



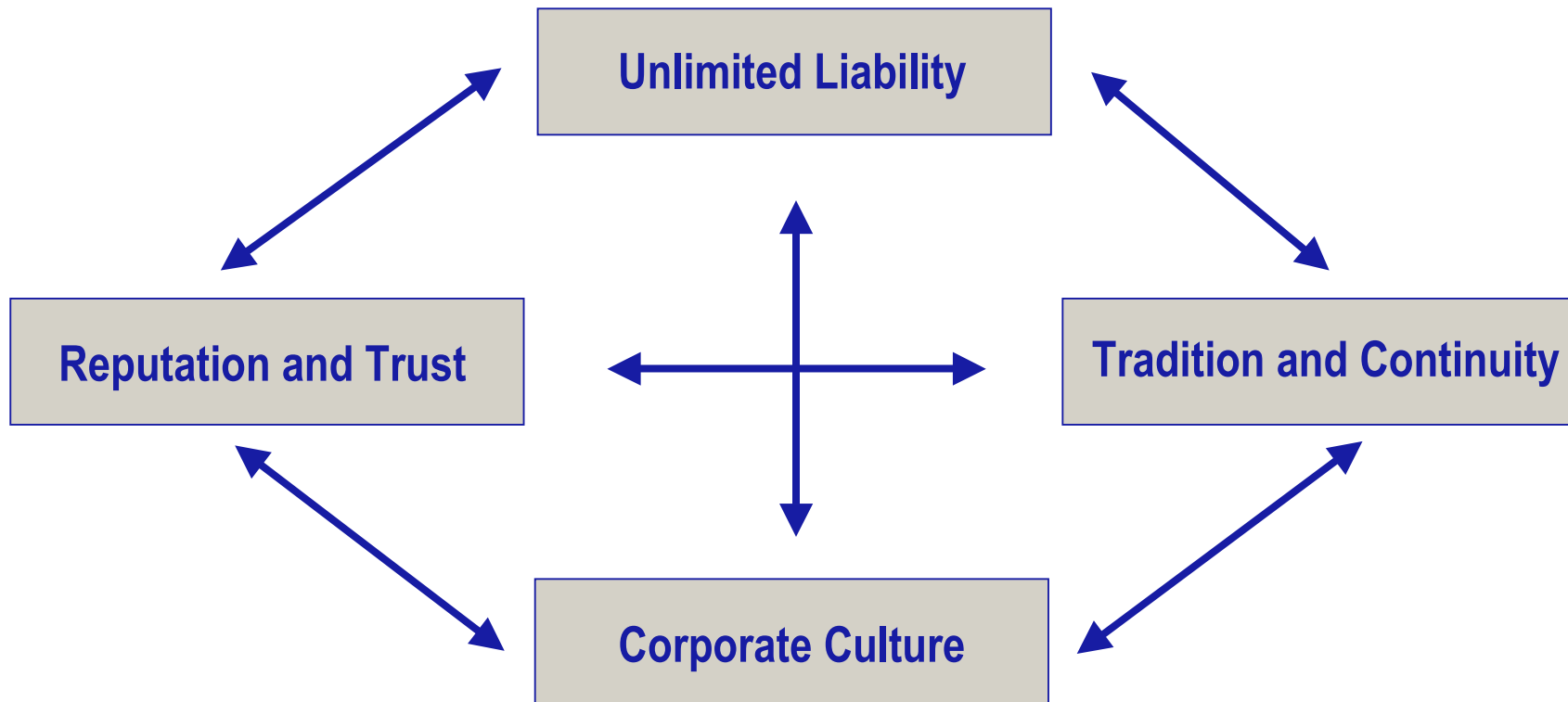
Lombard Odier Darier Hentsch

The expertise of building a reputation over 200 years

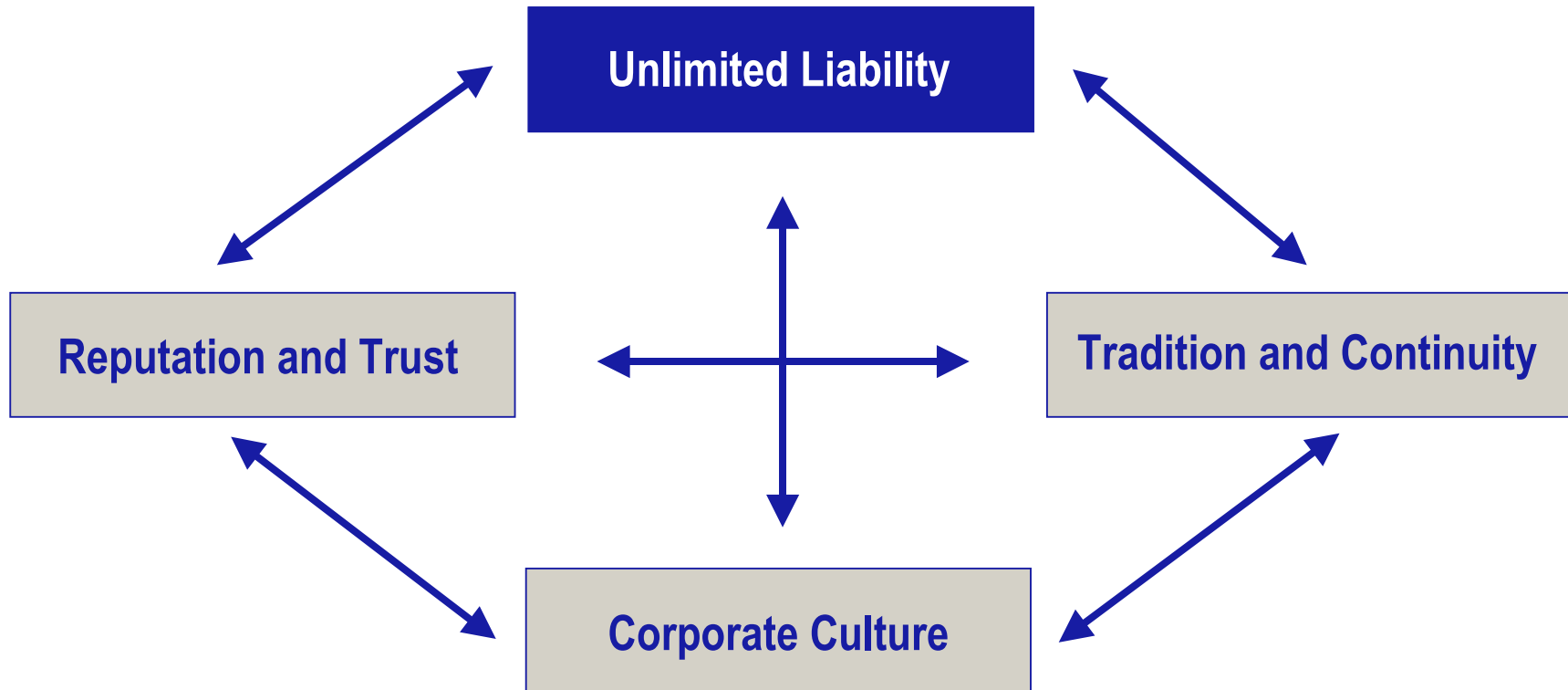
**Thierry Lombard, Senior Partner
Reputation Symposium
September 8, 2005**

The characteristics of a Private Banker

Source: Thesis "Die unbeschränkte Haftung im Private Banking, eine ökonomische Analyse am Beispiel der schweizer Privatbankiers", Barbara Eberle-Haeringer, Versus Verlag AG, Zürich 2005



A Partnership: unlimited liability of the Partners of the Bank



Hypothesis: "The legal form of a Partnership is an asset for building, maintaining and safeguarding the reputation of a company."

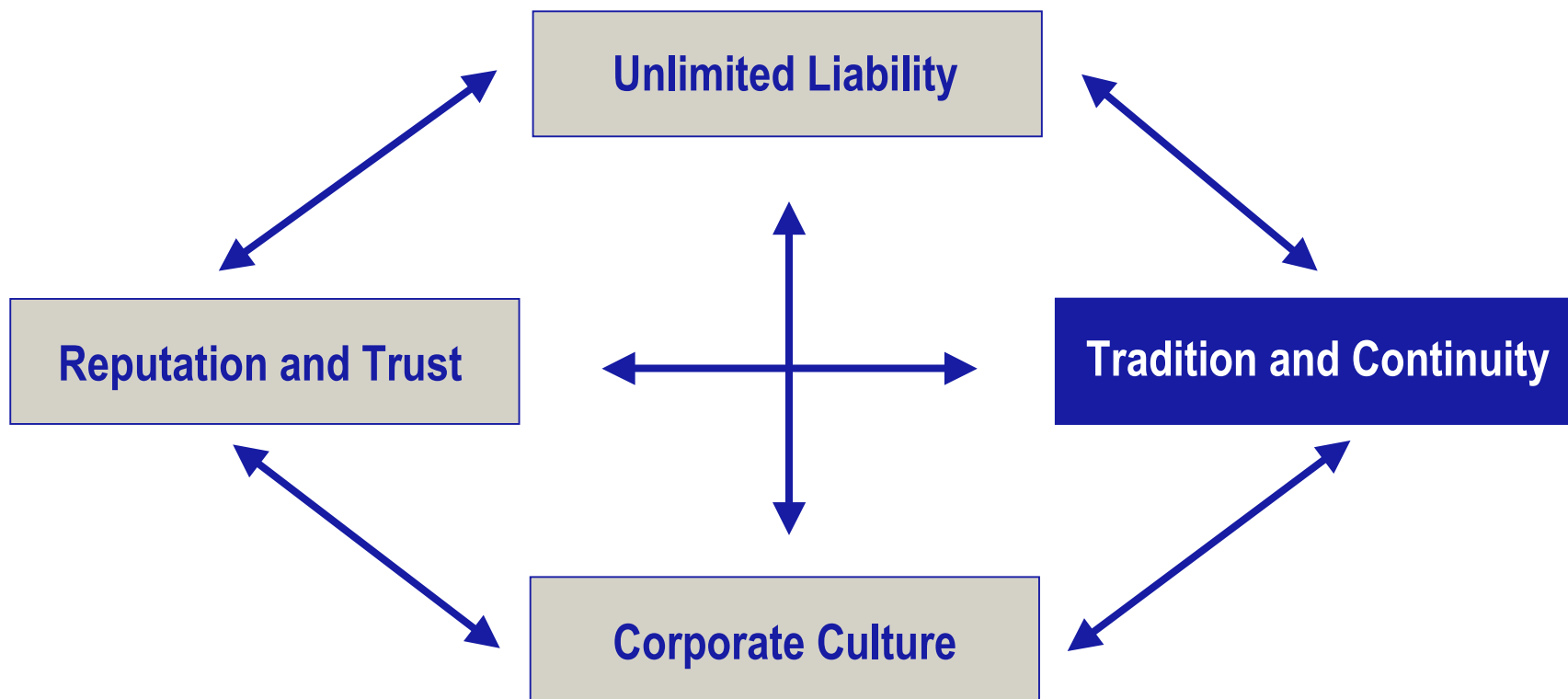


Unlimited liability, Art. 568 CO

- > Independence: no requirement to publish the corporate results
- > Long-term vision: with no pressure to publish quarterly results, the Partners can choose an optimal strategy, respecting the interests of the clients
- > Limited risk policy
- > Principal Agency theory: both owner and manager, less danger for dissymmetries of information and interests, a short decision-making process enabling fast reactions. It seems to be an ideal form of organisation.



Tradition and Continuity

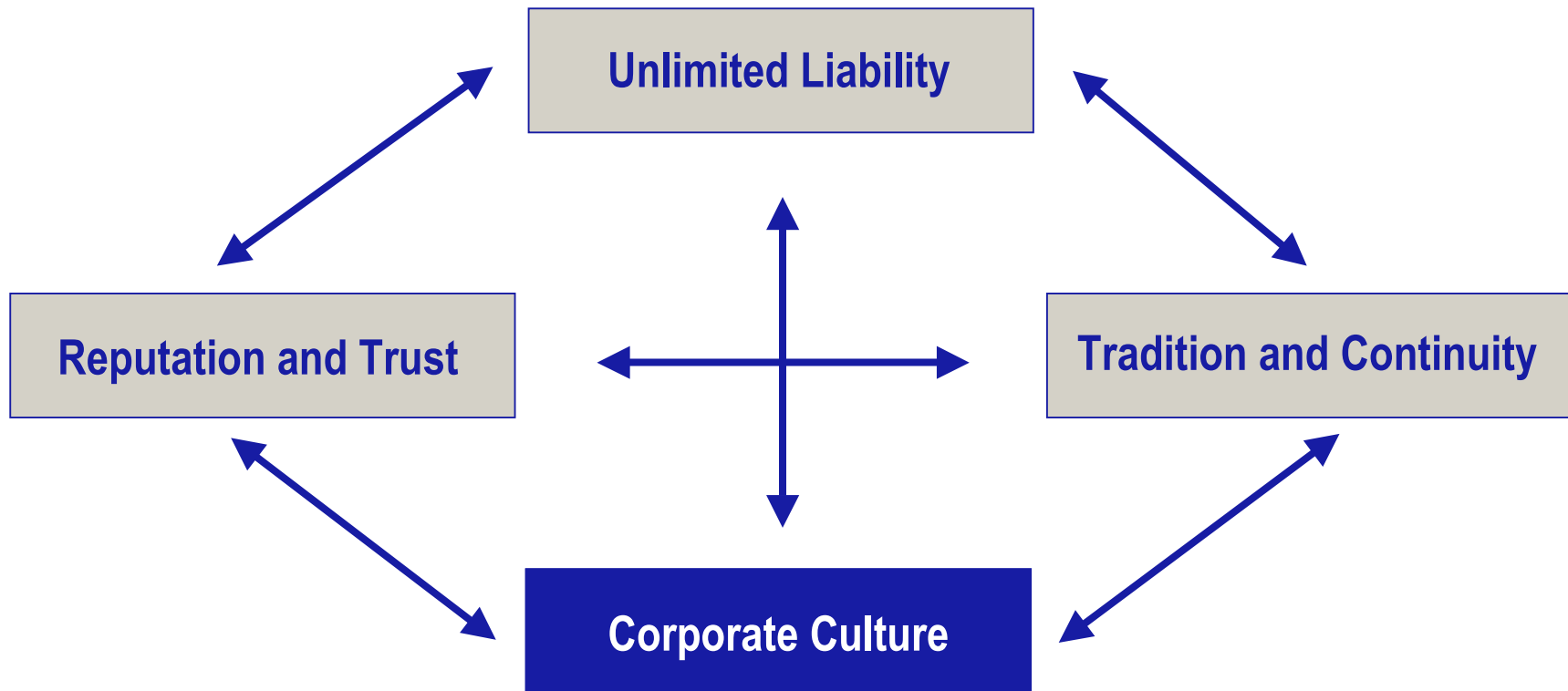


Tradition and Continuity

- > A Family Business for seven generations
- > A tradition maintained by the continuity of the leadership of the Bank and client relationships
- > A responsibility of the Partners to the clients and employees to hand down the Bank to the next generation
- > A long-term vision implies a sensitivity to socially responsible investment (SRI)



The Culture of a Private Banker



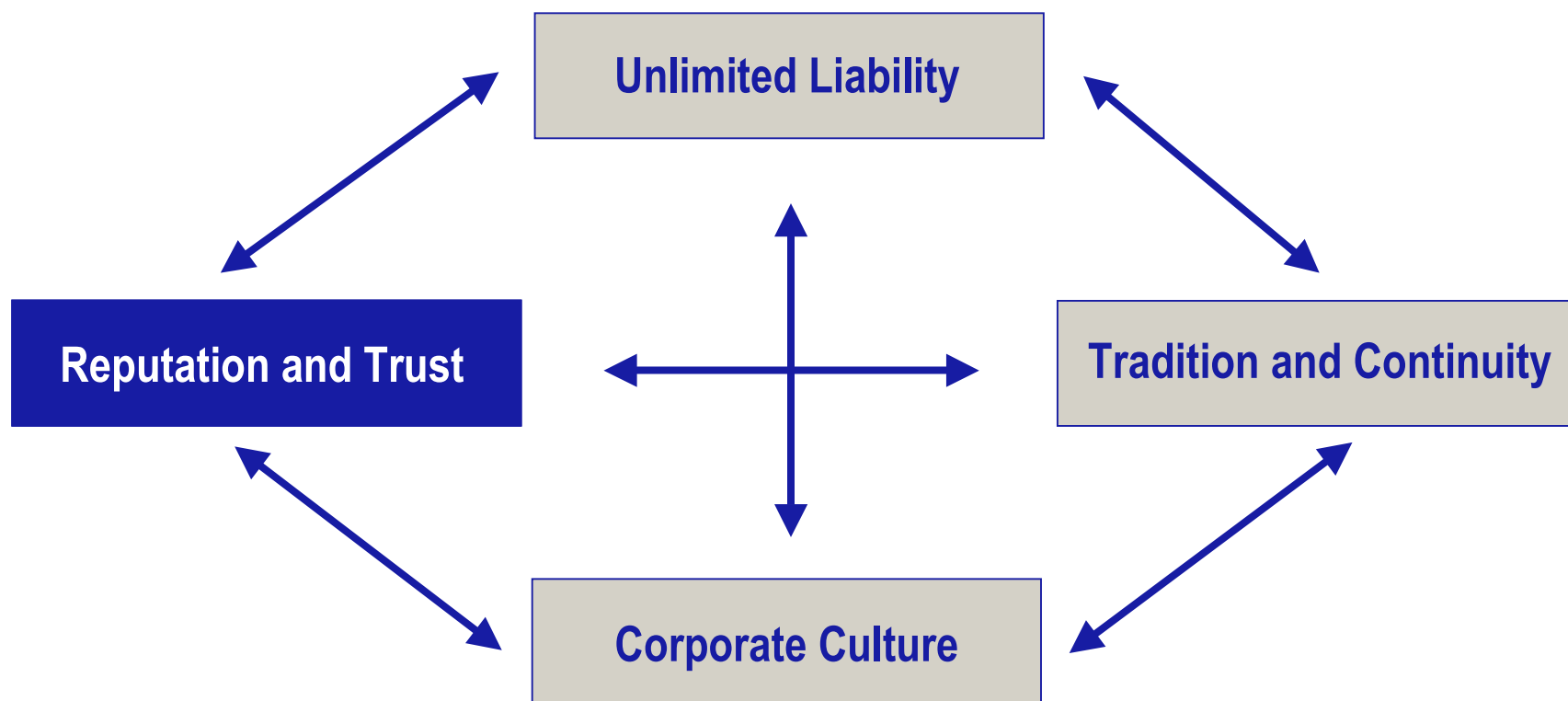
The Culture of a Private Banker

- > A Private Banker, a mastercraftsman
- > An influence of the Partners' characteristics on the company's culture and organization
- > Loyalty of the employees and the Partners
- > Art. 3 of the Partners contract:

"The bank is a commercial company whose aim is to make profit. However, the Partners will always keep in mind that the firm's main interest is to satisfy its clients' needs."

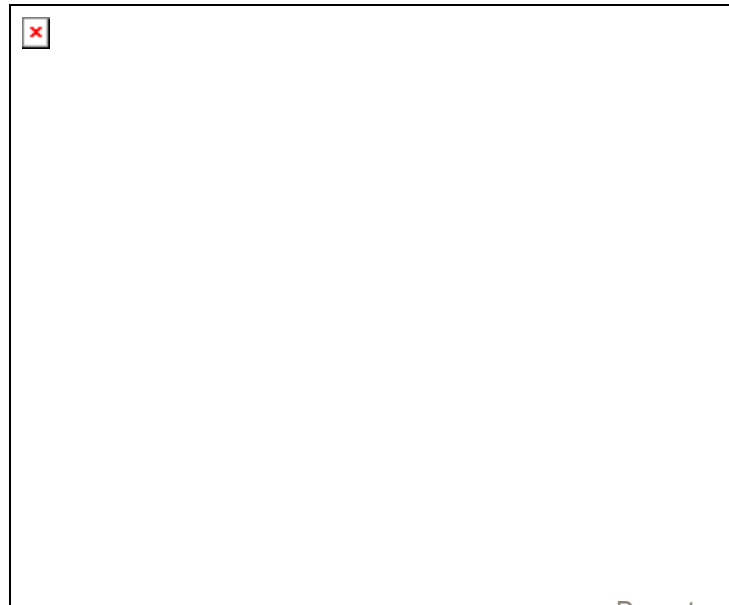


Building and maintaining Reputation & Trust

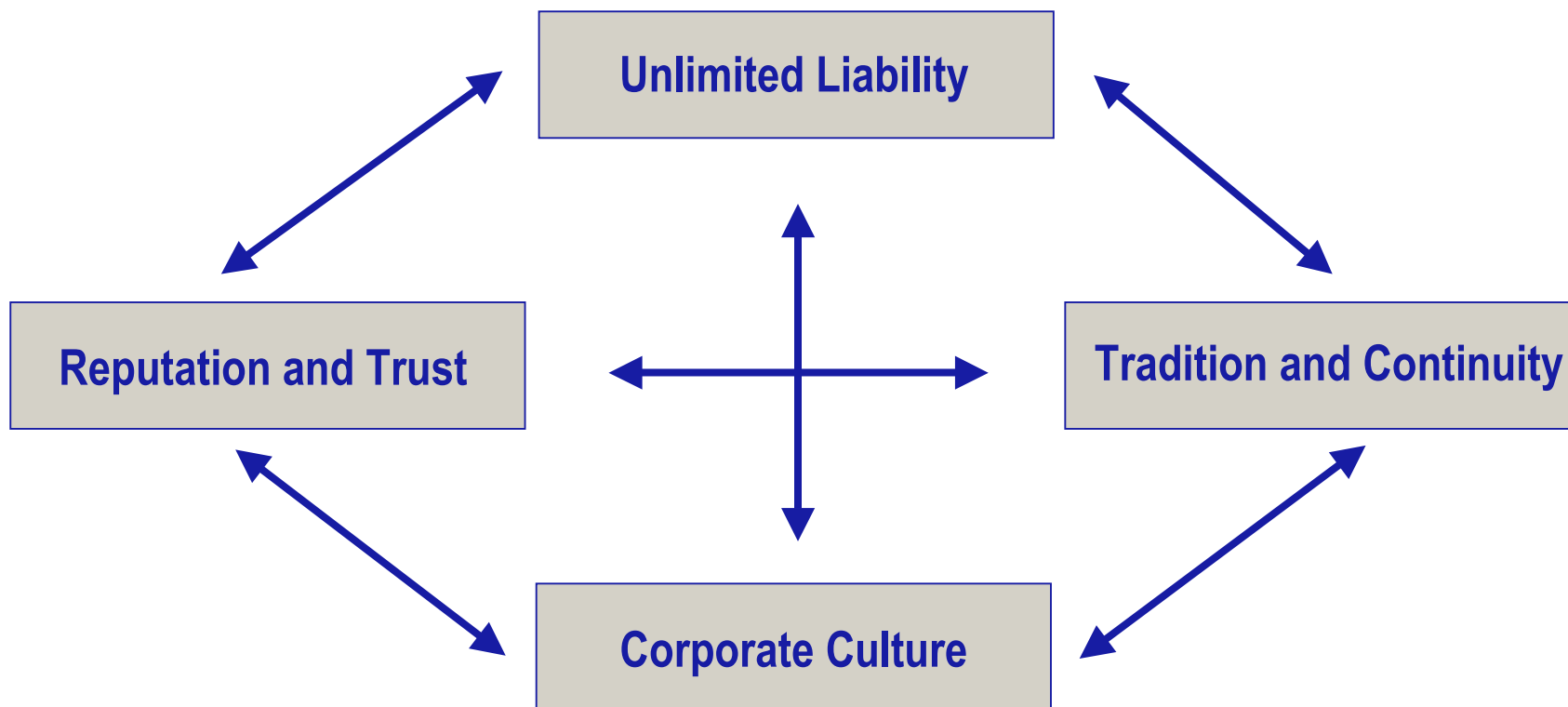


Building and maintaining Reputation & Trust

- > The example of the Partners, the "trustees" of the Bank
- > The importance of the staff, the "backbone" of the Bank
- > Consistency: commitment in all circumstances
- > Authenticity: Maintain your values and respect your roots



Conclusion



Conclusion : Our management of reputational risks

- > Preventive measures:
 - Clients: be restrictive in choices
 - Business: concentrate on "what you know"
 - Partners: listen to each other-the quest of a consensus

- > Corrective measures:
 - Clients: be able to abandon a client relationship
 - Business: be able to discontinue loss-making activities
 - Partners: managing implies taking decisions

Maintaining our reputation over the next 200 years means:

- knowing our business and its characteristics
- respecting the knowledge passed down over generations
- but remaining innovative



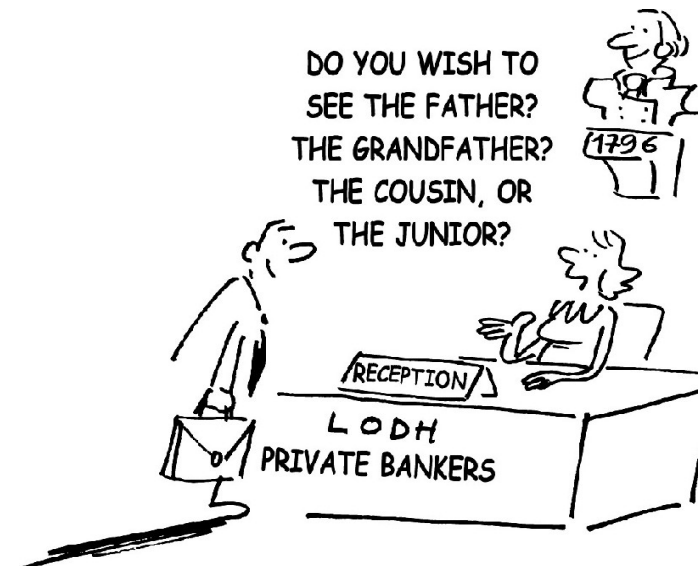
The Partnership, an asset for building, maintaining and protecting the reputation of a company

- > Trust
- > Security
- > Durability



Message from the Next Generation to the Senior Generation

- > **For the youngest: Tell them positive things about your company**
- > **During their studies: Realize that they need free rein**
- > **When they become young partners: Give them time and coaching**



GABS. portant information at the end of document



Message from the Senior Generation to the Next Generation

- > **Always be concerned about the future and be responsible towards your clients and employees**
- > **Don't take yourself too "seriously"**
- > **Work hard and think long term**
- > **There is always a solution if you use the collective knowledge**
- > **Always master what your competitors do but try to do it slightly better**
- > **Be "contrarians" especially when investing in the financial markets**
- > **As a Private Banker, be a marathon runner instead of a 100 meter sprinter**
- > **Make decisions even if they are challenging and be prepared to change them**
- > **Surround yourself with young talented people**
- > **Have fun and be proud of your firm and family**



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