



Reflections

Spring 2011

The newsletter for clients of Fairbairn Private Bank

Winning start to 2011



Welcome to our first issue of the year and in our first article, on page 2, we celebrate our listing in The Sunday Times 100 Best Small Companies for 2011. I am delighted to report that this is the seventh year running that our team have voted us into this prestigious national listing!

Earlier this year, it was also announced that we have retained the maximum Three Star status for a third year running in the Best Companies Business Accreditation system. Both these accolades focus on workplace engagement and measure the commitment and loyalty of our staff, and I am proud of our team's dedication and outstanding contribution to the company and to the community in which we operate.

Taking up the community theme, on page 2, we report on two intrepid staff from the Isle of Man office who braved the elements for a coasteering challenge to raise funds for Macmillan Cancer Support in the Isle of Man.

On page 3, we focus on the London office and report on recent changes to the protection offered by the Financial Services Compensation Scheme in the UK. We also announce our first UK sponsorship agreement with the Stock Exchange Cricket Club.

The beginning of the year marks the start of a number of new sponsorship agreements and, on page 4, we feature the junior section of the Jersey Triathlon Club, which we are supporting in 2011. Staying with Jersey, we have recently expanded the private banking team in the Jersey office and I would like to welcome Andrew Robins and Alex Jeffries, who are introduced on page 4.

If you are affected by the EU Savings Directive, you should already have been notified of changes which will come into effect from 1 July 2011 - these changes and the implications are discussed on page 5.

Finally, we have featured a number of articles over the last 12 months on the Fairbairn Private Bank Multisport Team and we close, on page 6, with Guy Veysey, from our South African representative office, reporting on some of the highlights of the year and the team's plans for 2011.



Warmest regards to you all,

Greg Horton
Managing Director,
Fairbairn Private Bank

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Greg Horton (right), managing director of Fairbairn Private Bank, and Jonathan Austin, chief executive and founder of Best Companies Limited



Staff celebrate at the awards evening in London

Sunday Times top 20 ranking

Fairbairn Private Bank was ranked very impressively at number 17 in the Sunday Times 100 Best Small Companies to Work For 2011.

We are one of only three companies to have remained on the best small companies list for the last seven consecutive years and are the only one to retain a top 20 listing. We also remain the first and only bank to feature in this highly coveted listing.

In addition, this year we were shortlisted for the first time under a special awards category entitled "Giving Something Back". This award is presented to the organisation that best combines corporate charitable giving with encouragement for staff activity and involvement.

Greg Horton commented: "Our placing within the best 100 small companies for the seventh consecutive year reflects a powerful consistency around what our staff feel about

the business, and underlines their continuing satisfaction with their working environment. We are a highly motivated team with a strong commitment to the personal development of our people and to providing exemplary service to our clients."

We are listed amongst organisations representing a diverse mix of sectors and industries. This listing is a result of the largest employee survey of its kind with over 1,165 organisations involved and over 275,000 employees responding this year. The survey focuses on workplace engagement and aims to show the level to which employees feel personally involved with their organisation. The eight key factors measured are wellbeing; personal growth; fair dealing; company leadership; employees' feelings towards their managers, team and company; and what the company gives back to society.

One million copies of The Sunday Times 100 Best Small Companies supplement were issued following the awards event.

For the third year running, we have also been granted the maximum 'Three Star Status', ranked 'extraordinary', in the Best Companies business accreditation system. Launched in 2006, the Best Companies Accreditation was established to acknowledge corporate excellence in the workplace and the accreditation takes the format of a Michelin style star system with company performance awarded one star for first class, two stars for outstanding and three stars for extraordinary.

We were one of only 84 organisations across the entire UK to receive the prestigious three star rating.



Coasteering Challenge raises cash for cancer support

More than £600 was raised for Macmillan Cancer Support by two brave volunteers from the Isle of Man office. David Hanlon and Tom Smart were persuaded to take part in a coasteering challenge when their colleagues pledged money for the cause.

Coasteering is an extremely demanding activity that involves making your way along a rocky coastline on foot or by swimming, without the aid of boats, surf boards or other craft. Local company Adventurous Experiences kindly offered the two coasteering places free of charge and organised the session which took an ambitious route around Peel Castle, on the west coast of the Isle of Man.

The challenge took place in warm sunshine, 15 degrees sea temperature and strong swell to make it a thoroughly exciting and unforgettable adventurous experience. Despite their initial apprehension, Dave and Tom faced their fears, completed every jump and even found they actually quite enjoyed themselves!

Macmillan Cancer Support Isle of Man is one of our staff-nominated charities and fundraising manager, Gillian Wilson, thanked Dave and Tom for their courageous endeavours. All the money raised on Island is for the benefit of the people of the Isle of Man, wherever they have to go for their cancer treatment.



Tom Smart (left) and David Hanlon



FSA changes compensation limit in the UK

As a result of recent European legislation, the UK Government has introduced a number of changes to the Financial Services Compensation Scheme (FSCS) to help provide further protection for consumers.

The FSCS is a compensation fund for authorised financial services firms in the UK, which is designed to protect the depositors' savings and investments. The FSCS covers all eligible UK depositors, which include most individuals and small businesses. If a UK firm becomes insolvent or ceases trading, the scheme may be able to provide compensation to its depositors.

From 31 December 2010, the scheme increased the amount of protection it offers

savers, raising the maximum compensation from £50,000 to £85,000 per individual, for every registered institution they have a savings account with. This means up to £85,000 of your savings with Fairbairn Private Bank's London office could now be protected by the scheme. The change brings the UK into line with the €100,000 deposit compensation limit which came into force in all European Economic Area (EEA) member states at the end of last year.

The FSCS was set up by the UK government to protect individuals and small businesses against financial service providers who cannot meet their financial obligations. We are pleased to support the FSCS, but you may rest

assured that Fairbairn Private Bank remains a highly respected and profitable business in its own right and your assets are in safe hands. If you require further details on our financial standing, please visit our website at www.fairbairnpb.com/about-us.

More information on the UK scheme is available on the FSCS website at www.fscs.org.uk.

Information on the Isle of Man and Jersey depositors' compensation schemes can be found on their websites www.fsc.gov.im and www.gov.je respectively.

If you have any queries, please do not hesitate to call your relationship manager or our client services team on **+44 (0) 207 002 3600**.

London office steps up to the wicket

With the England cricket team on winning form in the Ashes series Down Under in January, cricket is certainly hitting the headlines and this year we have added our own support for the game by entering into a one-year sponsorship agreement with the Stock Exchange Cricket Club (SECC).

Commenting on the sponsorship agreement, David Stearn, head of business development, said: "We are delighted to support the Stock Exchange Cricket Club and wish them every success for the season ahead. It is a very exciting time for us as we continue to expand and promote our asset management offering in the UK so we welcomed the opportunity to work with such a highly-regarded club."

The Stock Exchange Cricket Club was first established in 1950 and is a family of like-minded individuals who share common

business interests and a love of cricket. The club is open to anyone who works for a member firm of the London Stock Exchange and includes players from the fund management, broking, corporate finance and investment communities, across all age ranges

– there is even a veterans' side. Around ten fixtures are held each year against a variety of opposition, from village sides to the MCC. To find out more about the Stock Exchange Cricket Club, visit the club's website at <http://www.ukcricket.org/secc/default.asp>



Colin Campbell (far right), from our London office, with members of the Stock Exchange Cricket Club



The Jersey Junior Triathlon Team dive in St Aubin's Bay, Jersey

Jersey office supports junior triathletes

For 2011, we have entered into a one-year sponsorship agreement with the Jersey Junior Triathlon Club. Part of the well-established Jersey Triathlon Club, the junior section aims to encourage children under 16 years of age to get involved in the sport.

As well as promoting sporting excellence, the club is recognised for the quality of its coaching, training and participation in the community. The junior section of the club provides a varied programme of events during the course of the year and offers members specialist training and support. Last year's programme of duathlon,

aquathlon and triathlon events attracted over 50 children eager to take part.

David Stearn, head of business development, commented: "We are delighted to support the Jersey Junior Triathlon Club in its efforts to get the Island's children involved in such a rigorous and demanding sport. The beauty of triathlon is that it offers the variety of three different sports, which makes it an extremely effective way of getting children out and about, whatever their abilities and backgrounds."

If you would like to find out more about the Jersey Junior Triathlon Club, contact Daniel

Halksworth at danhalksworth@hotmail.com or visit www.jerseytriclub.com

The sport of triathlon, which involves swimming, cycling and then running, was created in the island of Hawaii and the first race consisted of a 2.4 mile swim, 112 mile cycle followed by a 26.2 mile run. This length of race is now known as the Ironman distance and is still run in Hawaii every October for those brave enough to attempt it!

In fact, our very own Team FPB Ironman, Raoul de Jongh, successfully competed in this event last year and is featured in our story on page 6.

New appointments in Jersey

In line with increasing business flows, we have made two new appointments to our private banking team in Jersey.

Andrew Robins has extensive financial experience having worked originally for Barclays and then, for the last 10 years, at RBC Investment Solutions. Most recently, he worked as an investment consultant providing investment advice directly to trustees and private clients. Prior to this he spent seven years as a private banker managing a diverse range of high net worth clients. In his new role at Fairbairn Private Bank, Andrew will focus on private client business development.

Alex Jeffries also joins from RBC where he worked as a wealth manager assistant supporting a team of investment consultants and providing ongoing relationship management. At Fairbairn Private Bank, Alex will be responsible for his own portfolio of private clients.

Commenting on the appointments, Cameron Walker, head of private banking in Jersey,

said: "We are expanding our private banking team and I'm delighted to welcome Andrew and Alex to the company. We are actively promoting our asset management services

among private clients and the addition of two new wealth management professionals will significantly enhance our client offering."



Left to right: Andrew Robins and Alex Jeffries

Important changes to the EU Savings Directive

If you are resident for tax in a European Union (EU) Member State or hold a passport issued by an EU Member State, you may be affected by the provisions of the European Union Savings Tax Directive (EUSD). A full list of the EU Member States, which includes the UK, is provided at the bottom of the page. The Isle of Man, Jersey and Guernsey are not part of the EU and so individuals resident in those jurisdictions are not affected.

If you are affected by the EUSD, you will already have been notified of changes, which will come into effect from 1 July 2011 - these changes relate to the taxation of interest earned on your account/s. For all EU resident Jersey accountholders who have selected the retention tax option, the tax deducted from interest earned will increase from 20% to 35% from this date. However, in the Isle of Man, the retention tax option will be withdrawn and the Isle of Man Treasury will require all EU resident individuals who hold Isle of Man based bank accounts and who are subject to the EUSD to move to automatic exchange of information.

Under automatic exchange of information, no tax will be deducted from interest payments made to you, but details of the amount of interest paid, together with certain personal details, will be provided annually to the Isle of Man tax authority.

This information (listed below) will then be passed on to the tax authority in your country of residence:

- your name and address
- your bank account number
- your tax identification number
- your country of tax residence
- the amount of interest you have received and the period to which the interest relates.

Under the new legislation, if you hold an existing fixed term deposit account with our Isle of Man office and it is due to mature after 1 July 2011, exchange of information will automatically apply. There will be no retention tax deducted from the interest paid to you, but details of the amount of interest accrued over the entire term of the deposit, together with the personal details outlined above, will be provided to the relevant tax authorities.

Unlike the Isle of Man, Jersey is not intending to move to automatic exchange of information in the foreseeable future, and therefore retention tax will continue to be available for all our EU resident clients who hold accounts with our Jersey office.

If you are an Isle of Man accountholder who is 'non-domiciled' for tax purposes in your country of residence, there may be options available to you with regard to the EUSD.

Options for Isle of Man accountholders:

1. If you take no action, your account(s) will automatically be updated to reflect the new legislation, and information on your account will be passed to the tax authority in your country of residence, as outlined above.
2. Alternatively, if you are resident for tax purposes in the EU you may wish to remain outside the scope of the EUSD **exchange of information** requirement by transferring your account to our Jersey office.

Please note that there may be costs involved in transferring assets under our administration, other than cash. **As with any taxation decision, you should seek independent tax advice if you have any queries about your personal tax position.**

In light of these forthcoming changes, all new accounts opened by EU residents with Fairbairn Private Bank in the Isle of Man after 1 January 2011 will be opened on an automatic exchange of information basis, and the retention tax option will no longer be available to new accountholders with our Isle of Man office.

If you have any queries on these changes, please call our client services team on **+44 (0) 1624 645000**.

EU Member States:

UK, Ireland, France, Germany, Netherlands, Belgium, Italy, Luxembourg, Spain, Portugal, Greece, Austria, Sweden, Finland, Denmark, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria and Romania.



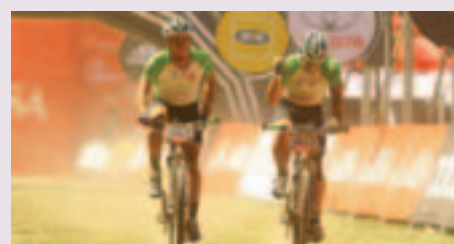
A phenomenal year for team FPB

In early 2009, we took our first steps into sport sponsorship in South Africa, supporting the fledgling Fairbairn Private Bank Multisport Team. Team FPB, as it became known in sporting circles, consisted of some of the brightest young talent in the local multisport scene. The concept around the team was to promote and nurture young talent in the disciplines of road cycling, mountain biking and triathlon – sports which have enjoyed immense growth both in South Africa and globally over the past few years.

By the end of 2010, the five-person Team FPB (plus occasional guest athletes) was ranked as one of the best amateur multisport teams in the country, enjoying exposure in all forms of media as they repeatedly took to the podium. Team highlights of 2010 included

wins at South African Xterra Championships, 100-miler Mountain Bike Challenge, and Provincial Triathlon Championships. After earning himself the title of the best amateur Ironman athlete in South Africa early last year, Team FPB Captain Raoul de Jongh topped off a phenomenal 2010 for Team FPB by becoming the first South African to complete, and place second, in the famed double - Ironman World Championships and Xterra World Championships, both in Hawaii two weeks apart.

Following the outstanding success achieved by Team FPB to date, we are proud to announce our continued support of this initiative in 2011 and to present the Pure Planet Racing Team. Pure Planet Racing aim to become the first sporting team to race all over the world with a



carbon neutral footprint. The team will compete in a range of multisport events from cycling, trail running, and Ironman through to the famed Ö till Ö adventure race in Sweden. We are very excited about this initiative, as well as the calibre of athlete joining the team, who together demonstrate our commitment to community involvement and social initiatives. You can read all about the Pure Planet Racing and its quest to race the planet in 2011 at www.pureplanettracing.com

For further information please contact our client services team on **0800 289 936** or visit www.fairbairnfb.com

The value of your investments and income from them can fall as well as rise and you may not get back the original amount invested. Exchange rate changes may affect the value of investments. Past performance is not necessarily a guide to future performance.

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Fairbairn Private Bank is a registered trade name of Fairbairn Private Bank (IOM) Limited and Fairbairn Private Bank Limited.

The parent of Fairbairn Private Bank is Nedbank Group Limited, which is incorporated in South Africa and is regulated by the South African Reserve Bank. The ultimate parent of Fairbairn Private Bank is Old Mutual plc, which is incorporated in England and Wales and regulated by the UK Financial Services Authority. Fairbairn Private Bank places limited funds with other parts of its group and thus its financial standing is linked to, albeit not wholly dependent upon, that of the group. Fairbairn Private Bank has its own independent credit rating from the international credit rating agency, Moody's. Depositors may wish to form their own view of the financial standing of Fairbairn Private Bank and the group based on publicly available information. The latest report and accounts, and details of the credit rating are available at www.fairbairnfb.com

Fairbairn Private Bank (IOM) Limited is licensed by the Isle of Man Financial Supervision Commission. Registered office: St Mary's Court 20 Hill Street Douglas Isle of Man.

The London office is authorised and regulated in the UK by the Financial Services Authority.

Fairbairn Private Bank Limited is regulated by the Jersey Financial Services Commission. Registered office: Fairbairn House 31 The Esplanade St Helier Jersey. Latest audited accounts are available on request.

Authorised and regulated in the UK by the Financial Services Authority in respect of regulated mortgage contracts only.

UK Financial Services Authority registration numbers:

Fairbairn Private Bank (IOM) Limited 313189

Fairbairn Private Bank Limited 313187

South African representative office established in terms of Section 34 of the Bank's Act 94 of 1990.

Fairbairn Private Bank (IOM) Limited is a participant in the Isle of Man Depositors' Compensation Scheme as set out in the Compensation of Depositors Regulations 2010. For full details, please see www.fsc.gov.im

Fairbairn Private Bank Limited is covered by the Jersey Depositors' Compensation Scheme. For full details, please see www.gov.je

Fairbairn Private Bank is a member of the UK Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. More information can be found at www.fscs.org.uk

For further information, please complete your details, tick the appropriate boxes and either fax this to +44 (0) 1624 627218 or send to: Client Services Team Fairbairn Private Bank St Mary's Court 20 Hill St Douglas Isle of Man IM1 1EU.

Title _____

Surname _____

Forename(s) _____

Address for correspondence _____

Telephone number _____

Email address (if applicable) _____

Your account number with us (if applicable) _____

I would like further information on the following Fairbairn Private Bank services:

- Accumulation account
- Gold status Visa card
- Fixed term deposit service
- Foreign exchange service
- Structured deposit service
- Lending
- Focus – integrated banking and investment service
- Self-managed pension
- Insurance bond wrapper
- Old Mutual funds
- Discretionary investment management service
- Alternative investments
- Discretionary – bespoke portfolio
- Trust and corporate services
- SIPPs
- Corporate Bonds
- Foundations
- Via email Via post

Please complete overleaf for further information on any of the Fairbairn Private Bank services.