



Annual Report 2009



BANK FRICK
LIECHTENSTEIN

Annual Report 2009





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Foreword by the Chairman of the Board of Directors on the Annual Report 2009



The 2009 financial year was very challenging for all concerned. It is therefore important to me to express my thanks first of all - On behalf of the Board of Directors, I would like to thank the Management Board and the staff for their good work. In 2009, a year marked by extremely uncertain and numerous upheavals, Bank Frick also had to accept a palpable decline in profits. Compared with performance in the market in general, however, we can be satisfied with the result.

Notably interest income was significantly lower than in the previous year, but the Bank's commission and services business was also somewhat weaker than in 2008 due to the general economic situation. Comparison across the market shows that all banks had the same problems in this respect. Our cost/income ratio is higher than in recent years but still good. The reduction in income due to the market situation could not be immediately offset by cuts in costs. In any case, this would have been counter-productive; the service Bank Frick offers its clients inevitably incurs a certain level of expense.

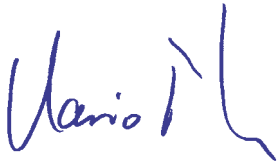
The Bank's return on equity also continued to be quite impressive. As far as the distributions policy is concerned, we will continue to be very cautious and give priority to building reserves. This is necessary for, as such, we have the strength to adapt to the changing general market situation.

2009 saw a further rise in client assets under management. This is pleasing and shows that clients consciously decide in favour of a small bank to avoid the anonymity and – presumably inevitable – impersonal treatment of major banks.

We are convinced that the aspects confidentiality and private sphere will continue to be important in the future too. In this respect, due consideration will have to be given increasingly to the issue of international tax cooperation. It will be interesting to see whether the solution of reconciling the divergent national interests by way of withholding taxes does not attract more supporters than appears to be the case today. We anticipate that there will be no standard solution internationally but instead that solutions will certainly have to be sought with the various countries, adapted to suit the given national interests.

Bank Frick is currently in an intensive strategy process and is examining where which adjustments to the present business alignment are to be made. As such, a variety of issues are under examination. One thing is for sure, however - we will continue operating as a service bank deliberately pursuing a conservative risk policy. Nevertheless, we intend to be creative and open in our service offers and the implementation of our client's wishes. This is where we differ greatly from other banks. We have short decision-making processes and are open for new approaches and products. Particularly in the area of renewable energies, but also in connection with real estate projects in the German-speaking region, we have been able to find interesting solutions. As was previously the case, our aim continues to be to offer our clients comprehensive service in succession planning and asset securing matters above and beyond that provided by way of the classic banking business. To this end, we network closely with specialists in these fields.

On this note, we would like to thank all our clients and partners for the trust they have shown in us and look forward to mastering the coming challenges. 🍀

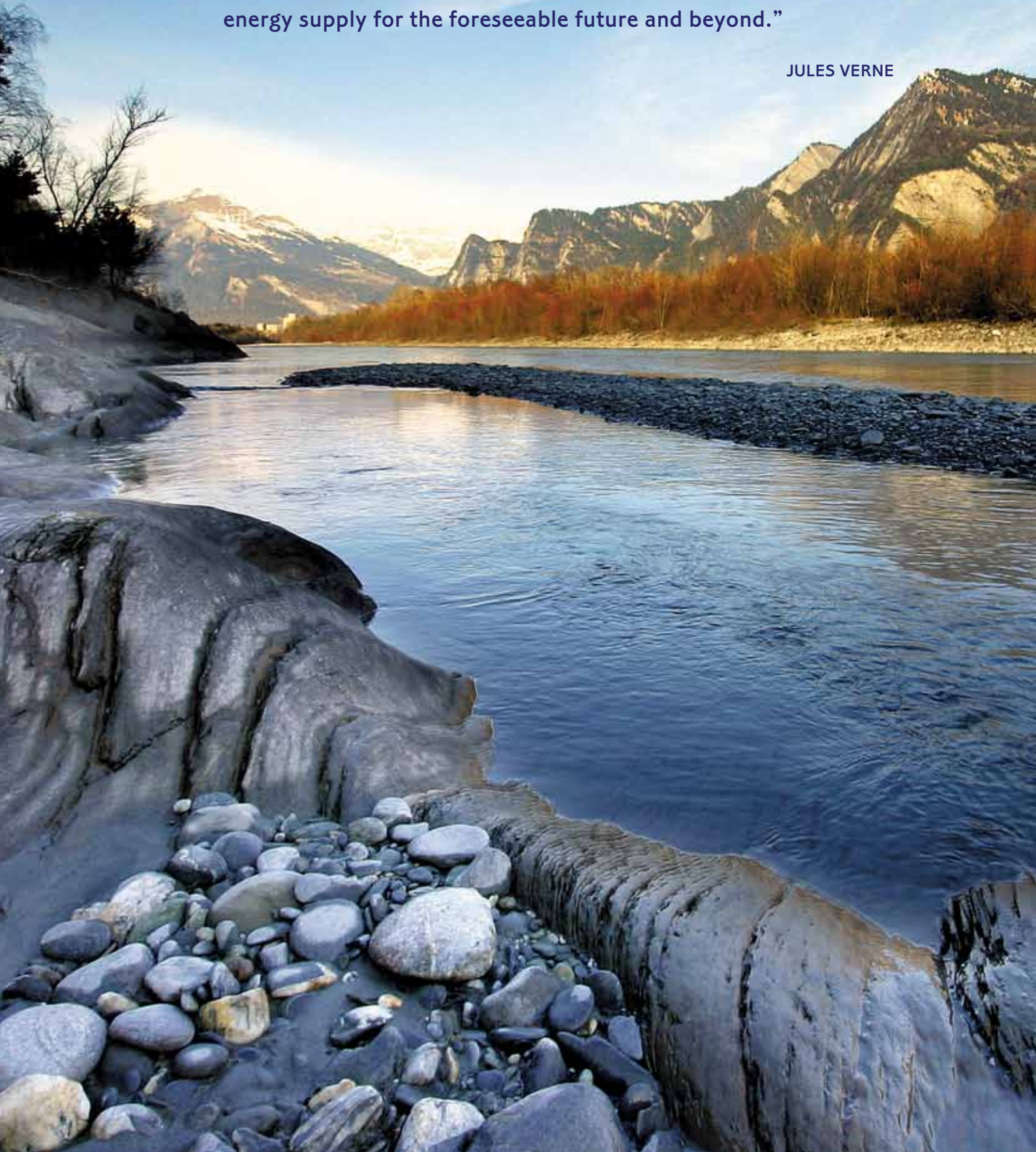
A handwritten signature in blue ink, appearing to read 'Mario Frick', with a stylized flourish at the end.

Dr. Mario Frick
Chairman of the Board of Directors

“Water is the coal of the future. The energy of tomorrow is water that has been broken down into its constituent parts by an electric current. The elements of water thus obtained, hydrogen and oxygen, will secure the earth’s energy supply for the foreseeable future and beyond.”



JULES VERNE





Significant growth in client assets under management

The initial situation in the winter of 2008 just prior to the start of 2009 financial year was anything but good. Just to give you a quick reminder - the global financial system was on the verge of collapse in the autumn of 2008. Only concerted intervention on the part of the national central banks was able to prevent the situation from getting worse. The crisis on the financial markets then spread relatively quickly to the real economy. The global economy slithered into a deep recession. These global problems were exacerbated by the reform pressure on our local financial market. Forecasts for 2009 were correspondingly on the moderate side: "2009 is likely to be a transitional year", is how we defined our expectations. Overall, Bank Frick's management can look back on a good 2009 financial year. Even if the net profit reported amounting to CHF 5.50 million is 16.05 % down on that generated in 2008, it is still a relatively good result. The development of client assets under management was highly pleasing. With growth of CHF 1.12 billion, the value of client assets under management as of 31.12.2009 stood at CHF 3.25 billion. Around two thirds of the growth was attributable to new deposits from clients. Bank Frick's equity (incl. provisions for general banking risks) rose to CHF 61.70 million (+ 9.79 %). In view of the initial situation mentioned above, the zero interest policy and the highly volatile market environment in the first quarter of 2009, the level of 58.76 % at which the Bank was able to maintain its cost/income ratio was pleasing.

The Management Board wishes to thank all employees most warmly for their work.

Earnings situation

The repercussions and consequences of the crisis year 2008 had a negative impact on the earnings situation in 2009.

This was demonstrated by the earnings items "net interest income" amounting to CHF 3.66 million (-50.40 %) and "net income from the commission and service business" amounting to CHF 5.46 million (-30.36%). In view of the zero interest policy of many central banks, the reduction in net interest income is a market-related phenomenon and likely to be of a temporary nature. After all, rising interest rates will cause interest income to increase automatically. The appetite for risk in terms of stock commitments continues to be at a fairly low level. This is unlikely to change quickly as the pending challenges – see below – are having a subduing impact on positive market expectations. By contrast, the earnings items "financial operations" and "other net income from ordinary business activities" enjoyed significant growth - at CHF 4.88 million (+88.11%) and CHF 1.30 million (+63.18%) respectively.

Business expenses totalled CHF 8.1 million, representing a decrease of CHF 0.44 million or -5.13 % relative to the previous year. The cost/income ratio came to a very reasonable 58.76 % (previous year: 46.95%).

Balance sheet

The balance sheet total fell to CHF 508.12 million (previous year: CHF 587.52 million). The decline is largely the result of the decline in the balance sheet item "dues to clients". The reason for this decline is attributable firstly to the increase in the sale of securities and secondly to growth in fiduciary investments. Dues to clients totalled CHF 313.58 million (-14.53 %). By contrast, the off-balance-sheet item "fiduciary transactions" increased to CHF 80.61 million (+580.84 %).



Client assets under management increased significantly in 2009 by an amount of CHF 1.12 billion, of which approx. two thirds were attributable to new deposits (CHF 735.7 million) and one third to increases in value (CHF 382.9 million). Total client assets amounted to CHF 3.25 billion as of the balance sheet date 31.12.2009.

Sustainable products

Over recent years, Bank Frick has been able to build up very interesting investment products in the area of renewable energies. Correspondingly, it has access to a suitable network, enabling it to continue to acquire interesting and top-quality investments in the future too. Via the website www.greenpowerecofund.li, information on the "Green Power ECO Fund" is published regularly while, at the same time, news concerning the environment and related areas is made available to interested readers.

Sponsorship and social commitment

In 2009, as in previous years, Bank Frick was once again able to provide financial support to a variety of associations, cultural events and charitable organisations. This sponsorship policy is also set to remain in place in the years to come.

Events after the balance sheet date

No events occurred between the balance sheet date and the printing of the Annual Report which have a significant influence on the asset, financial and earnings position of Bank Frick.

Outlook 2010

The general market environment will continue to be challenging in 2010. The all clear cannot be given yet as far as the stability of financial markets and the recovery of the global economy are concerned. Moreover, the local Liechtenstein financial market is still undergoing restructuring. However, it can be said generally that the Liechtenstein financial market is in good health and has demonstrated its stability notably over the past crisis years. Its

tradition in private banking, very high level of education in the financial services sector and quality awareness are all factors in Liechtenstein's favour. Each institution now faces the challenge of redefining sustainable business models and implementing them in a rigorous manner. In so doing, due consideration must be given to ensuring that the game rules are complied with in the tense competitive environment prevailing both at home and abroad.

The problem of the extremely high level of indebtedness of many industrial nations will be a central issue for the financial markets. Many countries are facing a virtually insurmountable problem in this respect. The question as to whether the way out of this debt trap is via "controlled inflation" as many experts are recommending cannot be answered at the moment. One thing is clear, however - the national debt problem will be a heavy burden that we will all have to bear over the coming years. This situation is to be taken into account as far as asset management and notably pension plans are concerned. Bank Frick has suitable products in the renewable energies and real estate sectors that are managed in a very solid manner.

The management at Bank Frick will continue to work proactively to secure the positive future of the Bank. In line with this, a well-balanced strategy paper is being drawn up over the coming weeks. The planned measures are intended to secure Bank Frick's growth potential in the long term. We will continue to be committed to the principle "the client is the focus of our thoughts and actions" in the future too. ☘



Jürgen Frick
Chairman of the
Management Board



Roland Frick
Director

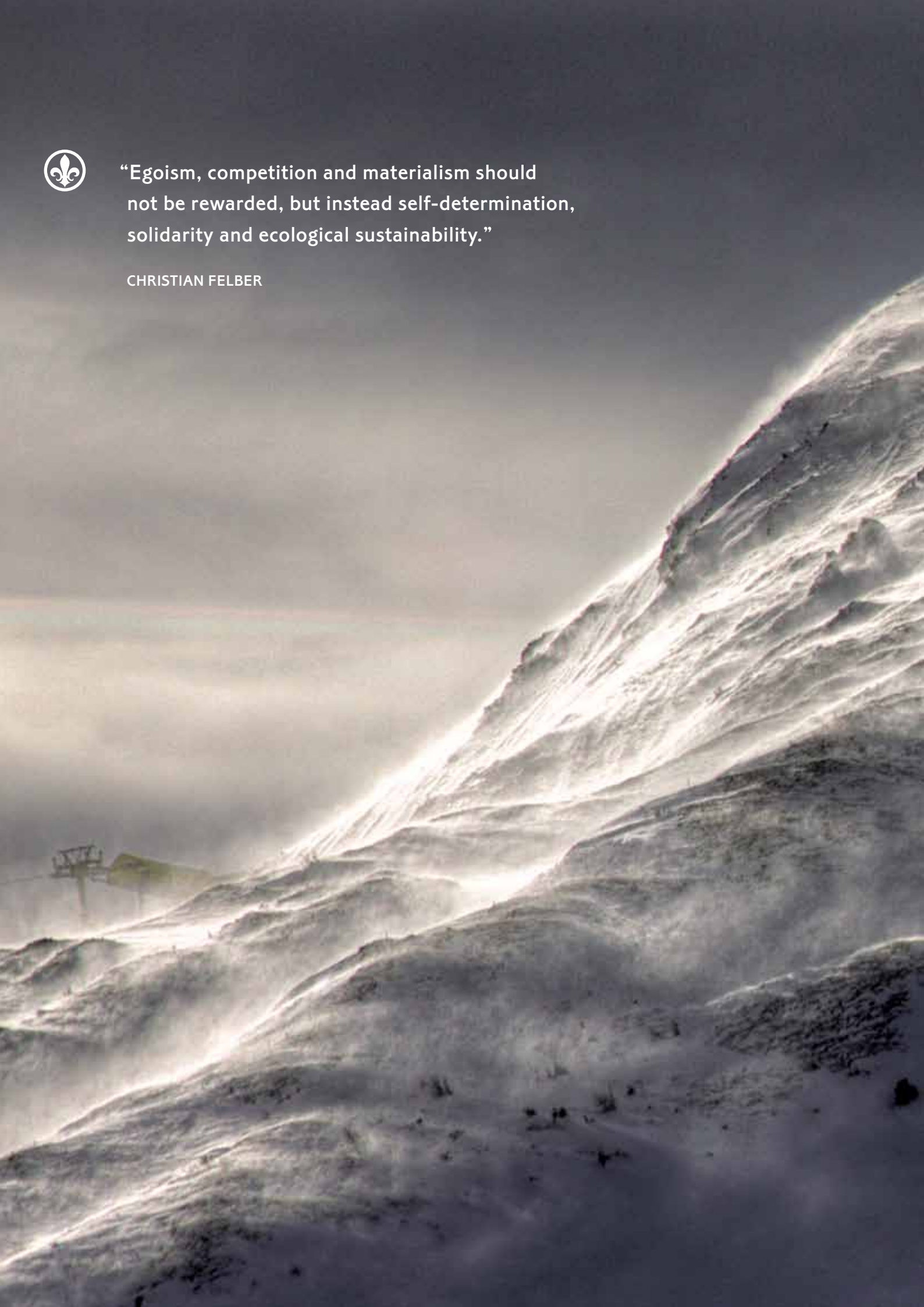


Gabriel Tschui
Director



“Egoism, competition and materialism should not be rewarded, but instead self-determination, solidarity and ecological sustainability.”

CHRISTIAN FELBER







Balance sheet

as at 31.12.2009 with figures for the previous year

	Previous column CHF	31.12.2009 CHF	Previous column CHF	31.12.2008 CHF
Assets				
Liquid assets		5,781,041		7,943,798
Due from banks		216,307,009		295,569,121
of which repayable upon demand	99,868,727		91,208,198	
of which other receivables	116,438,282		204,360,923	
Due from clients		227,325,166		219,936,157
of which mortgage-backed claims	52,634,900		52,492,900	
Bonds and other fixed-interest securities		4,715,770		4,611,070
of which bonds:				
issued by public bodies	744,500		–	
issued by other borrowers	3,971,270		4,611,070	
Shares and other variable-yield securities		37,437,608		36,974,866
Participations		50,001		541,001
Shares in affiliated companies		1,000,000		1,000,000
Intangibles		1		1
Property, plant and equipment		11,671,708		12,521,187
Other assets		2,214,479		6,986,525
Accrued expenses and deferred income		1,614,645		1,439,167
Total assets		508,117,428		587,522,893

Liabilities	previous column CHF	31.12.2009 CHF	previous column CHF	31.12.2008 CHF
Due to banks		1,791,400		26,557,220
of which repayable on demand	1,791,400		20,417,220	
of which with agreed terms or notice periods	–		6,140,000	
Due to clients		313,576,467		366,867,354
of which savings deposits	–		–	
of which other liabilities				
repayable on demand	157,979,042		104,378,918	
with agreed terms or notice periods	155,597,425		262,488,436	
Certificated liabilities		125,400,900		124,693,365
of which medium-term notes	57,947,800		53,085,229	
of which other certificated liabilities	67,453,100		71,608,136	
Other liabilities		3,424,135		10,659,036
Accrued expenses and deferred income		1,633,556		1,648,237
Provisions		589,000		900,045
of which tax provisions	589,000		900,045	
of which other provisions	–		–	
Provisions for general banking risks		7,000,000		7,000,000
Subscribed capital		25,000,000		25,000,000
Capital reserves		1,000,000		1,000,000
Retained profit		23,197,000		16,641,000
of which statutory reserves	6,000,000		6,000,000	
of which other reserves	17,197,000		10,641,000	
Profit carried forward		636		167
Profit for the year from 01.01.2009 to 31.12.2009		5,504,334		6,556,469
Total liabilities		508,117,428		587,522,893



Income statement

from 01.01.2009 to 31.12.2009

Income statement

Items	Previous column CHF	2009 CHF	Previous column CHF	2008 CHF
Interest earned		11,086,736		21,963,034
of which income from fixed-interest securities	146,417		118,295	
Interest paid		-7,423,182		-14,576,295
Current income from securities		132,432		225,492
of which shares and other non-fixed-interest securities	132,432		225,492	
Income from commission and service transactions		9,755,362		12,293,470
of which commission income on loan transactions	25,410		4,665	
of which commission income from securities and investment transactions	8,818,159		11,636,855	
of which commission on other service activities	911,793		651,950	
Commission payable		-4,294,606		-4,452,110
Profit on financial operations		4,883,889		2,596,349
of which from commercial activities	4,662,889		2,958,438	
Other ordinary income		1,297,017		794,824
General administrative expenses		-8,101,700		-8,539,827
of which staff costs	-4,847,965		-4,714,245	
of which operating expenditure	-3,253,735		-3,825,582	
Depreciation on intangible assets as well as on property, plant and equipment		-849,480		-759,137
Other ordinary expenditure		-42,920		-271,891
Valuation allowances on claims and transfers to reserves for contingencies and credit risks		-250,000		-35,500
Income from the dissolution of valuation allowances in respect of loans and from the dissolution of provisions for contingent liabilities and credit risks		–		–
Depreciation on participations, Shares in affiliated companies and securities treated as non-current assets		-540,999		-1,905,940
Income from write-ups of shareholdings, Shares in affiliated companies and securities treated as non- current assets		124,999		–
Income from normal business activities		5,777,548		7,332,469
Extraordinary income		–		–
Extraordinary expenditure		–		–
Income tax		-172,214		-683,000
Other taxes		-101,000		-93,000
Allocations to provisions for general banking risks		–		–
Profit for the year from 01.01.2009 to 31.12.2009		5,504,334		6,556,469



Off balance-sheet items

as at 31.12.2009

Off balance-sheet items	31.12.2009 CHF	31.12.2008 CHF
Contingent liabilities		
Liabilities from guarantees and warranty contracts as well as liability from provision of collateral	4,185,550	1,368,050
Total contingent liabilities	4,185,550	1,368,050
Derivative financial instruments		
Contract volumes	429,404,822	379,710,152
Positive replacement values	1,158,367	6,523,211
Negative replacement values	801,187	6,345,782
Fiduciary transactions		
Fiduciary transactions	80,605,835	11,839,175
Fiduciary loans	–	–
Total fiduciary transactions	80,605,835	11,839,175

Profit distribution



The profit for the year 2009 is appropriated as follows:

	Financial year CHF	Previous year CHF
Profit for the year	5,504,334	6,556,469
Profit carried forward	636	167
Total	5,504,970	6,556,636
Profit distribution		
Allocation to the statutory reserves	–	–
Allocation to the free reserves	4,004,000	4,056,000
Anniversary dividend on annual profit	–	2,500,000
Dividend on company capital	1,500,000	–
Profit carried forward	970	636



Cash flow statement

(all figures shown in CHF)

Flow of funds from operating result (internal financing)	Financial year		Previous year	
	Origin of funds	Appropriation of funds	Origin of funds	Appropriation of funds
Annual profit	5,504,334	–	6,556,469	–
Depreciation on securities as current assets	–	–	289,068	–
Depreciation on securities as non-current assets	–	–	346,940	–
Write-downs and write-ups on participations	540,999	124,999	1,559,000	–
Depreciation on intangible assets and property, plant and equipment	849,480	–	759,137	–
Valuation allowances and provisions	250,000	–	–	–
Tax provisions	–	311,045	–	199,955
Provisions for general banking risks	–	–	–	–
Accrued income and prepaid expenses	–	175,478	2,374,592	–
Accrued expenses and deferred income	–	14,682	–	1,464,840
Distribution of dividends previous year	–	–	–	3,750,000
Balance	6,518,609	–	6,470,411	–

	Financial year		Previous year	
	Origin of funds	Appropriation of funds	Origin of funds	Appropriation of funds
Flow of funds from equity transactions				
Capital increase	–	–	–	–
Premium on capital increase	–	–	–	–
Balance	–	–	–	–
Flow of funds from investment transactions				
Shares in affiliated companies	–	–	–	–
Participations	75,000	–	–	2,100,000
Real estate	–	–	–	152,202
Other property, plant and equipment	–	–	–	269,942
Intangible assets	–	–	–	–
Securities and precious metals as non-current assets	3,394,300	3,499,000	3,711,300	–
Balance	–	29,700	1,189,156	–
Flow of funds from bank business				
Medium and long-term business (> 1 year)				
Medium-term notes	7,104,000	–	29,838,969	–
Other certificated liabilities	–	104,500	–	1,682,450
Due from clients	–	11,822,920	–	–
Mortgage claims	–	142,000	2,615,220	–
Short-term business				
Due to banks	–	24,765,820	–	9,373,182
Due from clients (other liabilities)	–	53,290,887	4,112,174	–
Medium-term notes	–	2,241,429	700,000	–
Other certificated liabilities	–	4,050,536	–	104,347,127
Other liabilities	–	7,234,901	6,718,279	–
Due from banks	79,262,112	–	2,225,716	–
Due from clients	4,325,911	–	57,643,934	–
Shares and other variable-yield securities	–	462,742	4,380,822	–
Other assets	4,772,046	–	906,434	–
Balance	–	8,651,666	–	6,261,211
Liquidity				
Liquid assets	2,162,757	–	–	1,398,356
Balance	2,162,757	–	–	1,398,356



“Just as the sun makes all things visible in the landscape,
love does the same in the landscape of our souls.”

ZENTA MAURINA





Notes on business activities and staffing

Asset management / portfolio management

The Bank Frick & Co. AG is active in the investment consulting and asset management business. Since it started operating in December 1998, it has constantly developed and refined its asset management activities.

Its asset management strategy is based upon traditional asset management. Alternative investment strategies were developed by the Bank's investment experts and integrated into its traditional asset management operations. By way of the implementation of its asset management activities, the management has introduced its "interactive portfolio management" (IAPM) concept. Ongoing analysis of risk and income as well as the systematic use of so-called market timing generate recognizable additional value for the clients.

In the field of alternative asset management, the Bank's executives have developed and successfully introduced a variety of products, including, for example, in the field of renewable energies, real estate and long-term capital-protected products.

Fund services / depositary functions

In addition to asset management, Bank Frick & Co. AG also acts as a depositary bank for a large number of investment companies (investment funds). With the Bank's own investment fund management company, Crystal Fund Management AG, Bank Frick Co. AG is also in a position to offer comprehensive investment fund services to third parties and to do so on competitive terms. Crystal Fund Management AG has in-depth

experience with the customs and practices of the financial markets in Liechtenstein and Malta.

Trading activities

In securities and foreign exchange trading, Bank Frick & Co. AG focuses exclusively on private client business. This consequently means it does not in general engage in any securities transactions on its own account.

Lending activities

Its lending activities are operated to complement its main areas of business “private banking” and “fund services”. Virtually all loans are extended against collateral. They are provided in conjunction with financial and financing transactions such as are usual in the banking sector. Given the natural boundaries combined with the available equity (loans must be backed by capital and reserves), the Bank’s management is expecting only moderate growth in this field of business in the coming years. As a consequence, the Bank is pursuing a moderate expansion of its lending activities.

Fund services

The fund management company, Crystal Fund Management AG, is a wholly-owned subsidiary of Bank Frick & Co. AG. Bank Frick & Co. AG has assigned the administration of its investment funds and in-house funds (special fund) to Crystal Fund Management AG. In recent years, this has developed into one of the Principality of Liechtenstein’s recognised and established fund management companies.

Crystal Fund Management AG manages investment funds domiciled in the Principality of Liechtenstein or on Malta.



“In each drop of spring water there is more energy than a modern medium-sized power station could ever generate.”

VIKTOR SCHAUBERGER





Principal source of income


The main source of income, contributing 39.62 % of operating income, is via commission transactions and services. This is followed by profit from trading transactions (33.82 %) and interest-related activities (26.56 %).

Human resources

As at the end of the financial year 2009, the Bank employed 25 persons (previous year: 26). On a full-time equivalent basis, our Bank had a workforce of 23.5 persons in the 2009 financial year (previous year: 23.8).

Together with the subsidiary Crystal Fund Management AG, a total of 30 persons worked for the Group.

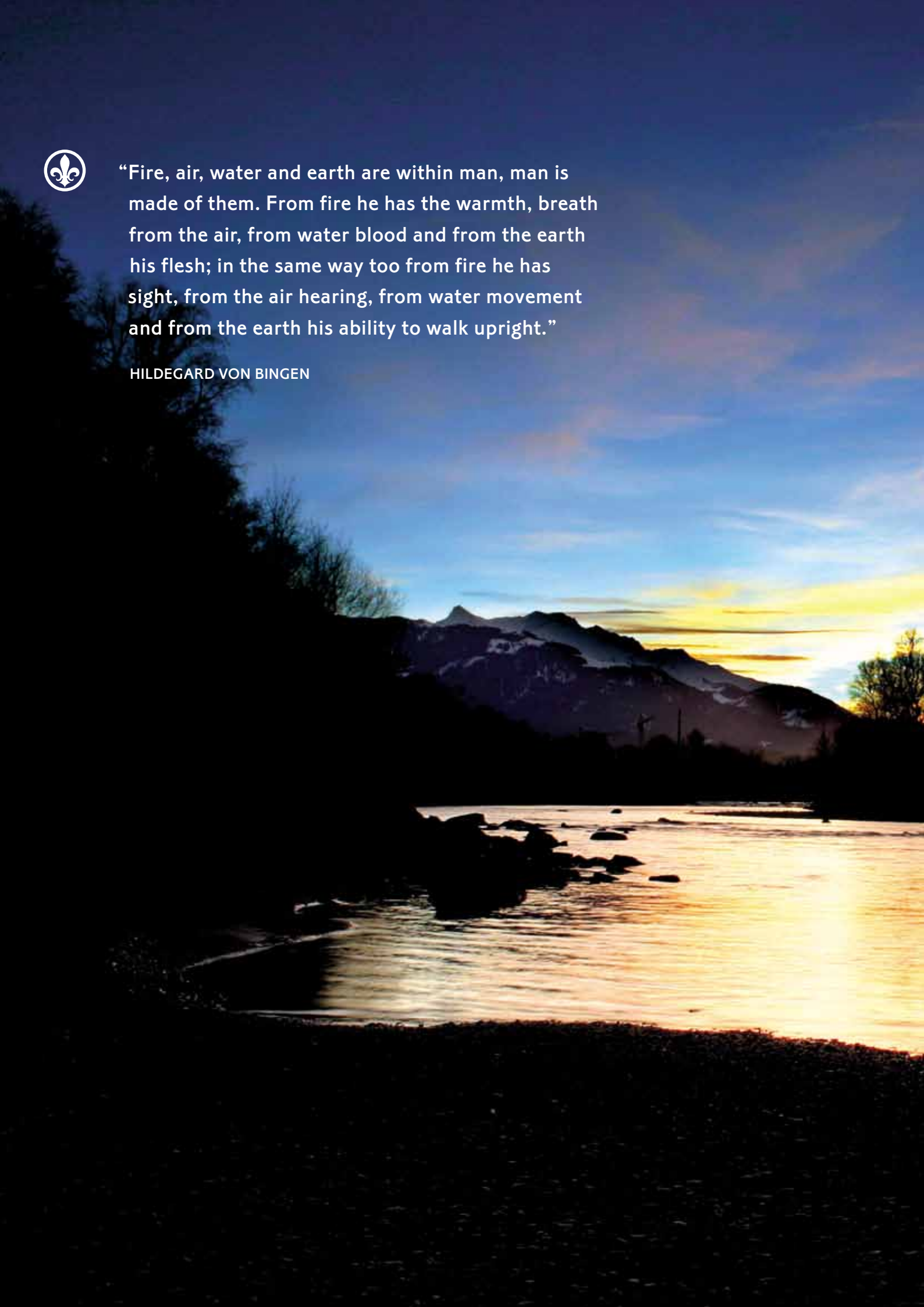
Outsourcing

Once again, no divisions of the Bank were outsourced in the 2009 reporting year. 



“Fire, air, water and earth are within man, man is made of them. From fire he has the warmth, breath from the air, from water blood and from the earth his flesh; in the same way too from fire he has sight, from the air hearing, from water movement and from the earth his ability to walk upright.”

HILDEGARD VON BINGEN







Accounting and valuation principles for the financial statements

Basic principles

Accounting, balancing and valuation are conducted in accordance with the regulations established under the Liechtenstein Persons and Companies Act (Personen- und Gesellschaftsrecht – PGR), the Liechtenstein Banking Act (Bankengesetz), together with the associated Ordinance and any possible directives issued by the Liechtenstein Financial Market Authority on accounting standards.

Recording and balancing

All business transactions are recorded in the accounts of Bank Frick on the closing date and are valued as of that point in time, in accordance with the principles specified below.

General valuation principles

The most important valuation principles can be summarised as follows:

Foreign currencies

Receivables and liabilities denominated in foreign currencies are valued in accordance with the mean foreign exchange rates valid on the balance sheet date.

Liquid assets, receivables from banks and clients, mortgage claims, liabilities

These are entered in the balance sheet at nominal value. Recognisable risks are adjusted in accordance with the principle of caution. If a debtor is in default with his interest payments by more than 90 days, the outstanding interest is then allocated directly to valuation allowances and is booked as income only after the interest has actually been paid.

Securities held as current assets

Securities held as current assets are valued according to the lowest value principle. Interest income is shown under the "interest income" item, dividend income under the "current revenues from securities" item. Participations are essentially shown under the "securities held as current assets" balance sheet item.

Securities held as non-current assets

In the case of fixed-interest securities which are to be held to maturity, the accrual method is used for valuation. In this connection, the premium or discount is amortised over the term to maturity. Interest-related realised profits or losses arising from the premature sale or repayment are amortised over the residual maturity, i.e. until the original maturity date. Interest income is shown under the "interest income" item. Securities without fixed interest are valued according to the lowest value principle. Dividend income is included under the "current revenues from securities" item. Debt securities are essentially included under the "securities held as non-current assets" item.

Shares in affiliated companies and participations

The wholly-owned subsidiary Crystal Fund Management AG, the 10% stake in the company Top Gold AG and the 22 % stake in Finops AG are valued in accordance with the historical cost principle less any necessary deductions for valuation allowances.



Property, plant and equipment

Property, plant and equipment is essentially capitalised at cost of purchase and depreciated linearly over the conservatively estimated useful life of the objects.

Amortisation

Interest expenses and income, personnel and non-personnel expenses as well as credit commissions, deposit and asset management fees are amortised over time.

Valuation allowances and provisions

Individual valuation allowances and provisions are formed for all risks that can be identified on the balance sheet date, in accordance with the principle of caution. Valuation allowances are set off against the corresponding assets.

Taxes are calculated on the basis of the operating result and are shown under the “provisions for tax” item.

Precious metal accounts

Precious metal accounts are entered in the balance sheet at the prices applicable on the balance sheet date.

Contingent liabilities

These are entered under off-balance-sheet transactions at nominal value.

Derivative financial instruments

The positive and negative replacement values as well as the contract values of the derivative financial instruments open on the balance sheet are shown under off-balance-sheet transactions.

Fully-traded foreign exchange transactions are valued at market prices on the balance sheet date. If there is no representative market, then valuation is performed using the lowest value principle.

Risk management

Credit and market risks are subject to limits. Compliance with these limits is continuously monitored. The objective is to keep the overall risk profile low. In addition, trading or derivatives transactions are only performed on the Bank's own account in exceptional cases and only on a very small scale if at all.

Default and country risks

Loans are preferably extended to clients within the framework of securities activities and asset management. Furthermore, in-house refinancing instruments (e.g. deposit certificates, medium-term bonds) can be used to secure loans. The resulting risk items can be assessed as being minor. Europe accounts for the majority of liabilities.

Trading and derivative activities

Trading and derivative activities are conducted with first-class addresses. Transactions are only performed on the Bank's own account in exceptional cases and, if at all, only on a very small scale.

Change of interest risk

In general terms, the change of interest risk can be characterised as being very low to non-existent. This is because loans are for the most part refinanced with congruent maturity dates.

Other market risks

The Bank holds only a very small quantity of foreign exchange items. These are used mainly to cover the daily foreign exchange requirements of our clients.



“We must all help each other,
that is a law of nature.”

JEAN DE LA FONTAINE





Liquidity risks

Liquidity risks are monitored and controlled in accordance with statutory banking requirements.

Remarks

All figures contained in the notes are shown in CHF.

Selected foreign exchange rates (mean balance sheet rates) as at 31.12.2009:

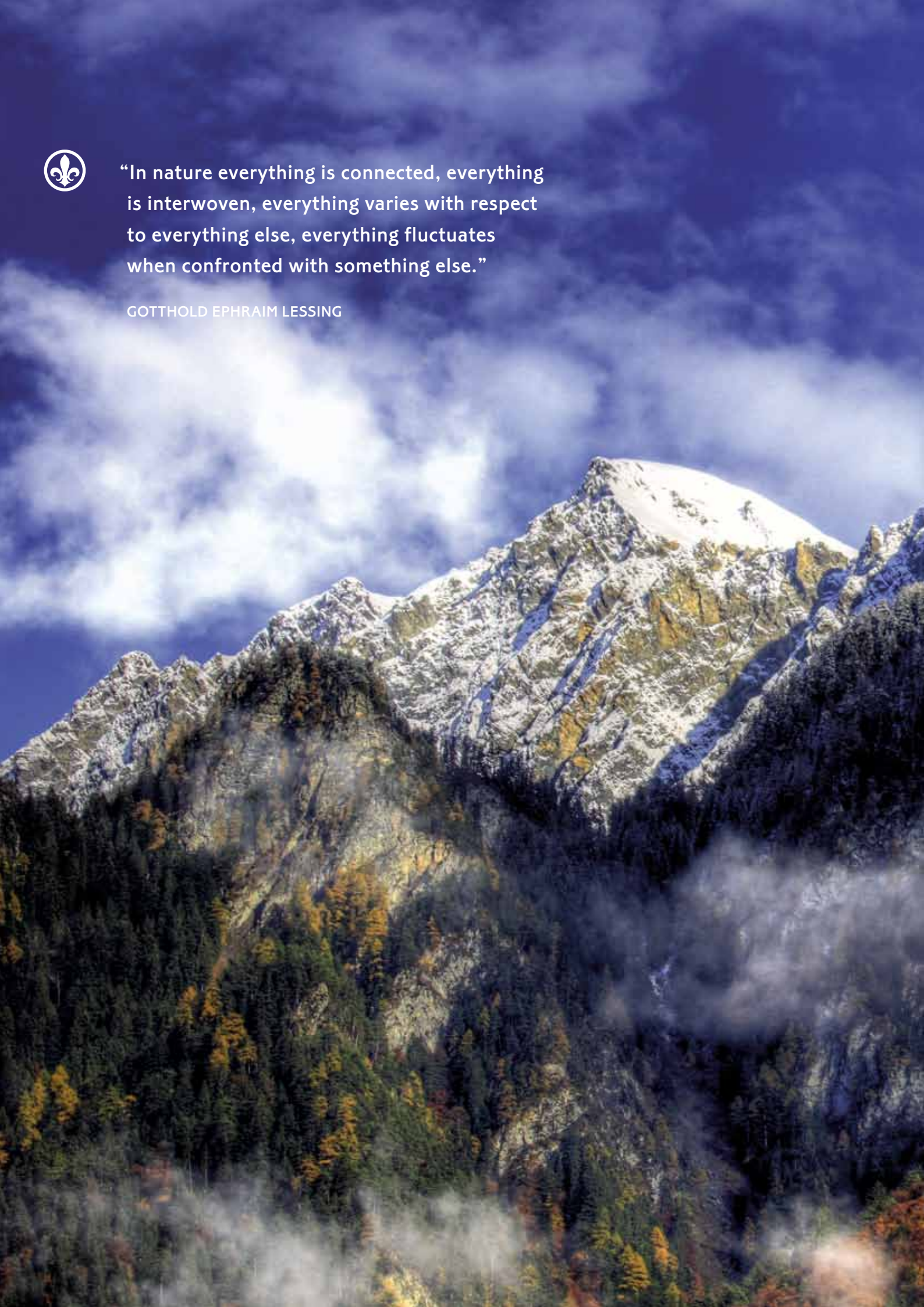
CAD	0.99000
JPY	1.12500
ZAR	0.14050
GBP	1.64750
USD	1.03750
EUR	1.48900





“In nature everything is connected, everything is interwoven, everything varies with respect to everything else, everything fluctuates when confronted with something else.”

GOTTHOLD EPHRAIM LESSING







Information about the balance sheet

Overview of cover

	Type of cover			Total
	Mortgage-backed cover	Other cover	Without cover	
Lending				
Due from clients (excluding mortgage claims)	–	173,461,575	1,228,691	174,690,266
Mortgage claims				
residential properties	52,634,900	–	–	52,634,900
Office and commercial buildings	–	–	–	–
Trade and industry	–	–	–	–
Other	–	–	–	–
Total lending for the financial year	52,634,900	173,461,575	1,228,691	227,325,166
Previous year	52,492,900	165,800,131	1,643,126	219,936,157
Off balance-sheet				
Contingent liabilities	–	4,185,550	–	4,185,550
Irrevocable commitments	–	–	–	–
Call and additional funding obligations	–	–	–	–
Obligation-establishing loans	–	–	–	–
Total off balance-sheet financial year	–	4,185,550	–	4,185,550
Previous year	–	1,368,050	–	1,368,050

Vulnerable debts

	Gross indebtedness	Estimated amount realised from the sale of securities	Net debt rescheduling	Individual bad debt charges
Financial year	1,800,000	–	–	1,800,000
Previous year	1,585,500	–	–	1,585,500

Securities and precious metals held as current assets (excl. trading portfolio)

	Carrying amount		Cost		Market value	
	Financial year	Previous year	Financial year	Previous year	Financial year	Previous year
Debt instrument	–	–	–	–	–	–
of which own bonds and Medium-term notes	–	–	–	–	–	–
Participation securities*	37,437,608	36,974,866	38,321,290	38,057,140	37,928,489	37,482,184
of which qualified participations at least 10 % of the capital or voting rights	–	–	–	–	–	–
Precious metals	–	–	–	–	–	–
Total	37,437,608	36,974,866	38,321,290	38,057,140	37,928,489	37,482,184
Lent securities and precious metals from the current assets (excl. trading stock, claims against banks or clients)	–	–	–	–	–	–

* Fund units, of which CHF 2,548,146.76 (at book value) not stock market listed



Information about the balance sheet

Securities and precious metals held as non-current assets

	Carrying amount		Cost		Market value	
	Financial year	Previous year	Financial year	Previous year	Financial year	Previous year
Debt instrument «accrual method»	4,715,770	4,611,070	4,878,915	4,768,586	4,851,159	4,634,352
of which own bonds and medium-term notes	–	–	–	–	–	–
of which valued using the «accrual method»	4,715,770	4,611,070	4,878,915	4,768,586	4,851,159	4,634,352
of which according to the lowest value	–	–	–	–	–	–
Fund unit certificates	–	–	–	–	–	–
Participation securities	1,050,001	1,541,001	3,150,000	3,225,000	1,050,001	1,541,001
of which qualified participations with at least 10 % of the capital or voting rights	1,050,001	1,541,001	3,150,000	3,225,000	1,050,001	1,541,001
Precious metals	–	–	–	–	–	–
Total	5,765,771	6,152,071	8,028,915	7,993,586	5,901,160	6,175,353
of which securities eligible for discount with the central bank	–	–	–	–	–	–

Statement of asset additions and disposals

	Financial year								
	Cost previous year	Deprecia- tions to date	Carrying amount end of previous year	Invest- ments	Divest- ments	Account transfers	Additions	Deprecia- tions	Carrying amount at end of financial year
Total shares in affiliated companies	1,000,000	–	1,000,000	–	–	–	–	–	1,000,000
Participations	2,225,000	1,683,999	541,001	–	75,000	–	124,999	540,999	50,001
Total securities and precious metal portfolios held as non-current assets	4,768,586	–	4,611,070	3,499,000	3,394,300	–	–	–	4,715,770
Other intangible assets	1	–	1	–	–	–	–	–	1
Total intangible assets	1	–	1	–	–	–	–	–	1
Real estate									
– Bank building	10,903,936	369,810	10,534,126	–	–	–	–	272,598	10,261,527
– Other real estate	–	–	–	–	–	–	–	–	–
Other property, plant and equipment	3,114,617	1,127,555	1,987,062	–	–	–	–	576,881	1,410,181
Total property, plant and equipment	14,018,553	1,497,365	12,521,188	–	–	–	–	849,480	11,671,708
Fire insurance value of property, plant and equipment (buildings) for the reporting period and the previous year									13,000,000
Fire insurance value of other property, plant and equipment for the reporting period									2,500,000
Fire insurance value of other property, plant and equipment for the previous year									1,500,000

Depreciation took place on the basis of operating results



Information about the balance sheet

Participations and shares in affiliated companies

	Equity capital		Holding	
	Financial year	Previous year	Financial year	Previous year
Crystal Fund Management AG*, Balzers				
Share capital	1,000,000	1,000,000	100%	100%
Annual profit	1,028,066	743,257		
Top-Gold AG m.v.K. *, Balzers				
Share capital	500,000	500,000	10%	25%
Annual profit	112,338	1,218		
Finops AG*, Zurich				
Share capital	272,286	272,286	22%	22%
Annual profit**	–	-1,539,243		

On the basis of Art. 1104 (1) subsection 2 of the Liechtenstein Persons and Companies Act, this is not included in the scope of consolidation.

* not including market value

** The 2009 financial statements had not yet become available at the time of the compilation of the table.

**Reporting of premium and discount on securities valued
according to the accrual method**

	Financial year	Previous year
Premium	89,670	33,673
Discount	3,025	1,278

**List of assets pledged or assigned to secure own liabilities and
third-party liabilities (including contingent liabilities)
as well as assets subject to reservation of title**

	31 December 2009		31 December 2009	
	Carrying amount	of which claimed	Carrying amount	of which claimed
Securities (financial assets)*	2,161,873	–	3,399,400	–
Total	2,161,873	–	3,399,400	–

* Nominal values



Information about the balance sheet

Valuation allowances and provisions / provisions for general banking risks

	Position at end of previous year	Appro- priation according to intended purpose	Change of intended use (reposting)	Recoveries, vulnerable interest, currency differences	Reorgani- sation at expense of income statement	Dissolution in favour of income statement	Status at end of financial year
Valuation allowances for default risks:							
Individual bad debt charges	1,585,500	35,500	–	–	250,000	–	1,800,000
Lumped specific bad debt charges	–	–	–	–	–	–	–
Lumped bad debt charges	–	–	–	–	–	–	–
Only bad debt charges permitted under tax law	–	–	–	–	–	–	–
Provisions for contingent liabilities and credit risks	–	–	–	–	–	–	–
Provisions for other business risks	–	–	–	–	–	–	–
Provisions for taxes and deferred taxes	900,045	584,259	–	–	589,000	315,786	589,000
Other provisions	–	–	–	–	–	–	–
Total bad debt charges and provisions	2,485,545	584,259	–	–	839,000	315,786	2,389,000
Less valuation allowances directly set off against assets	1,585,500	–	–	–	–	–	1,800,000
Total provisions according to balance sheet	900,045	–	–	–	–	–	589,000
Provisions for general banking risks	7,000,000	–	–	–	–	–	7,000,000

Total company equity

	Financial year			Previous year		
	Total nominal value	Quantity	Dividend-bearing capital	Total nominal value	Quantity	Dividend-bearing capital
Share capital	20,000,000	2,000	20,000,000	20,000,000	2,000	20,000,000
Participation capital	5,000,000	500	5,000,000	5,000,000	500	5,000,000
Total company equity	25,000,000	2,500	25,000,000	25,000,000	2,500	25,000,000



Information about the balance sheet

Major shareholders and groups of shareholders with voting rights

	Financial year		Vorjahr	
	Nominal	Holding in %	Nominal	Holding in %
With voting rights:				
Combinvest Establishment, Balzers	20,000,000	100	10,600,000	53
Vienna Life Lebensversicherung AG, BERN	–	–	5,000,000	25
Covy Foundation, Balzers	–	–	4,000,000	20
Remaining minority stake	–	–	400,000	2
Total	20,000,000	100	20,000,000	100
Without voting rights:				
Participation certificate capital	5,000,000	100	5,000,000	100
Total	5,000,000	100	5,000,000	100

Disclosure pursuant to ERV Art. 27 as of 31.12.2009

(in CHF 1,000)

	Financial year	Vorjahr
A: own equity capable of being offset:	48,148	48,100
B: equity required:	29,025	30,041
of which:		
credit risk	26,041	27,002
market risk	41	96
operational risk	2,943	2,943

C: Risks:

Refer to our Annual Report under the item "Accounting and valuation principles for the financial statements" for information concerning risks.

Equity capital statement

	2009
Equity capital at the start of the financial year	
Subscribed capital	25,000,000
Subtotal paid-up subscribed capital	25,000,000
Capital reserves	1,000,000
Statutory reserves	6,000,000
Reserves in accordance with the articles of association	–
Other reserves	10,641,000
Provisions for general banking risks	7,000,000
Profit for the year	6,556,636
Total equity at the start of the financial year (before appropriation of net income)	56,197,636
+ Capital increase	–
+ Premium	–
+ Allocation to provisions for general banking risks	–
- Dividends and other distributions from the net annual profit for the previous year	–
+ Annual profit for the financial year	5,504,334
Total equity at the end of the financial year (before appropriation of net income)	61,701,970
of which:	
Subscribed capital	25,000,000
Subtotal paid-up subscribed capital	25,000,000
Capital reserves	1,000,000
Statutory reserves	6,000,000
Reserves in accordance with the articles of association	–
Other reserves	17,197,000
Provisions for general banking risks	7,000,000
Profit for the year	5,504,970



Information about the balance sheet

Maturity structure of the assets as well as liabilities and provisions

(in CHF 1,000)

			due					TCHF
	On demand	Subject to notice	Within 3 months	After 3 months up to 12 months	After 12 months up to 5 years	After 5 years	Immobi- lised	Total
Assets								
Liquid assets	5,781	—	—	—	—	—	—	5,781
Due from banks	99,869	—	116,438	—	—	—	—	216,307
Due from clients	30,791	62,570	33,177	78,911	21,877	—	—	227,325
of which mortgage-backed claims	—	52,635	—	—	—	—	—	52,635
Securities and precious metals held as current assets (excl. trading positions)	37,438	—	—	—	—	—	—	37,438
Securities and precious metals held as non-current assets	—	—			3,916	800	—	4,716
Other assets	6,288	—	—	—	—	—	10,261	16,549
Total assets financial year	180,167	62,570	149,615	78,911	25,793	800	10,261	508,117
Previous year	178,069	87,457	255,001	45,195	10,466	800	10,534	587,522
Liabilities								
Due to banks	1,791	—	—			—	—	1,791
Due to clients								
a) Savings deposits	—	—	—	—	—	—	—	—
b) Other liabilities	157,979		139,353	16,245	—	—	—	313,576
Certificated liabilities								
a) Issued bonds	—	—	7,575	429	40,568	9,376	—	57,948
of which medium-term notes	—	—	7,575	429	40,568	9,376	—	57,948
b) Other certificated liabilities	—	—	36,211	15,682	—	15,560	—	67,453
Provisions	589	—	—	—	—	—	—	589
Other liabilities	5,058	—	—	—	—	—	—	5,058
Total liabilities financial year	165,417	—	183,139	32,356	40,568	24,936	—	446,415
Previous year	138,003	—	300,113	25,359	11,807	56,043	—	531,325

Selected balance sheet items set to fall due in the 2009 financial year:

	Financial year	Previous year
Total asset items No. 5 "securities and precious metals held as non-current assets":	–	3,399
Total liability items No. 3a "issued debt securities"	8,004	900



Information about the balance sheet

Statement of receivables and liabilities vis-à-vis qualified parties and affiliated companies as well as loans extended to related parties and entities

	Financial year	Previous year
Receivables from qualified parties		
Due from banks	–	–
Due from clients	1,770,000	2,513,886
Receivables from qualified parties		
Due to banks	–	–
Due to clients	1,063,321	3,859,472
Liabilities vis-à-vis affiliated companies		
Due to legal entities	–	–
Receivables from intra-entity loans		
Board of Directors	–	–
Management Board	1,713,000	1,713,000

No significant transactions were recorded with closely-associated persons during the year under review.
All transactions with closely-associated persons are concluded in accordance with standard market conditions.

Foreign currency denominated assets and debts in CHF

	Financial year	Previous year
Assets	297,103,479	400,426,800
of which in EUR	191,364,318	252,060,681
of which in USD	38,910,761	84,350,273
of which in CAD	42,134,470	35,258,238
of which in ZAR	16,218,683	13,077,764
Debts	296,745,935	406,063,519
of which in EUR	191,398,624	251,848,872
of which in USD	38,830,680	84,238,604
of which in CAD	42,034,844	35,116,455
of which in ZAR	16,116,512	12,944,709

Important to note: all foreign currency items worth more than CHF 10 million are listed in the table

Composition of the balance sheet items «Other assets» and «Other liabilities»

	Financial year	Previous year
Other assets	2,214,479	6,986,525
of which:		
Positive replacement values forward foreign exchange transactions	1,158,367	6,523,211
Settlement account balance replacement values for forward foreign exchange transactions	–	–
Premium on financial investment bonds (accrual method)	89,670	33,673
Settlement accounts	966,442	429,641
Other liabilities	3,424,135	10,659,036
of which:		
Negative replacement values forward foreign exchange transactions	801,187	6,345,782
Settlement account balance replacement values for forward foreign exchange transactions	357,180	177,428
Discount on financial investments bonds (accrual method)	3,025	1,278
Settlement accounts	2,262,743	4,134,548

Structure of the client assets

Type of client assets (in CHF million)	Financial year	Previous year
Assets in funds under own management (investment company)	264,319	59,488
Assets with management mandate	208,457	197,576
Other client assets	3,585,373	2,440,970
Total client assets (incl. duplication)	4,058,149	2,698,034
of which duplication	812,354	570,834
Net influx of new funds	735,699	62,000



“We live in a dangerous age.
Man controls nature before he has
learned to control himself.”

ALBERT SCHWEITZER





Information about off balance-sheet transactions

Contingent liabilities

	Financial year			Previous year		
	Total	of which: secured with Lombard collateral	of which without collateral (unsecured)	Total	of which secured with Lombard collateral	of which secured with Lombard collateral (unsecured)
Credit backup guarantees and similar	3,985,550	3,985,550	–	1,168,050	1,168,050	–
Warranties and similar	200,000	200,000	–	200,000	200,000	–
Irrevocable liabilities	–	–	–	–	–	–
Other contingent liabilities	–	–	–	–	–	–

Open derivative financial instruments

	Financial year			Previous year		
	Replacement values		Contract volume*	Replacement values		Contract volume*
	positive*	negative*		positive*	negative*	
Forward foreign exchange contracts	1,158,367	801,187	429,404,822	6,523,211	6,345,782	379,710,152

* from trading activities

Replacement values correspond to the balance of the adjustment account.

Fiduciary transactions

	Financial year	Previous year
Fiduciary investments at third-party banks	80,605,835	11,839,175
Fiduciary investments at affiliated banks and finance companies	–	–
Fiduciary loans	–	–
Other fiduciary financial transactions	–	–

Information about the income statement



	Financial year	Previous year
Profits from trading activities	4,662,889	2,958,438
of which:		
Foreign exchange transactions	4,620,505	3,103,135
Cash transactions	42,384	-144,697
Securities trading	–	–
Precious metal transactions	–	–
Breakdown of staff costs	4,847,965	4,714,245
of which:		
Wages and salaries	3,842,687	3,712,102
Remuneration of the members of the Board of Directors	295,197	272,250
Social insurance contributions and support	351,653	338,021
Pension charges	262,379	252,377
Other staff costs	96,049	139,495
Breakdown of operating expenditure	3,253,735	3,825,582
of which:		
Cost of business premises	457,587	494,035
IT expenditure	923,332	714,214
Furniture	15,124	3,030
Other equipment	123,371	325,779
Other operating expenditure	1,734,321	2,288,524

In accordance with Art. 1092 subsection 9 lit. d of the Liechtenstein Persons and Companies Act, the salaries of the members of the Management Board are not disclosed.

Breakdown of the item «Other income from ordinary activities»:	1,297,017	794,824
of which:		
Income from property	554,400	554,400
Other income from ordinary activities	742,617	240,424





“Flowers are the beautiful hieroglyphics of nature with
which she indicates how much she loves us.”



JOHANN WOLFGANG VON GOETHE



Report by the Auditors

Report by the Auditors to the General Meeting of Bank Frick & Co. AG, Balzers

As auditors, we have audited the accounting records, the annual financial statements (balance sheet, income statement, notes and cash flow statement; pages 16 to 57) as well as the Annual Report of Bank Frick & Co. Aktiengesellschaft for the financial year ending 31 December 2009.

These financial statements and the Annual Report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these based on our audit. We confirm that we meet the legal requirements concerning professional qualifications 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 of material misstatement. We have examined the items and disclosures in the annual financial statement via analyses and data collected on the basis of random sampling. We have also assessed the accounting principles used, significant estimates made and the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the company's financial position, the results of operations and cash flows in accordance with Liechtenstein law. Furthermore, the accounting records, the financial statements and the Annual Report, as well as the proposed appropriation of the net income for the year, comply with Liechtenstein law and the company's articles of association.

The Annual Report is in accordance with the financial statements.

We recommend that the present financial statements be approved.

ReviTrust Revision AG



Egon Hutter
(Certified Public Accountant / Lead Auditor)



Rainer Marxer
(Certified Public Accountant)

Schaan, 17 March 2010



Being able to help shape a safer future is one
of the most valuable tasks there is.

(KUNO FRICK SEN., CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL DECEMBER 2008)



Company bodies and staff

Board of Directors

Dr. Mario Frick, Chairman of the Board of Directors, Balzers

Dr. Kuno Frick jun., Deputy Chairman of the Board of Directors, Balzers

Kuno Frick sen., member of the Board of Directors, Balzers

Yvonne Nägele, member of the Board of Directors, Schaan

Mag. Johann Fahrnberger, member of the Board of Directors, Schaan

Anton Mattli, member of the Board of Directors, Fairview (until 30.06.2009)

Management Board

Jürgen Frick, Chairman of the Management Board

Roland Frick, member of the Management Board

Gabriel Tschui, member of the Management Board

External Auditors

ReviTrust Revision AG, Schaan

Internal Auditors

Manfred Kaufmann

Staff

Jacqueline Banzer

Emanuel Bargetze

Ivo Beck

Alexandra Baumann

Hans-Peter Dietrich

Claudia Düringer

Hans Peter Dürr

Franziska Frick

Christa Garhammer

Melanie Gstöhl

Elisabeth Hasler

Karlheinz Hasler

Lucia Hidber

Erwin Keller

Christoph Lingg

Gaby Morger

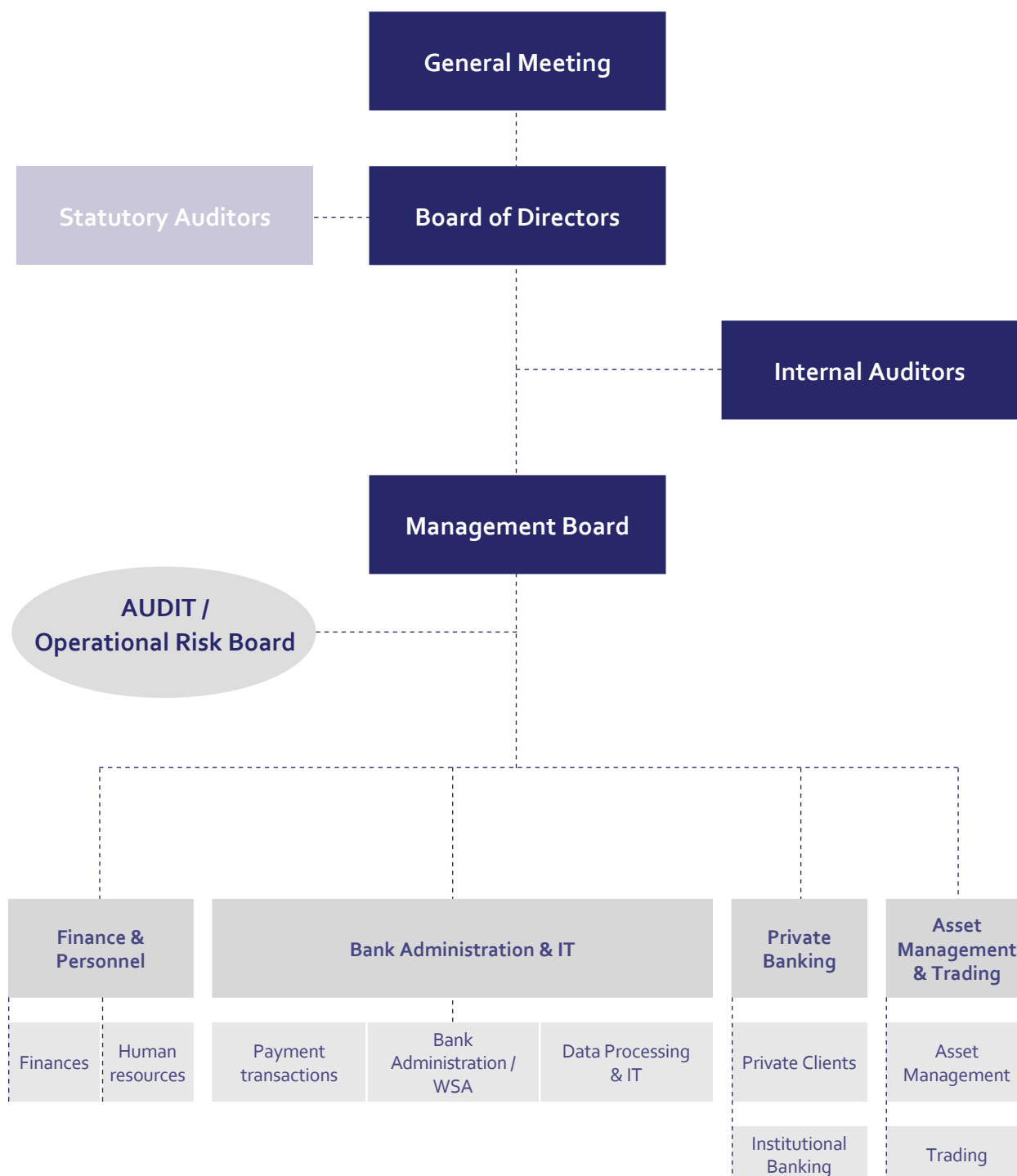
Michael Nasahl

Marc Rosenberg

Fabio Tschui

Caroline Vogt

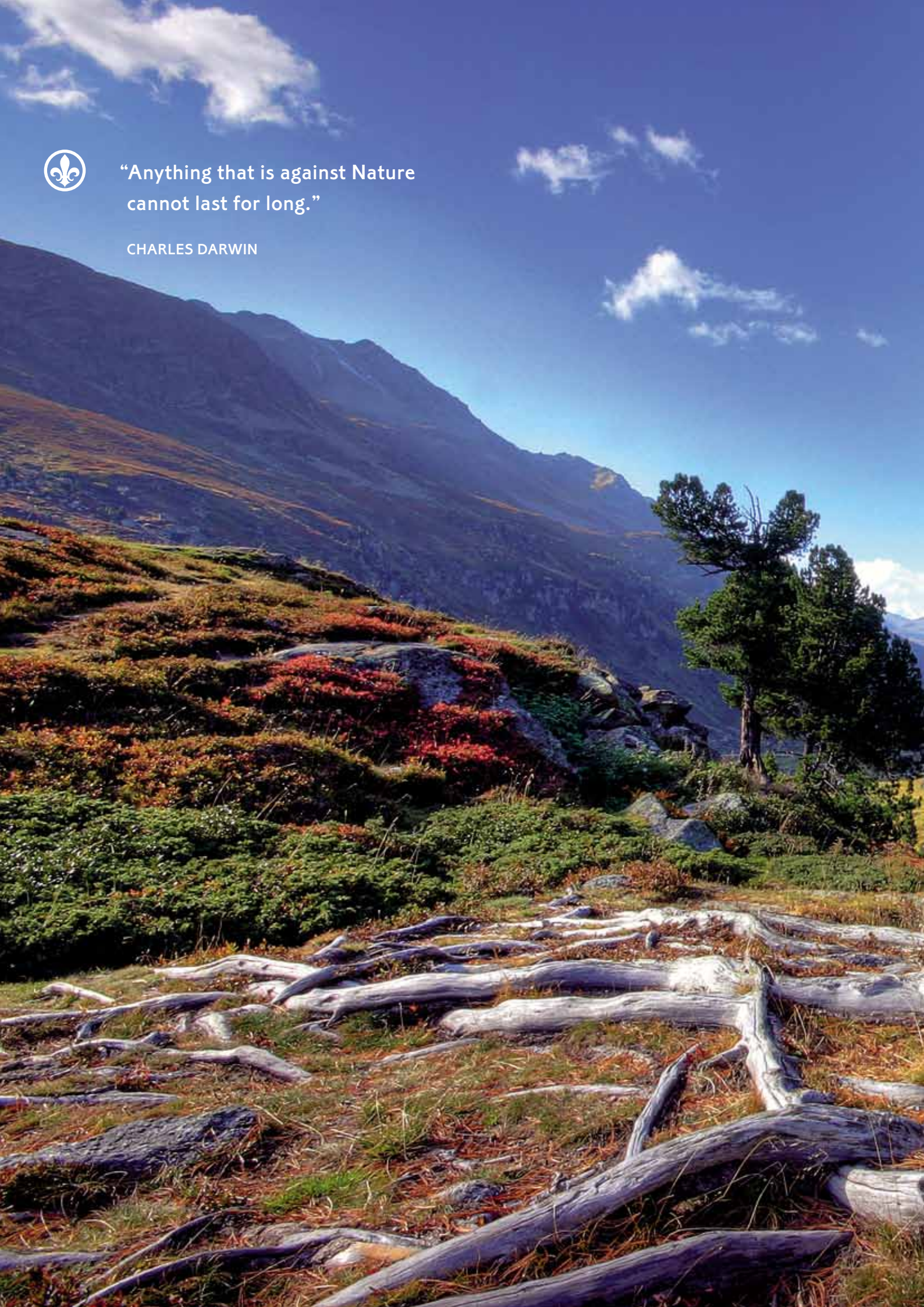
Edi Wögerer





“Anything that is against Nature
cannot last for long.”

CHARLES DARWIN







We view the quality assurance of our services and products as well as their continuous development as the foundation of a sustained and individual customer relationship.



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