	
Assets					
Cash	39,882	61	326	60	40,330
Due from banks	26,343	111,519	17,117	28,567	183,547
Due from clients	17,658	9,817	4,905	62	32,443
<i>mortgage loans</i>	12,600				12,600
Debt securities and other fixed-income securities	72,228	135,332	44,706	24,197	276,463
Shares in associated companies	500				500
Intangible assets	3,812				3,812
Fixed assets	2,723				2,723
Other assets	1,782	8,220	24	36	10,063
Accrued income and prepaid expenses	2,315	3,494	2,341	825	8,974
Total on-balance sheet assets	167,244	268,444	69,420	53,748	558,856
Delivery claims from spot, forward and option foreign exchange transactions	60,102	133,174	54,881	32,947	281,105
Total assets	227,346	401,618	124,301	86,695	839,960
Liabilities					
Due to banks	405	37,854	345	293	38,897
Due to clients	119,159	225,267	68,146	48,890	461,463
Other liabilities	2,128	8,162	20	34	10,343
Accrued expenses and deferred income	801	51	14	6	872
Provisions	237				237
Provisions for general banking risks	500				500
Subscribed capital	10,000				10,000
Retained earnings	31,843				31,843
Profit brought forward	142				142
Profit for the year	2,559				2,559
Total on-balance sheet liabilities	167,775	271,333	68,525	49,223	556,856
Delivery commitments from spot, forward and option foreign exchange transactions	59,912	129,041	54,866	37,046	280,865
Total liabilities	227,687	400,374	123,391	86,269	837,721
Net position per currency	-341	1,244	910	427	2,240

Other assets and other liabilities

	12/31/2014	12/31/2013
Balance sheet items		
Positive replacement values	8,615	3,827
Compensation account	978	426
Input tax	301	122
Accounts receivable	104	455
Settlement accounts	66	0
Total other assets	10,063	4,830
Negative replacement values	9,592	4,253
Compensation account	0	0
Creditors	686	491
Settlement accounts	65	33
Total other liabilities	10,343	4,777

Notes on Off-Balance Sheet Transactions

(in CHF thousands)

Breakdown of contingent liabilities		
	12/31/2014	12/31/2013
Credit guarantees and similar instruments	3,352	3,201
Total	3,352	3,201

Open derivative financial instruments							
		Trading instruments			Hedging instruments		
		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Foreign currencies							
Foreign exchange forwards		8,615	8,375	281,105			
Currency swaps		0	0	0			
Interest rate instruments							
Interest rate swaps					0	1,217	12,600
Total before consideration of netting agreements	12/31/2014	8,615	8,375	281,105	0	1,217	12,600
	12/31/2013	3,827	3,451	278,072	0	802	13,600
		Positive replacement values (accumulated)			Negative replacement values (accumulated)		
Total after consideration of netting agreements	12/31/2014	8,615			9,592		
	12/31/2013	3,827			4,253		

Fiduciary transactions							
		Currencies translated into CHF					Total in CHF thousands
		CHF	USD	GBP	EUR	Other	
Fiduciary deposits with other banks		1,606	117,242	720	0	0	119,568
Total	12/31/2014	1,606	117,242	720	0	0	119,568
	12/31/2013	2,106	65,968	684	0	0	68,758

Assets under management		
Type of client assets	12/31/2014 in CHF millions	12/31/2013 in CHF millions
Discretionary assets	764	761
Other client assets	1,632	1,288
Total client assets (including double counts)	2,396	2,049
of which double counts	53	61

Notes on the Income Statement

(in CHF thousands)

Results from financial transactions		
	2014	2013
Results from financial transactions		
Precious metals	122	116
Foreign exchange, notes and coins	2,373	2,273
Total results from financial transactions	2,495	2,389

Breakdown of personnel expenses		
	2014	2013
Personnel expenses		
Wages and salaries ¹⁾	5,129	4,596
Social benefits and pension scheme contributions	910	881
<i>of which pension scheme contributions</i>	759	734
Other personnel expenses	189	166
Total personnel expenses	6,228	5,644
Payments to the members of the Board of Directors	0	33
Payments to the members of the Executive Board	633	638

¹⁾ Including accrued vacation.

Breakdown of administrative expenses		
	2014	2013
Administrative expenses		
Occupancy expenses	1,361	1,369
Expenses for IT, machinery, furniture, vehicles and other equipment	2,444	2,234
Other administrative expenses	3,064	2,560
Total administrative expenses	6,868	6,163

Disclosure in Accordance with Article 27 of the CAO

(in CHF thousands)

Statement of eligible capital

	12/31/2014	12/31/2013
Core capital (prior to adjustment)	43,984	48,910
of which minority interests		
of which "innovative" instruments		
- surplus of the losses anticipated from application of the IRB approach less the value adjustments established (article 21 [1] d)		
- net long position in own equities		
- other elements to be deducted from core capital	-3,812	-101
= eligible core capital (adjusted core capital)	40,172	48,809
+ upper supplementary capital		
+ lower supplementary capital		
+ additional capital		
- other deductions from supplementary capital, additional capital and total capital		
= Eligible capital	40,172	48,809

Statement of required capital

	Method used	Equity requirement
Credit risk	Standard approach	13,729
of which price risk regarding the equities in the bank book		
Non-counterparty-related risks		218
Market risk	De minimis approach	715
of which on interest rate instruments (general and specific market risk)		
of which on equities		
of which on foreign exchange and precious metals		715
of which on commodities		
of which for settlement and delivery risks		
Operational risk	Basic indicator approach	2,301
Additional capital		
Total		16,963
Ratio of eligible/required capital:		2.37
Equity ratios		
Eligible (adjusted) core capital (incl. "innovative" instruments)		0.19
Eligible capital Tier 1		0.19

Report of the Statutory Auditors

To the General Meeting of
Kaiser Partner Privatbank AG, Vaduz

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes; pages 10 to 30 of the financial report) and the annual report ("Financial results for 2014"; page 7) of Kaiser Partner Privatbank AG for the year ended December 31, 2014.

These financial statements and the annual report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession in Liechtenstein, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements and the annual report are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements for the year ended December 31, 2014, give a true and fair view of the financial position and the results of operations in accordance with Liechtenstein law. Furthermore, the accounting records, the financial statements and the annual report as well as the proposed appropriation of available earnings comply with Liechtenstein law and the company's articles of incorporation.

The annual report is consistent with the financial statements.

We recommend that the financial statements submitted to you be approved.

Ernst & Young AG

Patrick Schwaller Christina Geissmann
Certified Accountant Certified Accountant
(Auditor in Charge)

Zurich, April 23, 2015

Board of Directors, Executive Board, Investment Partners, Executives and Auditors

as of February 1st, 2015

Board of Directors	Fritz Kaiser, FL Vaduz (Chairman) Dr. Elmar Wiederin, CH Schindellegi / SZ (Member) Otmar Hasler, FL Gamprin-Bendern (Member)
Executive Board	Dr. Ariel Sergio Goekmen, CH Zurich / ZH (Head) Christian Reich, CH Speicher / AR (Member) Christoph Küng, CH Erlenbach / ZH (Member)
Investment-Partners*	Dr. Klaus W. Wellershoff, CH Zurich / ZH (Chief Executive Officer / Partner, Wellershoff & Partners Ltd.; Chief Economic Advisor, Kaiser Partner) Joachim Klement, CH Zurich / ZH (Chief Investment Officer / Partner, Wellershoff & Partners Ltd.; Chief Investment Advisor, Kaiser Partner)
Vice Directors	Silvan Brun, CH Bichwil / SG Nicolas Jego, CH Cham / ZG Cathrin Kratzla, CH Tscherlach / SG Hermann Neusüss, FL Triesenberg Mads Petersen, CH St. Gallen / SG Daniela Tschirky, CH Pfäfers / SG Damien Wyss, CH Herrliberg / ZH Alex Schnyder, CH Altstätten / SG
Procura Holders	Christian Beck, AT Bürs Carmen Huber, FL Vaduz Stefan Lampert, AT Altach Reinhard Matt, FL Schaan Rainer Nachbauer, AT Hohenems Adrian Schneider, CH Chur / GR Stefan Schüpbach, CH St. Gallen / SG Lawrence Seikel, CH Buchs / SG
Internal Audit	Grant Thornton Bankrevision AG, CH Zurich / ZH
Statutory Auditors	Ernst & Young AG, CH Zurich / ZH
Members of	Liechtensteinischer Bankenverband Schweizerische Bankiervereinigung

* Strategic partnership agreement with Wellershoff & Partners Ltd., Zurich, for macroeconomic analyses and investment strategies.

Cautionary Statement Regarding Forward-Looking Statements:
This annual report contains forward-looking statements. These statements are subject to general and specific risks and uncertainties. It is possible that forecasts and results described or implied will not occur or differ considerably from the mentioned expectations and intentions. Please consider these uncertainties when evaluating forward-looking statements.

This report appears in German and English. The German version is binding.

Published by: Kaiser Partner Management Services Anstalt
Pflugstrasse 10/12, P.O. Box 1157
FL-9490 Vaduz, Liechtenstein

T: +423 236 57 57, F: +423 236 55 49
E: info@kaiserpartner.com

Editorial office: Communications Kaiser Partner, Vaduz, Liechtenstein

Design: Communications Kaiser Partner, Vaduz, Liechtenstein

Printer: Thurnher Druckerei GmbH, Rankweil, Austria



Kaiser Partner

Pflugstrasse 10/12,
9490 Vaduz, Liechtenstein

Zollikerstrasse 60,
8702 Zollikon (Zurich), Schweiz

www.kaiserpartner.com