An altogether irritating year

According to the history books, the day that heralded the worst crisis in the capitalist economic order was October 25th, 1929, or Black Friday. Insolvencies, bank failures, mass unemployment and the impoverishment of vast sections of the population, together with social and political crisis, were the consequences. No one believed that a crisis on this scale could ever remotely be repeated. And yet, in 2008, the international financial economy suffered one of its greatest upheavals since the Depression. The structural repercussions of the misguided developments that have endangered the entire system will no doubt continue to be keenly felt in 2009.

At the start of the year, even renowned economists would not have thought it possible that the overheated US sub-prime market would lead to dramatic financial collapse, to bailouts by the central banks and to recession on a global scale. The financial system was shaken to its foundations and, with trust between market participants at rock bottom, interbank trading came to a virtual standstill.

Despite everything, rays of hope

This uncertainty was also reflected on the equity markets and, despite our conservative investment approach, unfortunately affected the performance of AAM Privatbank’s client portfolios and of the shareholders’ equity the Bank invests for its own account. Nevertheless, there were rays of hope in what was, overall, a disappointing year for investors. During the period under review, thanks mainly to excellent risk control, AAM Privatbank held no positions in American banks that are now defunct or in bankrupt investment funds.

Alternative investments, on the other hand, and in particular Funds of Hedge Funds, turned out to be a disappointment. This investment class failed to live up to its claim to generate positive absolute returns regardless of underlying trends in the market, even if the slump in its performance was less dramatic than other equity positions. The low level of liquidity in funds like these will occupy us in 2009, and we will have to continue handling the selection criteria for these investments very restrictively.

More intensive market development

During the year under review, we carried out intensive work on our strategic realignment. As part of it, we reorganized our acquisition network in Switzerland and abroad. In Germany and France, for instance, we finalized new cooperation agreements with regional banks, and also established our own team for the eastern European region. In this connection, we also stepped up cooperation with our subsidiary, ATAG Private Client Services, because in emerging markets especially it is only possible to offer asset management together with individually tailored all-round solutions and structures.

As regards product development, we focused mainly on the launch of institutional funds. These are cost-transparent and easily monitored, and thus very much in demand from institutional clients. In the year ahead, we are planning to make this interesting range of products available to our private clients as well.

Profits down on back of crisis

AAM’s income statement reflects the upheavals taking place on the financial markets. Negative performance resulted in a reduction in assets under management, which has in turn had a direct influence on commission earned. At 25.9 million Swiss francs, revenues from net fee and commission income were about 18% below budget and 15% lower than last year. As a result of the financial crisis, the net income from trading operations, i.e. management of the shareholders’ equity, showed a loss of 2.6 million Swiss francs. Overall, this resulted in net earnings of 32 million Swiss francs (17% lower than in 2007). By contrast, personnel costs were
down by 9% to 14.7 million and other operating expenses by 10% to 12 million Swiss francs compared with 2007. In 2008, AAM Privatbank saw its profit fall by almost 40% over the previous year.

**Sculptural architecture**

In a clear reference to our core competence and strap line — “AAM Privatbank — The Wealth Builders” — this year’s Annual Review is dedicated to the illustration and explanation of “sculptural architecture”. The interplay between architecture and sculpture is one of the most fascinating artistic phenomena of the 20th century. The installation art of the 1970 transformed sculptures into architectural forms that viewers could enter and explore, while architects began to design buildings that looked much more like sculpture. I trust you will enjoy perusing these architectural works of art and would like to take this opportunity to thank you for your ongoing trust and confidence in AAM Privatbank.

I would also like to express my gratitude to all our employees for their untiring efforts and commitment to our clients in what are certainly not the easiest of times.

Prof. Dr. Conrad Meyer
Chairman of the Board of Directors

The Board of Directors
Dr. Beat Oberlin = Prof. Dr. Conrad Meyer, President = Dr. Thomas Bachmann = Jean-Daniel Neuenschwander
Still on course, despite setbacks

From the point of view of the markets, the past twelve months will remain imprinted in our memories as an “annus horribilis”. Never in the history of the financial markets was so much capital value wiped out in such a short space of time as in 2008. The second half of the year in particular was marked by financial crisis, economic woes and unprecedented volatility. Short-lived phases of recovery were followed by even more drastic price collapses. Even the billions injected into the system by the central banks only gradually began to alleviate the crisis of confidence interbank lending. In May 2008, liquidity shortfalls led to the sale of Bear Stearns to J.P. Morgan and, just four months later, in September, to the takeover of Merrill Lynch by the Bank of America and to the failure of Lehman Brothers. Events finally culminated in the transformation of investment houses Goldman Sachs and Morgan Stanley into purely commercial banks. In Switzerland and the rest of Europe, too, many well-known banks were saved only thanks to state intervention.

Losses in all investment classes

The crisis of confidence led to dramatic falls in prices on the equity and commodities markets, but also pushed down the prices of non-government bonds. In the alternative investments sector, a number of hedge funds managed to avoid the worst of the negative trends, but failed to live up to their much-vaunted claim to generate positive returns in any economic scenario.

With the exception of liquid funds, just about every investment category and all the financial markets were affected, which made any active intervention increasingly difficult. Apart from equities and structured products, the bonds issued by companies with previously first-class credit ratings were also affected. We were even obliged to restructure our fixed-term deposits, moving them from top-class big banks to cantonal banks, which are guaranteed by the state. At AAM Privatbank, we did everything in our power to ensure the quality of our portfolios and to protect our clients from default risks that might occur at any time. In view of the current situation on the financial markets, we expect 2009 to be another rather troubled year with no shortage of volatility on the equity markets.

Acquisition and training

During the year under review, the main focus of our project management was on the expansion of our acquisition network and the introduction of specific, personalized client service concepts, together with training in tax and insurance, and their increased use in the investment process. In the investments sector, the outstanding event was the launch of institutional investment funds specializing in Swiss equities, Swiss bonds, European equities and US equities. Themed funds, focusing on alternative investments and real estate, will follow in 2009. Preparations were also made for two IT projects focusing on the Internet and Intranet, and these will go online in the course of the current year.

Drain on income statement

As glance at our income statement will show, these turbulent times have not only been marked by uncertainty and reticence on the part of our clients but also severely restricted our portfolio managers’ freedom of movement. They have also affected our own trading portfolios, which we manage using the same strategies applied to our clients’ accounts. In 2008, the shareholders’ equity was down by around 22%. At the same time, commission income fell by almost 19% and management fees by about 15%. On the other hand, operating expenses were almost 10% lower than in 2007 as a result of the reduction in performance-linked salary components as well as economies in other operating expenses.
During the year under review, we decided to sell our subsid-
iary in Luxembourg. The decision came following a reassess-
ment of Luxembourg’s attractiveness as a private banking
market and recent moves by AAM Privatbank to establish
alternative new distribution channels in the EU area. In the
Nord Europe Private Bank (NEPB), a Groupe Mutuel subsid-
iary in France, we were fortunate in finding a well-known
buyer which will retain its ties as a distribution partner with
AAM Privatbank.

Our Basle subsidiary, ATAG Private Client Services Ltd, pub-
lished another outstanding set of results in 2008. As already
mentioned, we substantially strengthened our ties during
the period under review. In foreign acquisitions especially,
the two companies made optimum use of their mutual syn-
ergies. There are plans to expand cooperation still further
in 2009.

Our clients: the focus of all we do
The year 2008 will undoubtedly go down as one the most
difficult in financial history. Over the past few months, our
client advisers have had more than their share of difficult
moments, but whatever we do, the most important thing is
that our clients receive ongoing information and the per-
sonal service for which we are renowned. I should like to
express my sincere gratitude and appreciation to the entire
staff at AAM for their untiring efforts and hard work in the
service of our customers.

Ralph P. Sauser
Chief Executive Officer
AAM PRIVATBANK

WHO IS WHO

**Sole shareholder**
Basellandschaftliche Kantonalbank (BLKB)

**Board of Directors**
Chairman:
Prof. Dr. Conrad Meyer, Grüningen

Members:
Dr. Thomas Bachmann, Stettlen
Jean-Daniel Neuenschwander, Oberwil
Dr. Beat Oberlin, Münchenstein

**Statutory auditors**
Ernst & Young Ltd, Zurich

**Executive Board**
Ralph P. Sauser, Zurich (CEO)
Andreas Keller, Zurich

**Gräff Capital Management AG, Zurich**
Managing Director:
Markus W. Gräff

**ATAG Private Client Services Ltd, Basle**
Managing Director:
Dr. Igor Rusek
AAM PRIVATBANK
ORGANIZATION CHART

Chief Executive Officer
Ralph P. Sauser

Corporate Center
Ralph P. Sauser

Investments
Andreas Keller

Private Banking
Ralph P. Sauser

Institutional Clients
Andreas Keller

Subsidiaries
Ralph P. Sauser

Human Resources
Andreas Martin

Marketing
Christine Jakob

Business Development
Jouke Douma

Credit Risk Control
Rudolf Küpfer

Compliance & Control Desk
Daniel Hertler Casagrande

Members of the Executive Board

Strategic Committee & Fund Research
Daniel Knuchel (CIO)

Research & Product Management
Werner Huber

Portfolio Management
Private Clients
Roland Bart

Portfolio Management
Institutional Clients
Daniel Knuchel

Geneva branch
Nabil J. Sab

Zurich branch
Monica Käser

Biel representation
Urs Früti

Lausanne representation
Catherine Cherpillod

International Private Banking
Christoph Hägin
Natalyia Kondratsova

Basle branch
Beat Brügger

Berne branch
Urs Früti

Client advisory Berne
Adrian Zbinden

Client advisory Zurich
Andreas Keller

Gräff Capital Management AG, Zurich
Markus W. Gräff

Gräff Private Client Services Ltd, Basle
Dr. Igor Rusek
AAM PRIVATBANK

HOLDING STEADY IN STORMY SEAS

AAM and the financial crisis

The current crisis in the financial system affects AAM Privatbank only indirectly. The main reason for this is that ever since our company was founded, it has resolutely stuck to its policy of being an independent asset manager in Switzerland. Asset management was a department of ATAG General Auditing Company Ltd., which was founded in 1917. Following the merger of Arthur Young with Ernst & Whinney and the creation of ATAG Ernst & Young in Switzerland, it was split off in 1991 and has since established its position as an independent company. Since 2000, the Basellandschaftliche Kantonalbank (BLKB) has been AAM’s sole shareholder. Thanks to BLKB, we not only stayed on course and retained our independence but also found a shareholder with the highest-possible AAA rating. After operating as a securities trader since 1991, AAM was authorized to operate as a Swiss bank by the Swiss Federal Banking Commission in August 2007.

Active risk control

AAM Privatbank is inevitably exposed to this counterparty risk in the Swiss interbank market. Through this market, the banks work closely with the Swiss National Bank to supply each other with short-term money. As a private bank, AAM’s role here is more usually that of creditor rather than borrower. The aim of our risk control, then, is to assess potential dangers and identify possible domino effects in advance. Back in summer 2008, we therefore pruned the list of institutes with whom we do money market dealings to a few trustworthy partners with top credit ratings.

But on the capital market, too, risk monitoring is one of the most important duties carried out by our bank. A clearly defined control process protected AAM Privatbank and its clients almost entirely against the dangers of counterparty risk. However, we did not emerge unscathed from the secondary effects on the financial markets and the real economy. But by adopting an astute investment strategy, we were at least able to limit them.

Avoiding risky operations

Even after being granted bank status, we consciously decided not to offer investment banking, commercial banking or mortgage services as part of our portfolio, or only to do so as an additional service for existing clients. With hindsight, the decision to limit our operations turns out to have been strategically sound.

The risk models used by the big investment and commercial banks focused too closely on the evaluations of the rating agencies and, at the same time, paid too little attention to extremes of volatility and the increasing correlation between all investment classes. Generally speaking, they assumed things would proceed as usual, ignored worst-case scenarios and failed to ask whether the overall system would be able to bear the strain in the event of an emergency. It was the failure of Lehmann Brothers on September 15, 2008, that suddenly made systemic and counterparty risks the increasing focus of general attention.
Richard Serra
Intersection
Theaterplatz Basle, Switzerland
Professionalism and integrity

Advisory, Engineering and Selection, i.e. consulting in its widest sense, individually structured solutions and the painstaking selection of investment instruments: these are the three core competences that contribute to AAM PrivatBank’s market positioning as a Wealth Builder. We nurture these three success factors by regularly contacting our clients to analyze their needs and using our in-depth understanding of the markets and products to identify the best individually tailored solutions. Because we are a relatively small company, we are able to react swiftly to changes in the financial markets and, wherever necessary, develop critical appraisals of strategies in consultation with our customers. Our undisputed independence when it comes to selecting products proved particularly valuable in a turbulent year for the equity markets. It became clear that selecting the right investment instruments combined with an emphasis on quality criteria is crucial. Many investors last year probably grasped this only when it was too late.

Integrity generates trust

However, even mastering theoretical principles is not enough by itself. The ability to put them into practice, coupled with sound judgement, is also important. This became particularly clear last year. Trust evaporated in many sectors as, at times, panic took over and clients became justifiably anxious. We were forced to admit that in recent years many market participants and advisers have increasingly lost sight of what their real role consists in. Banking, and private banking in particular, is only credible if it is founded on trust and a genuine, active desire to secure real benefits for the customer. This calls for integrity and an awareness of virtues such as moderation and fairness combined with sound common sense. This is why, when selecting candidates, we focus not only on professional qualifications but also on such personal characteristics. Only in this way can we continue to offer our clients transparent, independent advice combined with fair, practicable solutions.

All-round advisory services

Today, client advisers do more than answer questions of a purely financial nature. They need to know their clients because they share responsibility for the financial foundations on which they build their lives. They must be able to offer comprehensive solutions that cover all the issues important to their clients. When these issues become more complex, they can call on the Bank’s own in-house specialists. AAM Privatbank can boast a solid core of expert knowledge, which is, of course, continuously updated and enhanced. The basic and further training of our advisers was a major priority last year, too. The topics dealt with included tax and inheritance law, succession planning and the purchase of real estate in Switzerland and abroad. In the years ahead, we shall continue to do all we can to help our employees develop their full potential.

Our own events

In the course of the year, we once again had the pleasure of welcoming a large number of clients, business associates and new guests to our many cultural and sporting events. Our guests were able to start 2008 on a suitably note with The Italian Tenors, who gave an evening performance at Rapperswil Castle early in the year. Tenors Mark Janicello, Aldo Bertolo and Andrea Coronella, accompanied by pianist and producer Daniel Moos, treated the audience to a journey through 100 years of the tenor voice. The highlight-filled evening was imbued with the spirit of the south and the audience was captivated by a program that included Torna a Surriento, Granada, Funiculi, Mattinata, Questa o Quella, Nessun Dorma and La Donna è mobile.
The start of the year also saw the launch of a new series of events: the AAM Financial Circle. After the publication of AAM Asset Navigator® every quarter, we gave interested readers the opportunity to benefit from an in-depth, detailed discussion of the specific topics addressed in the company of financial experts.

In spring, during the run-up to EURO 08, we invited our guests to the Stade de Suisse in Berne, where they enjoyed an exclusive talk by Ernst Lämmli, representing the Swiss National Football Team, on the subject of “Hopes and Expectations”. The event was rounded off by a stock market outlook presented by Andreas Keller, member of the AAM Privatbank Executive Board.

**Sponsored events**

As in 2007, AAM Privatbank was a hospitality partner for the St. Moritz Opera again last year. “Otello — a tale of intrigue, love and death in Venice”, the melodrama by Gioacchino Rossini, proved to be a very special operatic experience performed in exceptional surroundings. The Classic Nights in Berne provided another opportunity to listen to outstanding music. The famous soprano Emma Stimimann, accompanied by pianist Michael Donkel, thrilled the audience with works by Mozart, Bellini, Strauss, Schubert and many other composers.

In 2008, AAM Privatbank acted as co-sponsor of the Basle Tattoo for the very first time. The Basle Tattoo is the world’s second-largest event of its kind, and has become enormously well known and popular in the few years since it was founded. By combining musical classics and modern interpretations, dance, rhythm and absolute precision, this spectacular, multifaceted show casts its spell over new enthusiasts every single year. Our guests were entranced by the evening performances, which were vibrant with sumptuous colors and innovation but provided a continuous reminder of their traditional roots. We shall continue to support this event as part of our cultural sponsorship program in 2009.

One event that has now established itself as a veritable institution are the Murten Classics, and in 2008, we were proud to celebrate its tenth anniversary. Unfortunately, the weather decided it wanted no part of the festivities and the concert had to be held in the German Church. However, this in no way dampened the good spirits of the audience, which took enormous delight in the fine Italian music. Performing works by Paganini, the Orchestra Filarmonica 900 del Teatro di Torino, conducted by Kaspar Zehnder and accompanied by pianist Patrizio Mazzola, treated our guests to the exhilarating world of Italian sound and harmony. After the concert, we retired with our guests to the comfort of Münchenwiler Castle, where we raised our glasses to the Italian virtuosi in appreciation of a superb performance.

Our new partnership with the Kunsthaus in Zurich, the city’s largest art museum, deserves special mention. During the year under review, AAM Privatbank co-financed the Saul Steinberg “ILLUMINATIONS” exhibition and, thanks to its status as sponsor, was able to invite its guests to the exclusive preview. After a greeting by museum director, Christopher Beck, the curator, Dr. Tobia Bezzola, took us through the Saul Steinberg exhibition. This tour revealed some surprising parallels between our own company and Saul Steinberg. For example, the artist was born in 1914, exactly three years before what was then known as ATAG General Auditing.
Company. Architecture fascinated him throughout his entire life. He was a close friend of the architect Le Corbusier who was renowned for the clarity and simplicity of his designs. This, too, is reflected in the colors and visual language used to convey our own image as wealth builders. But Steinberg also loved innovation and modernity, and was deliberately somewhat provocative. Innovation, in the sense of improvement and openness to new ideas, is something we also hold dear. Well over a year ago, for example, we introduced a “fee-back guarantee” for our clients. This made us the first Swiss bank to offer such an innovative, client-friendly model for asset management by a bank (portfolio management agreement).

Putting clients first
The first “Ladies Invest” event, held at the Bucherer watch and jewelry store in Basle, proved to be a total success. Tradition and consulting skills in the field of valuable assets, the underlying values that link the activities of AAM Privatbank and Bucherer AG. The female guests showed a keen interest in talks on the development of Bucherer’s Lacrima jewelry range and the subject addressed by AAM: “Women investing in their future”.

In 2008, we were honored to welcome Ulrich Tilgner as guest speaker at two of our traditional events, the reception at the Zurich Stock Exchange and the fall event in Basle. The well-known Middle East correspondent provided our guests with a fascinating insight into the crises currently besetting the region and the development of oil prices. Talking about key investment issues for 2009, Andreas Keller, Head of Investments and a member of the AAM Privatbank Executive Board, told the audience that the stock markets would continue to face difficulties in the coming year and advised listeners to prepare themselves for the expected recession.

Entrepreneurship prize
As in 2007, we again acted as sponsors for the Espace Mittelland regional entrepreneurship award. The organizer of this award, the Swiss Venture Club (SVC), has shown enormous initiative in promoting entrepreneurship and helping small and medium-sized businesses. Every year, it presents six innovative finalists who have been particularly successful and forward-looking in bringing new ideas to process and product development and in opening up new markets. The winners of the 2008 prize were Cendres+Métaux from Biel.

We were particularly happy about the company’s triumph because Cendres+Métaux and AAM Privatbank were, for many years, joint sponsors of the sports personalities Marcel Fischer and Deborah Büttel. Marcel Fischer, who won an Olympic gold for fencing in 2004, announced his retirement from top-flight professional sport in November 2008. We wish him all the best and every success in his future career as a doctor. After working with him for more than ten years, we look forward to maintaining the friendship that grew between us. Our cooperation with Deborah Büttel, who was Swiss champion in both the 5,000 and 10,000 meters, has also been very rewarding.

Another long-standing partnership in our sports sponsorship came to an end in 2008 with the retirement of Luzia Ebnöther (Zurich AAM). We should also like to thank her for our many shared successes, in particular the silver medal at the Olympic Games in Salt Lake City. In autumn of 2008, AAM Privatbank began sponsoring the Berne AAM curling team, a youthful and ambitious squad under the leadership of skip Michèle Jäggi.

We are proud to be of assistance to our young partners on their road to success.
2005 Santiago Calatrava Turning Torso Malmö, Sweden
AAM PRIVATBANK
INSTITUTIONAL CLIENTS

Needs-related solutions
AAM Privatbank considers itself as a specialist in institutional investment business. We use a clearly structured investment approach to offer mixed and category-based investment solutions to pension funds, foundations, associations, family offices and other institutional investors. Our yardstick at all times here is the demanding requirements of institutional clients. Our aim is to offer them tailor-made products and services combined with above-average performance and quality advice. In order to achieve these goals, we invest in continuous improvement of the investment process and our product and service portfolio, and in the training of our employees.

Institutional funds
In the year under review, we stood by our existing strategy and launched a number of new institutional funds for European equities and US equities. These investment baskets, which are lower-priced because they attract no stamp duty or administrative fees, appealed to our clients and made their launch possible. While the European fund finished just below the relevant index, the US equity fund significantly outperformed the market. In 2009, we have plans for selective expansion of our product range, into the alternative investments sector among other things. As part of our strategic cooperation with Care Group, an investment advisory company that specializes in SRI*/ sustainability, we have plans to establish a fund exclusively for big investors that will offer an attractive return.

Performance
As already mentioned, 2008 will go down as an “annus horribilis” in the history of investment. Although we were unable to generate a positive result in absolute figures, our results were respectable — in some cases very good — when compared with the relevant indices, particularly bond investments, and more specifically those denominated in Swiss francs. We consciously focused on the highest possible quality — i.e. government bonds — and were overweight on domestic securities compared with foreign bonds. In the very demanding circumstances, this paid off. Our equity investments in Switzerland suffered somewhat. This was in spite of underweighting the financial sector, because we spent too long overweight in Swiss mid-caps. Our US equities significantly outperformed the market.

Events
AAM Breakfast Meetings, which are an opportunity to discuss issues of interest to clients, were held in Zurich, Basel, Berne and, for the first time, Lucerne. Once again, they generated lots of interest. In Zurich, the well-known futurologist Matthias Horx spoke on the topic of “Future Markets — Future Business”. The audience was riveted by Horx’s talk on the transformation of consumer markets, management and corporate cultures in the 21st century. He demonstrated trends and developments, such as the opening of the markets and how these would create two billion new consumers in the emerging nations, new groups of pioneering consumers who attach importance to lifestyle and sustainability, and the new management methods practiced by participating companies based on knowledge-driven economics.

* Socially responsible investment
In Basle and Berne, Professor Roger Blum spoke on the topic of “Opinion, Power and Manipulation. The Media in the Dock”. In his talk, Professor Blum provided a helpful insight into the Swiss media and drew on two practical case studies to illustrate his subject. He showed how, in one case, the press had justifiably sensitized public opinion, while in another it had clearly invaded personal privacy and was subject to legal sanctions.

Dr. Ernst Rätzer of AON Consulting spoke on the subject of “Investing pension fund assets: between long-term perspectives and short-term constraints.” Addressing a fascinated audience, he outlined the parameters most important for a pension scheme when establishing a risk profile and risk budget. In view of the situation on the financial markets, his subject was more topical than ever. Andreas Keller spoke respectively on developments on the financial markets during recent months, explained the causes and effects of the financial crisis and examined the investment strategy employed by AAM Privatbank.

The motto chosen for our annual client event was “A mysterious day at the Giessbach Falls”. In a wonderful setting against a stunning backdrop, our guests were involved in the kind of story that could have taken place a hundred years ago at the time of Sherlock Holmes. It generated lively discussion among our participants until, to round off an excellent dinner, all the secrets were revealed and a mysterious murder case was cleared up. We would like to thank all our clients for their presence and the trust and confidence they place in us.

Internal news
In October 2008 Adrian Zbinden took over as Head of Institutional Client Advisory. Mr. Zbinden previously spent several years in charge of portfolio management for AAM Privatbank’s institutional clients and is therefore already known personally to most of our clients. He will bring fresh impetus to the job and plans to step up the market development of our services. By continuously expanding our product range, we plan to open up additional distribution channels in the future.
Norman Foster       Swiss Re Tower       London, England
AAM PRIVATBANK
INVESTMENTS

Selection and risk control
Last year was a bad one for anyone involved in the financial markets. Only once in the past two centuries have the equity markets undergone a correction of more than 40% in a single year, and that was in 1931, during the Great Depression. The only investment class where money could be made was top-quality bonds. There was also a very painful correction in the price of commodities, which had been rising for some time. This had serious repercussions on the alternative investment sector and hedge funds, which suffered severe losses for the first time in their history and left investors suitably disappointed.

In the prevailing scenario, it was virtually impossible to generate positive returns. The yields on our portfolios lay within predetermined benchmarks. In view of overall market weakness and the massive losses being generated in absolute figures, our main concern was risk management and the avoidance of even more serious collateral damage.

Focus on quality pays off
From the point of view of risk management, our highly disciplined investment process, with its focus on high-quality investment instruments, sufficient diversification and professional selection, passed the acid test. Even if we did suffer the occasional blow here and there, we managed to avoid any major catastrophes. In the course of the year we took a number of important decisions:

Commodities
For several years now, we have been investing in this relatively new investment class using capital-protected products. Whenever prices rose very sharply, we exchanged the products for new ones and in this way took the capital protection with us. The result of this was that after making impressive profits in 2007, our clients suffered a relatively small book loss, which will have been offset by the time the products reach maturity.

Counterparty risks
For positions in capital-protected products and bonds, we only entertained issuers of the very highest quality. Thanks to our active approach, we were able to react to the deterioration in quality and to change the issuers guaranteeing payment — Lehman Brothers, for example — in good time. This way, we managed to steer clear of major losses for our clients.

Hedge Funds
We have been investing in this class for some time now. Hedge funds came under massive pressure in 2007 because for the first time ever they lost money, practically regardless of the strategies applied. We recognized this at an early stage and reduced positions in our portfolios accordingly. Unfortunately, there is a slight delay before this shows up in our client portfolios, because cancellation of these instruments requires a relatively long period of notice. Generally speaking, low-volatility products, as they are known, which are a substitute for bonds, fell well short of expectations in 2008. High-volatility products, on the other hand, which are an alternative to equities, performed substantially better than the equity markets. We invest exclusively in funds of hedge funds, which are subject to careful selection and monitoring. This gives us a high level of diversification and enables us to avoid defaults. Our clients profited considerably from this during the year under review, even if absolute performance was not satisfactory.
Market developments

The problems facing the financial sector became increasingly acute in 2008. Perhaps the most severe of them was the never-ending rise in the adjustments made by the banks in response to the crisis in America’s real estate market. Although the Fed’s support for J.P. Morgan’s bailout of US investment bank Bear Stearns in the spring gave the financial markets a temporary respite, risk aversion on the part of investors and commercial banks alike increased dramatically from mid-September onwards following the collapse of Lehman Brothers.

Effects on the real economy

Against this backdrop, global economic growth experienced a relatively fast and sharp downturn. By the third quarter of 2008 at the latest, all the major industrial regions had entered a period of recession. The leading central banks responded to the deteriorating economic situation with dramatic cuts in their base rates. While the Fed and the Bank of England had already opted for a more expansive course in late 2007, it was not until inflationary pressure eased significantly in the final quarter of 2008 that a similar change of mood occurred in the euro zone or Switzerland. Increased risk aversion on the part of investors led to a sharp fall in the value of almost every type of investment. The only available refuges were the money markets and — in the fourth quarter — government-backed bonds.

Investment strategy

During the second half of the year, our underweight position in equities was reflected in a relatively strong position in money market investments. Here, our comparatively small position in financial securities — and our selection of investments in the US even more so — proved to be an advantage. As for bonds, despite concentrating on top-quality borrowers, we were outperformed by the indices, which contain only government bonds. On top of this, the fact we were slightly overweight in alternative investments compared with bonds hampered performance.

Outlook

In recent months, the downturn in early economic indicators in all the major industrial nations has accelerated. The relevant measures of confidence in every country are at their lowest levels for years. Against this background, it is unlikely that there will be any swift end to the recession. We expect the economy to continue contracting for several quarters. Even though the shakeout in the American real estate market is already relatively far advanced, private households are only just starting to get to grips with their own financial situations. The accompanying deterioration in the labor market also leads us to predict that consumption will continue to stagnate in the short term.

In Europe and Japan, the outlook for exports looks bleaker in the wake of the slowdown in the global economy. Hopes that we may start to see a return to positive growth are based predominantly on the spending programs currently
being put into place. Given the current economic circumstances, we expect to see inflationary pressures continue to ease. Against this background, we expect base rates to fall even further, in particular in the euro zone and the UK.

**Profits difficult to predict**

In the USA and Japan, there is very little room left for the economy to slide still further. In recent months, financial analysts have significantly downgraded their profit forecasts for 2009. However, given the current economic scenario, we consider even these expectations to be overly optimistic. On the basis of the most commonly accepted evaluation methods, the equity markets are still very attractively priced. However, the fact that profitability is taking such a low profile makes them a rather less alluring prospect. We expect above-average volatility to persist in the equity markets. The chance that a consolidation phase may emerge remains intact. However, the current economic climate means that the equity markets remain vulnerable. Following the significant advances that have already been made, we consider the potential of government bonds to be limited. However, bonds issued by top-class borrowers represent an interesting opportunity and promise higher yield premiums than government bonds. Hedge funds are currently going through a phase of consolidation. The calm that is gradually returning to the financial markets should have a beneficial impact on performance in the medium to long term.
2007 Kazuyo Sejima & Ryue Nishizawa New Museum of Contemporary Art New York, USA
Gräff Capital Management AG

Gräff Capital Management AG (GCM), a subsidiary of AAM Privatbank Ltd since 2001, specializes in comprehensive and individual investment services for private clients. An experienced team under the management of founder Markus W. Gräff, with many years of experience and enormous expertise in the financial sector, is the company’s guarantee for security, independence and individual service. The client is free to chose his own custodian bank and signs an agreement authorizing GCM to manage his assets. This provides the basis for the best-possible solutions without conflicts of interest. GCM benefits from synergies with the AAM Group in areas such as analysis, strategy and administration, and offers its clients services specifically relating to tax, succession and executorships, as well as the setting up of foundations by AAM’s subsidiary ATAG Private Client Services Ltd. Clients benefit on the one hand from a network of seasoned specialists and, on the other, from the fact that GCM is a relatively small company housed in prestigious surrounding at the center of Zurich.

Personal service
Apart from managing his team in Zurich’s Bahnhofstrasse, Markus W. Gräff is also responsible for guaranteeing his clients the same high standards of personal service offered by the company since its foundation in 1991.

An ideal platform for asset managers
GCM offers an ideal platform for independent asset managers and plans to expand its operations in this field in the years ahead. Managers who work with GCM benefit from the AAM Group’s raft of research and family office services, together with comprehensive support in compliance, without forgoing any of their independence and flexibility. We believe that this service package well may prove to be a more attractive alternative for external asset management companies than “going it alone”.

For many years now, GCM has maintained a close involvement in polo. In Markus Gräff, we have a one-goal handicap player in our own ranks. During the year under review, his team won the much-coveted Swiss Open Polo Championships for the third time. The tournament provides GCM with a wonderful opportunity to entertain its clients and has already established itself as a firm tradition with the company’s guests.

Further information about Gräff Capital Management can be found at www.graffcapital.ch
ATAG Private Client Services Ltd

ATAG Private Client Services (ATAG PCS), of which AAM Privatbank Ltd has been a majority shareholder since 2001, is a Basle-based consulting company that specializes in family office services, legal and tax issues, and business administration. Its highly qualified team of consultants under the guidance of lawyer and Managing Partner Dr. Igor Rusek was further strengthened during 2008. With approximately 30 employees, ATAG PCS is an independent consulting company that focuses on services for private clients. This target group is primarily made up of active business people, family companies and families who want to benefit from the company’s comprehensive services in the family office, legal and taxation and business administration fields. ATAG PCS has long specialized in the planning and establishment of foundations, trusts and companies, both at home and abroad, and supplies the necessary administrative expertise. It continues to concentrate on services in the fields of corporate law, tax law, succession and inheritance planning, executorship and asset protection.

Comprehensive family asset services
ATAG PCS has been providing the various services associated with a family office for many decades. A full-service family office is unusual in that it is multi-professional and offers the families it represents expert information and expertise in various areas that the families would otherwise have to deal with themselves. These include aspects of tax and corporate law, together with consolidated reporting on the family’s business interests or assets, investment supervision and reporting, or global asset allocation with selected partners. Thanks to this concentration of information, clients benefit from a clear and comprehensive view of their affairs.

By recruiting additional specialists in these areas, ATAG PCS further consolidated its expertise and capacity during the year under review.

A local base, an international network
The company’s conscious decision to operate from its head office in Switzerland, coupled with more than 90 years of tradition, have enabled ATAG PCS to cement the confidence of both its Swiss and its many foreign clients. Since it was founded, ATAG PCS has been active internationally and possesses a worldwide network of partners covering the entire globe. Nowadays, knowledge of a single legal system is no longer sufficient for activity in areas like tax planning, legal consultancy and the family office services described above. Instead, advisers are increasingly required to possess the ability to plan at international level and integrate different legal and fiscal systems within specific projects. Fortunately, this type of integration is one of ATAG PCS’s great strengths. Alongside all these other activities, ATAG PCS also advises and represents a large number of Swiss private clients and entrepreneurs in the traditional fields of national and international tax law, succession planning and the creation and administration of companies, foundations and trusts.

For an initial contact at no obligation to yourself, please contact ATAG PCS’s experts either by telephone or at www.atag-pcs.ch
2007
Coop Himmelb(l)au
BMW World
Munich, Germany
2003
Frank O. Gehry  Disney Concert Hall  Los Angeles, USA
Annual results 2008

AAM Privatbank Ltd can look back on an altogether irritating year. The upheavals on the financial markets, the collapse of the interbank market and the fall in the value of equity around the world all had a negative impact on our results. Despite the exceptionally unfavorable economic conditions, AAM Privatbank Ltd was nevertheless able to end the year with a solid operating result. Thanks to outstanding risk management, we managed to avoid any serious losses.

Income statement

Despite the collapse of the interbank market, we still succeeded in boosting net interest income by approximately 6%. This very encouraging development was made possible by our bank status, the extension of our collateral loan business and our optimized liquidity management. Net fee and commission income fell by approximately 15%. This fall was primarily due to the lower valuation of our own securities holdings and a decline in transaction volumes. However, the collapse in the equity markets also had an impact on our net income from trading operations, which shrank by approximately 2.5 million Swiss francs. AAM Privatbank Ltd manages its own assets using the same strategies as for its client portfolios, which means this decline was a reflection of events taking place on the equity markets.

The approximately 17% decline in net earnings was partly offset by consistent cost management. Further savings in personnel and other operating costs, primarily as a result of reduced performance-related salary components, overall operating costs fell by approximately 10%.

Risk management

In view of the loss of value suffered by the financial markets and the uncertain future, AAM Privatbank decided to revalue its financial interests. The revaluation was carried out using the same cautious principles that continued to underpin AAM Privatbank Ltd’s approach to risk management throughout 2008. The additional depreciation of goodwill depressed the income statement by 12 million Swiss francs compared with 2007. The annual result of –7.6 million Swiss francs shown in the financial statements is a reflection of this cautious approach and is in no way due to our operating activities. AAM Privatbank Ltd is convinced that this revaluation will provide the best possible basis for its activities in 2009.
## AAM PRIVATBANK
### KEY FIGURES

### Balance sheet at December 31, 2008

<table>
<thead>
<tr>
<th></th>
<th>2008 CHF 000s</th>
<th>2007 CHF 000s</th>
<th>Change CHF 000s</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid funds</td>
<td>3,288</td>
<td>7,412</td>
<td>−4,124</td>
<td>−55.6</td>
</tr>
<tr>
<td>Due from banks</td>
<td>134,860</td>
<td>83,792</td>
<td>51,068</td>
<td>60.9</td>
</tr>
<tr>
<td>Due from customers</td>
<td>53,168</td>
<td>44,917</td>
<td>8,251</td>
<td>18.4</td>
</tr>
<tr>
<td>Securities trading portfolios</td>
<td>6,746</td>
<td>9,230</td>
<td>−2,484</td>
<td>−26.9</td>
</tr>
<tr>
<td>Financial investments</td>
<td>3,084</td>
<td>629</td>
<td>2,455</td>
<td>390.3</td>
</tr>
<tr>
<td>Investments in subsidiaries</td>
<td>11,978</td>
<td>24,064</td>
<td>−12,086</td>
<td>−50.2</td>
</tr>
<tr>
<td>Tangible fixed assets including software</td>
<td>982</td>
<td>1,815</td>
<td>−833</td>
<td>−45.9</td>
</tr>
<tr>
<td>Accrued income and prepaid expenses</td>
<td>2,939</td>
<td>3,116</td>
<td>−177</td>
<td>−5.7</td>
</tr>
<tr>
<td>Other assets</td>
<td>20,678</td>
<td>5,756</td>
<td>14,922</td>
<td>259.2</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>237,723</td>
<td>180,731</td>
<td>56,992</td>
<td>31.5</td>
</tr>
</tbody>
</table>

| **Liabilities**     |               |               |                |             |
| Due to banks        | 91            | 794           | −703           | −88.5       |
| Other amounts due to customers | 161,753 | 109,519 | 52,234 | 47.7 |
| Accrued expenses and deferred income | 3,981 | 7,651 | −3,670 | −46.6 |
| Other liabilities   | 24,203        | 4,189         | 20,014         | 477.8       |
| Value adjustments and provisions | 1,379 | 1,817 | −438 | −24.1 |
| Share capital       | 5,000         | 5,000         | 0              | 0           |
| General statutory reserves | 5,000 | 5,000 | 0 | 0 |
| Other reserves      | 31,000        | 31,000        | 0              | 0           |
| Profit carried forward | 12,961 | 9,537 | 3,424 | 35.9 |
| Annual result       | −7,644        | 6,424         | −14,068        | −219.0      |
| Total shareholders' equity | 46,317 | 56,961 | −10,644 | −18.7 |

| **Total liabilities** | 237,723 | 180,731 | 56,992 | 31.5 |
### Off-balance-sheet transactions at December 31, 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CHF 000s</td>
<td>CHF 000s</td>
<td>CHF 000s</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td>1,051</td>
<td>1,665</td>
<td>-614</td>
</tr>
<tr>
<td>Irrevocable commitments</td>
<td>1,186</td>
<td>788</td>
<td>398</td>
</tr>
<tr>
<td><strong>Derivative financial instruments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive replacement values</td>
<td>19,606</td>
<td>1,910</td>
<td>17,696</td>
</tr>
<tr>
<td>Negative replacement values</td>
<td>20,155</td>
<td>2,518</td>
<td>17,637</td>
</tr>
<tr>
<td>Contract volume</td>
<td>443,730</td>
<td>349,951</td>
<td>93,779</td>
</tr>
<tr>
<td><strong>Fiduciary transactions</strong></td>
<td>263,534</td>
<td>358,722</td>
<td>-95,188</td>
</tr>
</tbody>
</table>

### Personnel

<table>
<thead>
<tr>
<th></th>
<th>2008*</th>
<th>2007*</th>
<th>Change*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in Switzerland</td>
<td>96.2</td>
<td>95.0</td>
<td>1.2</td>
</tr>
<tr>
<td>abroad</td>
<td>12.5</td>
<td>16.3</td>
<td>-3.8</td>
</tr>
<tr>
<td><strong>Total domestic/abroad</strong></td>
<td>108.7</td>
<td>111.3</td>
<td>-2.6</td>
</tr>
<tr>
<td>of whom women</td>
<td>52.2</td>
<td>50.4</td>
<td>1.8</td>
</tr>
<tr>
<td>of whom men</td>
<td>56.5</td>
<td>60.9</td>
<td>-4.4</td>
</tr>
<tr>
<td><strong>Total women/men</strong></td>
<td>108.7</td>
<td>111.3</td>
<td>-2.6</td>
</tr>
</tbody>
</table>

* FTE
Income statement 2008

<table>
<thead>
<tr>
<th></th>
<th>2008 (CHF 000s)</th>
<th>2007 (CHF 000s)</th>
<th>Change (CHF 000s)</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net interest income</strong></td>
<td>4,082</td>
<td>3,840</td>
<td>242</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Commission income from securities and investment transactions</strong></td>
<td>29,277</td>
<td>34,923</td>
<td>-5,646</td>
<td>-16.2</td>
</tr>
<tr>
<td><strong>Other commission income</strong></td>
<td>856</td>
<td>483</td>
<td>373</td>
<td>77.2</td>
</tr>
<tr>
<td><strong>Commission expenses</strong></td>
<td>-4,198</td>
<td>-4,772</td>
<td>574</td>
<td>-12.0</td>
</tr>
<tr>
<td><strong>Subtotal net fee and commission income</strong></td>
<td>25,935</td>
<td>30,634</td>
<td>-4,699</td>
<td>-15.3</td>
</tr>
<tr>
<td><strong>Net income from trading operations</strong></td>
<td>1,032</td>
<td>3,521</td>
<td>-2,489</td>
<td>-70.7</td>
</tr>
<tr>
<td><strong>Other ordinary income</strong></td>
<td>1,159</td>
<td>728</td>
<td>431</td>
<td>59.2</td>
</tr>
<tr>
<td><strong>Net operating income</strong></td>
<td>32,208</td>
<td>38,723</td>
<td>-6,515</td>
<td>-16.8</td>
</tr>
<tr>
<td><strong>Personnel expenses</strong></td>
<td>-14,720</td>
<td>-16,186</td>
<td>1,466</td>
<td>-9.1</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>-12,031</td>
<td>-13,396</td>
<td>1,365</td>
<td>-10.2</td>
</tr>
<tr>
<td><strong>Subtotal operating expenses</strong></td>
<td>-26,751</td>
<td>-29,582</td>
<td>2,831</td>
<td>-9.6</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>5,457</td>
<td>9,141</td>
<td>-3,684</td>
<td>-40.3</td>
</tr>
</tbody>
</table>
Net interest income

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF 000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>4,500</td>
</tr>
<tr>
<td>2005</td>
<td>3,000</td>
</tr>
<tr>
<td>2006</td>
<td>500</td>
</tr>
<tr>
<td>2007</td>
<td>1,000</td>
</tr>
<tr>
<td>2008</td>
<td>1,500</td>
</tr>
</tbody>
</table>

Net fee and commission income

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF 000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>35,000</td>
</tr>
<tr>
<td>2005</td>
<td>5,000</td>
</tr>
<tr>
<td>2006</td>
<td>10,000</td>
</tr>
<tr>
<td>2007</td>
<td>15,000</td>
</tr>
<tr>
<td>2008</td>
<td>20,000</td>
</tr>
</tbody>
</table>

Operating expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF 000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>32,000</td>
</tr>
<tr>
<td>2005</td>
<td>25,000</td>
</tr>
<tr>
<td>2006</td>
<td>27,000</td>
</tr>
<tr>
<td>2007</td>
<td>29,000</td>
</tr>
<tr>
<td>2008</td>
<td>30,000</td>
</tr>
</tbody>
</table>

Gross profit

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF 000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>12,000</td>
</tr>
<tr>
<td>2005</td>
<td>2,000</td>
</tr>
<tr>
<td>2006</td>
<td>4,000</td>
</tr>
<tr>
<td>2007</td>
<td>6,000</td>
</tr>
<tr>
<td>2008</td>
<td>10,000</td>
</tr>
</tbody>
</table>
1954
Le Corbusier  Notre Dame du Haut chapel  Ronchamp, France
Architecture and sculpture

We have chosen the subject of “Sculptural Architecture” as the central visual element in this year’s Annual Review. This is a logical progression from last year’s review, which was devoted to the subject of architecture in general and its parallels to our positioning as Wealth Builders. As the Chairman of the Board mentions in his introduction, the interplay between architecture and sculpture was one of the most exciting artistic phenomena of the 20th century. We would like to use the works pictured in this year’s Annual Review to demonstrate the relations and interdependencies that exist between architecture and sculpture.

History and development

Sculptural architecture is an interesting field located at the boundary between architecture and art. While sculpture and the plastic arts are thought of as differing expressions of the desire to “create solid shapes”, architecture is often interpreted as “spatial art”. The history of construction has primarily been characterized by two opposing conceptions of form. On the one hand, the erection of solid building materials has, for practical purposes, adhered to geometrical principles and has its spatial expression in the rectangular box. On the other, the original form of human habitation — caves — has left us feeling attracted to an organic organization of space.

Although the origins of sculptural architecture go back to the 18th century, it only gained real acceptance with the advent of the multifaceted modernism of the early 20th century. Indeed, there were even a number of rather conservative architects who adopted abstract sculptural forms to enhance the impact of their buildings around the turn of the century.

Constantin Brancusi (1876–1957), a Romanian modernist sculptor and a central figure in modern sculpture, described this interplay thus: “Real architecture is sculpture”. Brancusi’s wish was to achieve an extreme simplification of form by closely examining the role of scale and attempting to go beyond conventional proportions. Architecture constructed for human use is generally many times the size of the human body whereas sculpture mostly operates at or within the human scale. To negate this rule and present the plastic arts as smaller-scale constructions and buildings as enlarged sculptures has a particular attraction for human perception. This movement between scales is one of the key aspects of the relationship between architecture and sculpture.

The plastic arts have always appropriated architectural elements while, for its part, architecture has never ceased to employ the shapes and structures of sculpture. Despite this, since the advent of modernism, the boundaries between the two genres have become especially blurred. The Classical, Romanesque, Gothic and Baroque styles set out typical, ideal principles which have lived beyond their historical association with a certain age to be assimilated into 20th century sculpture.
The period before the Second World War was characterized by two stylistic movements which, in terms of their underlying conceptions, were fundamentally opposed. In the countries ruled by dictatorships, on the one hand, neoclassical principles, based on the designs of Greek temples, Renaissance palaces and Baroque buildings, continued to predominate. On the other, overseas where emigrant Western European architects had a major influence, it was enlightened designs with a rational use of space that held sway. This was known as the International Style.

The 1950s then saw an attempt to achieve a broad-based synthesis undertaken by one of the most important and forward-looking practitioners of sculptural architecture, Le Corbusier, through the construction of the Notre Dame Du Haut chapel in Ronchamp (see page 32). With the construction of this work, Le Corbusier finally broke with the principle of the right-angle embodied in the architectural “box”. As if formed by invisible elements, the walls of this building bend to take on sometimes concave, sometimes convex shapes, while the roof rises steeply like a tent erected before the onlooker. The architect was no longer a builder but a “composer” and, thanks to new materials (such as the concrete of the roof), was able to redefine fundamental rules such as the relation between load and supporting structure. Architecture had finally become sculpture.

The birth of installation art (Giacometti, Minimal Art) was another decisive event. This fast-growing movement developed in parallel to the urban utopias of the 1960s (Walter Jonas with his vision of the “Intrapolis” funnel city, which would be worthy for human habitation). In recent years, the interplay between architecture and sculpture has become increasingly complex. The sculptural architecture of the 21st century views concept and form as an organic whole and goes beyond the boundaries of traditional construction design.

In his book “Architecture: Sculpture” which was published in 2004, the architectural sociologist Werner Sewing makes the following interesting comments:

“There seems to be little point, describing sculptural architecture as a separate style — it would be better to categorize it as something biomorphic, powerfully expressive, organic and, additionally, as a type of monumental or minimalist rationalism. However, simply because of its existence as a real object which — at the superficial level — makes it a form of monumental construction, it cannot be subjected to any form of categorization. It remains independent, individual and unique. Sculptural architecture is not an independent genre, nor is it a philosophy. Instead, it is the result of an approach to design, a world view or a completely personal idea of form.”
Studies of the use of sculptural elements in architecture have revealed widely differing opinions. For some observers, sculptural constructions such as Peter Cook and Colin Fournier’s Graz art gallery or Norman Foster’s Swiss Re Tower in London (see pages 9 and 18) represent exciting architectural highlights and eye-catching aesthetic achievements which deserve all the attention they receive. However, it is this very attention that discredits these constructions in the eyes of others, and in particular renowned architects.

Sculptural Architecture in no way describes a separate stylistic trend. Instead, it goes beyond the boundaries of architectural forms of expression. Anything but monumental, it is primarily characterized by the aura of the unusual. And it is not only aesthetically attractive but, as the pictured works by Frank O. Gehry and Zaha Hadid (pages 26 and 36) show, it has also become eminently marketable.

**Wealth Building**

AAM Privatbank’s core competences — Advisory, Engineering and Selection — are in some ways analogous to the interplay between architecture and sculpture even though the interdependencies are of considerably greater significance for our success as Wealth Builders. While architecture influences sculpture and vice versa, for us only the close interaction of specialists from the different sectors enables us to understand each of our customers’ individual complex of interests and provide them with personal consulting services. Intelligence and creativity in the development and fine-tuning of products, coupled with independence in the range of services offered and the selection of the right investment instruments, form a solid basis for long-term customer relations and sustained capital growth.
2007 Zaha Hadid Station Hungerburgbahn Innsbruck, Austria
UNESCO Meditation Space
Tadao Ando, b. 1941 in Osaka, Japan
Tadao Ando, the “King of Concrete”, is hailed as Japan’s leading contemporary architect. He has never studied architecture. The self-taught Ando opened his own office in Osaka in 1969. His buildings are characterized by a rigorous minimalism, in which classical modern architecture is imbued with eastern philosophy. In 1995, Ando won the Pritzker Architecture Prize, the “Nobel Prize” of Architecture.

The Meditation Space for the UNESCO in Paris dates from 1996. The pavilion is built of fine, smooth, fair-faced concrete with the typical Ando structural framework in the shape of tatami mats (90x180 cm). In each of the mats there are six circular recesses, which during construction served as form ties for the moulds. The visitor is led into the space via a circuitous route, which marks a conscious transition between the external world and the inner space.

National Stadium Beijing
Jacques Herzog & Pierre de Meuron
Jacques Herzog and Pierre de Meuron were both born in Basle in 1950. Basle is still the headquarters of the architectural practice which they founded there in 1978. In 2001, the architects were awarded the prestigious Pritzker Prize for their conversion of a former power station in London into the Tate Modern gallery of international modern art. This project was hailed in professional circles as the architects’ decisive breakthrough and the start of growing international acclaim.

For the 2008 Olympic Games 2008 in Beijing, the Basle architects built the official national stadium, known to all as the Bird’s Nest. The Beijing Olympic Stadium is one of the most innovative sculptural buildings completed in recent years. Its shape is highly symbolic, and a unique embodiment of the new China.

BIX Media façade
Peter Cook & Colin Fournier
Peter Cook was born in London in 1936 and Colin Fournier in 1944, also in London. In 2000, the two architects won the international competition for the Kunsthraus Graz, and founded Spacelab Cook/Fournier to oversee the project.

No more than three years from competition to completion, the new Kunsthraus Graz, also known as “the friendly alien”, opened its doors in 2003. The BIX media façade, a skin of 930 fluorescent light tubes, is integrated into the east façade of the museum. The BIX media façade and the architecture of the Kunsthraus Graz have a strong, symbiotic relationship. The façade is a screen that extends the impact of the museum and projects an abstract image of its content to the public at large.
Intersection
Richard Serra, b. 1929
in San Francisco, USA
The American artist is considered one of the greatest minimalist metal sculptors. In the mid-Sixties, Serra experimented with industrial materials, such as lead and rubber, in simple constructions related to their display space. Over time Serra extended his sphere of work and now works exclusively in weatherproof steel.

The Serra sculpture “Intersection” with its four curved and slightly inclined steel plates, 3.6 meters high and 13 meters long, stands on the Theaterplatz in Basle, near the Tinguely fountain. It was bought by a private group of Basle citizens for the city of Basle, and has sparked a classic debate over art in public spaces.

Turning Torso
Santiago Calatrava, b. 1951
in Valencia, Spain
The Spanish engineer is among the most talented planners and civil engineers of our time. His innovative design ideas combine sensational engineering with aesthetic formal elements. The striking feature of most of his built work is the sculptural impact of the structure. Calatrava’s projects evoke a primarily emotional response in the observer and user alike.

The Turning Torso, in Malmö, Sweden, is based on a sculpture which was inspired by the twisting movement of the human body. The 54-storey residential tower is 190 meters tall, making it Scandinavia’s tallest building and the second tallest apartment block in Europe. It was completed in August 2005, and since then, together with the Öresund bridge, has come to symbolize the city of Malmö.

Swiss Re Tower
Norman Foster, b. 1935
in Manchester, England
Lord Norman Robert Foster is a famous British architect and designer, and a Pritzker Prize winner (1999), who now lives in Switzerland. His buildings are highly complex, high-tech structures. Among his most important major international built works are the Hong Kong International Airport, the Commerzbank Tower in Frankfurt am Main, the glass dome of the Berlin Reichstag and the St Mary Axe building for Swiss Re.

The cigar-shaped Swiss Re Tower in London, opened in spring 2004, is considered one of the most spectacular structures in Europe. Although only 180 meters tall, it contains 10,000 tonnes of steel. The site was intended to house the Millennium Tower, but the disproportionate height of the proposed tower would have created an imbalance in the London skyline and cityscape.
BMW World
Coop Himmelb(l)au
Coop Himmelb(l)au is an internationally active, avant-garde architectural design firm, founded by three architects in Vienna in 1968. Their distinctive buildings are immediately recognizable: asymmetric, radical and mould-breaking. The aim of Coop Himmelb(l)au has always been “to make structures that are light and changeable, like clouds”.

The new BMW World in Munich, a shining new architectural jewel in the crown of the Bavarian state capital, was opened in autumn 2007. Supported on few concrete piles, a sculptural roof, “like a cloud hovering in space”, embraces the enormous 75,000 m² hall. From every perspective, whether in the auditorium, in one of the restaurants, display or sales areas, the visitor experiences a sense of turbulent power emanating from the gigantic double cone on the corner of the building.

New Museum of Contemporary Art
Kazuyo Sejima & Ryue Nishizawa
Japanese architects Kazuyo Sejima (b.1956, Japan) and Ryue Nishizawa (b.1966, Japan) are the names behind the SANAA office in Tokyo. Relatively unknown in the West in the Nineties, SANAA has since become one of the most internationally acclaimed practices of the 21st century. Their translucent designs are characterized by modernity, spatial awareness and elegant simplicity.

In 2007, the New Museum of Contemporary Art, moved into its new home, a tower of shimmering silver cubes rising from a former car park in Manhattan’s Lower East Side. The design created by the Japanese architects consists of unevenly stacked boxes of varying sizes. The impression given is of something unfinished and dynamic, just like the contemporary art to which it is dedicated.

Disney Concert Hall
Frank O. Gehry, b. 1929 in Toronto, Canada
The Frank O. Gehry signature is a deconstructivist building style, which has set international architectural standards over many decades. Gehry takes his inspiration from philosophy and nature, sculpture and design. He strongly rejects convention and puts familiar elements into a new, emotional context. Winner of the Pritzker Architectural Prize in 1989, Gehry produced a sensational design for the Guggenheim Museum in Bilbao, Spain (1991–1997).

The Walt Disney Concert Hall in Los Angeles, designed by Gehry and opened in October 2003, is considered one of the most important concert halls in the world, acoustically and architecturally. The stainless steel building is shaped like a sailing-ship, with curving, undulating contours.
Notre Dame du Haut chapel
Le Corbusier, b. 1887 in La Chaux-de-Fonds, † 1965 in Cap Martin
The French-Swiss architect, Le Corbusier, was one of the great pioneers of modernism in architecture. His simple, functional buildings were revolutionary, and his work and theories continue to inform debates on architecture to this day. Le Corbusier was also a talented painter, sculptor and furniture designer.

The pilgrimage chapel of Notre Dame Du Haut in Ronchamp (1950–54), an iconic work of modern architecture, was one of Le Corbusier’s major late works. In its treatment of space and form, it is a unique artistic entity. Distinctive elements of this sculptural structure are the shell-shaped roof, the curving walls, the towers of stone masonry and the façade rhythmically punctuated by colored glass windows.

Station Hungerburgbahn
Zaha Hadid, b. 1950 in Baghdad, Iraq
The British architect of Iraqi origin is among today’s most talented planners and is renowned for pushing the boundaries of architectural design. In 2004, she was the first woman to win the Pritzker Prize. Her designs make a complete break with conventional shapes to offer us her vision of the future.

The four new cable car stations of the Hungerburgbahn in Innsbruck, opened in 2007, stand like visitors from the architectural future. The glass structures on their massive concrete plinths seem almost alive, as if gathering their internal strength and poised to lift off. Once again, with this work, Hadid has demonstrated that her architecture is light years ahead of accepted rules of technical feasibility.

Expo Monolith
Jean Nouvel, b. 1945 in Fumel, France
One of the most imaginative and inventive architects of our time, Nouvel has a style which speaks with many voices, always striving to embed the building in its environment. His most notable work in Switzerland is the new Lucerne Culture and Congress Center (KKL). In 2008, he was awarded the Pritzker Prize for a lifetime of achievement.

The Monolith, open to visitors, was the emblem of Expo.02-Arteplage Murten. A rusting steel cube, with edges 34 m long, it floated on Lake Murten some 200 m offshore, resting on a concrete plinth and anchored to the bed of the lake by 24 cables. Among other exhibits, the Monolith housed a panoramic painting of the Battle of Murten.
2002

Jean Nouvel
Expo Monolith
Murten, Switzerland
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