

Media release

Reduced Profits at Clariden Leu

Zurich, February 12, 2009 – In the financial year of 2008, Clariden Leu achieved net revenues of CHF 1.4 billion (-21%). The financial crisis and weak financial markets with falling volumes had an impact on the annual results.

In a very challenging market environment, the Swiss private bank Clariden Leu achieved net revenues of CHF 1.4 billion in the financial year of 2008 – 21% down on the previous year. This development is the result of lower transaction volumes, reduced product business due to the changed market conditions, and a fall in volume-based commission income.

As a result of strict management of expenditure, operating expenses without one-off effects declined to CHF 851 million (-14%). In view of the challenging market environment, the cost/income ratio of 56% is satisfactory and reflects the continuing high profitability of the bank. In the current market environment, Clariden Leu is benefiting from the fact that its cost base has not been burdened by an aggressive growth strategy in the past two years.

Net profit for 2008 amounted to CHF 212 million. The pronounced reduction compared to the previous year is partly due to a market-related drop in income. However, extraordinary provisions and losses – particularly in relation to the close-out of a client's position in Asia of CHF 190 million – also influenced the annual results. Client assets under management fell to CHF 94 billion because of the weak performance of the financial markets. Net new assets were down: Clients deleveraging and outflows in the asset management business amounting both together to CHF 3.2 billion resulted in negative net new assets of CHF 1.1 billion. The inflow of new assets in the private banking business, though encouraging, could not compensate for the deleveraging and the developments in asset management.

Further Strengthening of Market Position

The situation in the international financial markets will remain challenging in 2009. Starting from a position of strength, Clariden Leu has committed itself to a policy of ongoing development for the bank in the current financial year. Clariden Leu is very well positioned in the private banking market and enjoys an excellent reputation. Furthermore, the bank is well capitalized and has high liquidity reserves at its disposal. In the current financial year, Clariden Leu will continue to examine any opportunities that present themselves.

Clariden Leu Group: Brief Overview of Figures (US GAAP)

December 31, in CHF mn	2008	2007
Net revenues	1 391	1 763
Operating expenses	1 131	993
Net profit	212	626
Cost/income ratio ¹⁾	56%	49%
Tier 1 ratio	12%	11%
Assets under management (in CHF bn)	94	129
Net new assets (in CHF bn)	-1.1	2.9

1) Cost/income ratio calculation:
Total operating expenses minus commission expenses, minus losses, expenses for value adjustments and provisions in relation to total net revenues minus commission expenses

If you have any questions, please contact:

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