

Report of the Personally
Liable Partners



THE PERSONALLY LIABLE PARTNERS

*From left to right: Friedrich Carl Janssen, Christopher Freiherr von Oppenheim,
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Luxembourg, 20 April 2009

Dear clients, business associates and
shareholders,

Financial year 2008 was marked by the financial crisis for Sal. Oppenheim too. Now, after years of growth, a necessary phase of consolidation follows due to the dramatic changes in the financial climate. The Sal. Oppenheim Group has responded to these changed market conditions by taking appropriate measures.

The negative impact of the financial crisis particularly following the collapse of American investment banks in the autumn of 2008 made it unmistakably clear that the entire financial world was radically affected and that everything would profoundly change for good. The foreseeable future does not hold the prospect of another such positive business environment for banks as in recent years. In light of this, the entire financial sector must become accustomed to a “new state of normality” characterised by lower levels of assets and earnings. This also has implications for Sal. Oppenheim.

Nonetheless, with the exception of Equity Trading, our operational divisions have remained stable and profitable. We are also satisfied with the development of BHF-BANK in 2008.

Capital market slides and the reduction of assets in nearly all classes also burdened Sal. Oppenheim’s capital market-related business activities in 2008. As a result we sustained losses in some of our assets and equity investments. We took advantage of all opportunities for financial year 2008, in order to burden net income only one time; we also reported extraordinary losses and measurement losses in full in accordance with IFRS. We plan to achieve adequate results in the coming financial years as well, with positive signs already evident in the first few months of this year.

We also addressed changes in market conditions by reducing risks. Our entrepreneurial and business-minded sense of responsibility furthermore demands that we address the decrease in earnings by cutting costs and making the necessary structural adjustments.

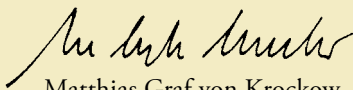
The move, now completed, to combine Private Banking and Asset Management to form today’s new Asset Management division has proven effective. With a timely revision of forecasts, Asset Management’s investment strategy with its clearly structured investment processes and tactical investment policy prevented more drastic losses in client portfolios. The forecasts were based on an emphatically conservative view.

The owning family and shareholders of the Sal. Oppenheim Group have resolved to restructure the Group's business and investment activities. In future, the holdings in the listed companies ARCANDOR AG and IVG Immobilien AG, along with Sal. Oppenheim Private Equity Partners GmbH will be managed in a newly formed, independent holding structure not affiliated with the Bank. The shareholders also took a first step in further strengthening the Bank in December 2008 by resolving a capital increase of € 200 million.

Our Bank has overcome a great number of challenges during its 220-year history. We also successfully led our Bank through the financial market crisis in 2008. The Sal. Oppenheim family as a reliable ownership structure, our dedicated employees and the clients who stand by us are the foundation upon which we will further develop our Bank.

The public discussion about our economic and financial system has revealed that basic business values have been jettisoned. Only a return to the virtues of successful entrepreneurship, sustainable management and sound business dealings can preserve values and ensure the necessary confidence in the financial sector. As a family-managed private bank, we have lived by these values for generations. We are just as conscious, as entrepreneurs, of our responsibility to our clients as we are of our responsibility as trustee to future generations. We are especially grateful to our clients for their trust, even in difficult times. Our corporate philosophy will maintain its primary focus on the needs and expectations of our clients into the future. Only in this manner do we earn the trust placed in us.

Yours faithfully,



Matthias Graf von Krockow