



THE SAXO BANK VALUES



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A lot has happened at Saxo Bank since we first published this booklet. However, our core values remain the same and that is why we have chosen to issue it in a revised, new edition.

In our Corporate Statement, we have listed the seven values that we believe are necessary to incorporate into our work in order to operate successfully as a business; but they are also at the core of a successful life for individuals.

### **RATIONALITY, INDEPENDENCE, INTEGRITY, HONESTY, JUSTICE, PRODUCTIVITY AND PRIDE.**

You may not be guaranteed a successful career or a great life – accidents, illness or other random elements may interfere – by applying the values to your work, but it is difficult to imagine that anyone could live successfully if he or she continuously disregards and violates these values.

Just try this experiment with each of the values: If you were continuously dishonest, so that no one trusted you, could you succeed with this for a lifetime? Or what if you disregarded justice, so that you never encouraged what is good around you, and made no difference between valuable and worthless activities – making no distinction between productive and destructive actions? No decent human being would want to associate themselves with you, if they felt you did not distinguish between good and evil, right and wrong. And so it goes for all these values – they are necessary ingredients in a good life, and, for Saxo Bank, essential for building a strong, reliable, competitive business.

We did not invent the seven values nor did we define them as being essential. We did intuitively – as anyone running a healthy business would – use them in the creation and growth phases of Saxo Bank.

It was only when reading Ayn Rand’s novel “Atlas Shrugged” that we understood exactly what the underlying philosophical justification was for what we believed was just common sense.

What is so great about this novel is that it gives you a more detailed, philosophical foundation for what you intuitively know is right. It tells you what creates results and why other, contradictory sets of values are unlikely to create long term success.

Ayn Rand’s philosophy is called “Objectivism” and she spent decades refining the list of values. Rand called them “virtues” and occasionally we use this word too. Rand did not think that the list of values was necessarily exhaustive, but these seven values are the most important ones.

So why is it so important to have the right, consistent values and to be aware of them? Well, the problem is that you define and live by a set of values, regardless of whether you are aware of this process or not. Everyone lives his or her life based on some set of – sometimes subconscious – ideas- confused or organized, productive or non productive. The values you choose help to define your life. If you pick up incoherent and random values from politicians, media, writers, friends and foes that offer them, you are likely to end up confused and unable to make decisions, because “it seems like everyone has a point, nothing is black and white etc”.

The fact is, things are very black and white, which is sometimes difficult to accept. It reveals how confused we have become. It is so much easier to see everybody’s point of view, trying not to upset anyone. The key to understand and differentiate between values, however, is to accept that the world exists due to productive activity – and that this productivity can be expressed in a very broad sense. It is not just industry and business, but many other activities that add to the total mass of creative productivity in the world.

But there is also a large group of people who live and thrive exclusively off other peoples’ productivity, not because of a real need for help, but because of a lack of desire to take responsibility for their own lives. And those are the people to look out for, for they are the ones that can destroy the world by stealing, restricting, damaging, questioning and berating productive activity. In order to identify what is what and who is who in this important division of human behaviour, you need values and principles that you can use as a test of these arguments and activities.

In Saxo Bank, we believe in productive activity – we believe in a capitalistic approach in which people are encouraged and rewarded for productive activity. We take responsibility for our own lives, we are proud of our successes, and we deal rationally with and learn from our failures and mistakes. We face the reality of the world around us, and we always seek to improve and create value. For this, we need values, and we have never come across a better definition of this than Ayn Rand’s list.

Those values help us to stay focused in a world that sometimes is confusing and apparently contradictory. They help us to identify what is wrong and what is right. Values act as principles against which you can quickly test your ideas and your actions.

We do not need to go through the whole thought process every time we see an opportunity, because we know that if a productive activity meets all tests of our values, it is very likely to be a success. But if it is a breach of integrity or honesty, we can disregard it even if it appears to be profitable; because that profitability would not be sustainable, long term nor would it be right for us to pursue.

We have to adhere to values, or the long term outcome will be negative and counterproductive with regards to our goals. Try to do some exercises in real life situations – think through the consequences of an activity in breach of the values. You can also do another

check – if everyone in the world acted in a given way, would it be sustainable? Stealing rather than producing, for example, is only possible in a world where others produce – if everyone were thieves, the world would cease to exist within a week. How about redistributing wealth in a social welfare society – if no one produced anything there would be no glory for those people redistributing, and claiming so much credit for their decency and so-called humanistic nature.

So check the premises carefully before being impressed with anyone not being involved in some kind of productive activity. You will find that you are the honourable person, not they...

It is important to understand that Rand's values are based exclusively on the idea of productiveness being essential for survival. The values are not founded in religious beliefs or social contexts, but in what is the right way for you, the individual, to live a great life. The beneficial effects that nevertheless are created for the surrounding society are just that – the effect, rather than the cause or the justification for the values.

We urge you to read "Atlas Shrugged." It made a huge impact on both of us. In this booklet, we included excerpts of Ayn Rand's own description of the values. You will find the full description of each value on pp 1018–1022 in "Atlas Shrugged", the Saxo Bank Edition.

We hope you agree that the seven values are the necessary foundation of both a successful company and your own individual life and career. That is why the seven values in our Corporate Statement are one of the few things that will never change in Saxo Bank.

Hellerup, 30 June, 2010



Kim Fournais



Lars Seier Christensen

Founders and Co-CEOs

## RATIONALITY

Behaving in a rational fashion seems like an obvious thing to do, but actually, in many organizations a lot of time is spent on very irrational and unproductive activities. Rationality means applying a logical approach to identifying how to arrive at a desired end – or to gain a desired value – in the most efficient and straight-line manner. It also means taking into account the relevant information required to reach decisions and to decide on an optimal path of specific action.

If a competitor has created a better product than your own, you cannot talk it into oblivion. Even if in the short term, you might convince a client to accept your own inferior solution, longer term, you are always at risk of this client becoming more informed and, ultimately, you will lose out. The only way to deal with competitive products is to investigate them thoroughly, take an active interest in industry developments, and meet any challenges head-on by improving our own service and the features of our products. Your continuous alertness to what you see and hear and your accurate reporting of relevant information is of utmost importance to Saxo Bank, to ensure that we stay ahead of the competition. Your ability to act with flexibility and creativity in meeting client demands is essential. You cannot dream, wish, hope or lie yourself out of a difficult-to-fulfil, but reality-based client demand. If the client can get a better service or product somewhere else, we need to deal with this reality and improve in order to maintain the relationship.

If you have a disagreement with another employee, you also need to deal with it head-on. If you are right, then you should stand up for your point of view, but if you are wrong, acknowledge it and move forward. You should not pursue any line of action for any other reason other than the most rational and logical way to move forward – even if it means giving up your own (inferior) idea, or if it means the justified recognition of one of your colleagues instead of you. Playing politics rather than meeting your colleagues in open-minded discussion and facing reality will not only be detrimental to your own long-term career but ultimately also disastrous for the company.

Making the right, rational choices is what life is all about. Just as irrationality leads to failure or at the very least dependency on other people's rationality, rationality often leads to success and independence (in fact it almost always does if consistently applied and carefully and intelligently executed).

So being rational in your work at Saxo Bank is a key precondition to success. Try to minimise (irrelevant) emotional influences when defining your strategy and be genuinely driven by what is the most logical, direct and efficient way forward. Do not worry about other people getting some of the credit. Deal with issues directly and in a timely fashion; face up to external competitive pressure; continue to think creatively about how you can improve work processes, products and services - that is what the virtue of rationality is all about.

A black and white photograph of a woman in a call center. She is wearing a headset with a microphone and has a serious, thoughtful expression. She is looking slightly to the right. The background is blurred, showing what appears to be a computer monitor and office equipment. A dark blue horizontal bar is overlaid at the bottom of the image, containing a quote in white text.

*“Rationality means applying a logical approach to identifying how to arrive at a desired end.”*

## INDEPENDENCE

All of the virtues are actually derivatives of “rationality”, and this one, in particular, means using rational thinking in an independent manner. In spite of all types of teamwork, all types of organisations and all forms of society, it simply boils down to one brain per individual. There is no such thing as “group thinking” (don’t confuse that with individual thinkers choosing to work together in a group...) or a “collective brain”. Whether you like it or not (and we hope you do like it...), everyone has their own individual mind that you can choose to use or not. It is your primary tool of survival, but also the gateway to much more than mere survival – to a large extent, the more and the better you use your mind (which implicitly means independently), the more successful and – at least if applied to commercial business – the more comfortable a living you will be able to create for yourself and whomever you choose to share your life with.


Now you might be thinking... how can we all think independently in an organisation such as Saxo Bank, where working together is necessary for success and where sometimes I might be given instructions that I am not really expected to question or think too much about? Would thinking independently about everything not mean chaos and lack of management?

Those are valid points, so let’s quickly explain what independence does not mean.

Independence does not mean re-inventing the wheel, or not accepting the Law of Gravity or Einstein’s scientific theories before I have checked all the facts and calculations myself. It does not mean a complete lack of respect for where you work, if that is freely chosen by yourself, or for the managers or leaders you interact with as a result of that decision; nor does it mean having to define or create every single process personally before implementing it.

Independence does not mean that you should not learn from anyone else. But it does mean that blindly copying or repeating anything and everything you see or hear uncritically, will not get you anywhere in the long run. If you unquestioningly accept anything that sounds good without further consideration of its consequences or any idea that simply seems to be agreed upon by other people (even if they are a majority), you can be fairly sure that this will not be a great success in your life.

A simple and frequent example from our own industry could be: the investor (or, at worst, the client advisor) that runs, like a mouse in a maze, after any and all analytical views he or she can find. If they have just read a negative comment on the dollar, they are adamant that it will collapse. If they next stumble over a positive comment from a politician or a central banker, they will be the greenback’s most eager supporters. They will even pin anyone they randomly meet at the office coffee machine against the wall to hear their views, irrespective of their background or expertise, and be particularly receptive to their opinions if they happen to agree with the direction of the existing position. Such lack of independent thinking leads to financial disaster.



*"Whether you like it or not everyone has their own individual mind that you can choose to use or not"*



*"Integrity is about doing what you say you will do, honouring your commitments and fulfilling your promises."*

## INTEGRITY

Integrity is standing up for what you mean and being prepared to execute your ideas and defend your values. Integrity is therefore closely related to the virtue of independence. Integrity is about doing what you say you will do, honouring your commitments and fulfilling your promises. Integrity is accepting that there is a relation between the dreams you have for the future, and the work you need to put in every day to reach those goals – otherwise your life will just be an endless repetition of frustration and disappointment.

As long as you respect logical restrictions and reality in your thinking, you can reach even very ambitious goals if you really commit to it. However, respecting logic and reality means, for example, no matter how hard you wish for it, you will not be able to learn how to fly without any means of technological help due to the very real laws of gravity.

But becoming a millionaire or a member of parliament or getting an education or speaking a foreign language or finding a great spouse or having a successful career – these goals are certainly within your reach if you really want to achieve them and are willing to work hard in the real world to make your dreams and goals come true.

In Saxo Bank, extending this integrity to our clients and partners is of course critical. We need to manage expectations correctly, so that we invariably deliver at least what we promise. Conversely, we need to be very careful to explain to the clients exactly what our services are, and what risks and opportunities they will face while working with us.

There is no real substitute for an integrated view of life. If you are not basing your life on reality, either you will fail or you will be entirely dependent on someone else to support you, because they act rationally on your behalf – a parasitic and unsatisfactory existence at best, and a highly risky proposition for the long term.

So integrity, in its widest sense, is the virtue that secures consistent application of all the Randian virtues, combining both the theory and real life.

## HONESTY


Honesty should be understood both in the normal sense – i.e. do not unnecessarily lie to others – but it is also the concept of intellectual honesty. Being honest means meeting reality head-on, and trying not to fool yourself or others by not trying honestly and in an objective manner to interpret and deal with the facts that you are faced with.

Being dishonest can take many forms, such as lying to clients, colleagues or friends. This would not be beneficial in the long run, as the truth becomes inevitably clear sooner or later, and future relationships would be greatly damaged. Dishonesty could also be pretending to be something you are not. For example, would getting a particular job because you lied about your abilities not be more disastrous than not getting the job at all? You will ultimately end up failing, losing credibility and in the meantime having failed to make progress at something you could have been great at instead? Attracting a spouse or a circle of friends by pretending to be a different character than you really are? Forcing yourself to live a life that is not what you really wanted – presenting a façade that you need to think about every minute of the day because it is not honest to your nature – and again, probably eventually getting called on your bluff after all those efforts...


Does being honest mean being honest at all times, under all conditions? No, not if circumstances place you in a particular – typically forced – situation where honesty is clearly damaging to you. Here the virtues' justification by rationality rather than religious or social context becomes clear. An example could be a criminal trying to force information out of you about how to access your bank account or where your safe is hidden. In such cases, being honest is not necessarily at all to your advantage, whether seen in a short term or long term perspective – but you may also conclude that honesty is indeed still to your advantage, if the alternative is getting killed, for example.

Rationality will decide the matter for you.

Being honest is a selfish virtue, as are all sustainable virtues. Honesty is for your own benefit; it is not just a duty you owe to others. All of Rand's virtues serve the purpose of making your life more successful and your philosophy more coherent. The great thing is that applying the virtues also has beneficial implications for your surroundings, friends, colleagues, the Bank, society... which are all components in helping your life to be successful. So there is a win-win effect in honesty, just as in the rest of our values and the contents of the corporate statement, which is exactly what we want to portray.

A black and white photograph of a modern office building's interior. The space is characterized by curved white architectural elements and a prominent white staircase with a glass railing. In the foreground, a person is seated at a desk with several office chairs. To the right, a glass-walled display case contains a Formula 1 race car, with the name 'BENSON HEDGES' visible on its side. The overall atmosphere is clean, bright, and professional.

*"Honesty is for your own benefit;  
it is not just a duty you owe to others."*

A black and white photograph of a man with a beard and glasses, wearing a white shirt and a striped tie, smiling and looking towards the right. He is in an office environment with other people blurred in the background. A dark blue semi-transparent banner is overlaid at the bottom of the image, containing a quote in white italicized text.

*"There is nothing more self-reinforcing than getting recognition for good work, and this is something we all need to remember everyday."*

## JUSTICE

Justice, in modern terms, essentially means that you should not just sit back and accept everything around you without having a view on it. You should not be afraid to speak up when somebody does wrong or behaves in an unacceptable manner. By keeping quiet, you are not doing the person a favour, because that person may not be aware that what they are doing is questionable, or, if he or she is, they may think that doing the wrong thing will never have any negative consequences for themselves – hence encouraging them to continue that way. Along the same line of thinking, you also should give praise when someone does something positive, not just to be nice, but to encourage such actions in the longer term, to show that you notice and that it makes a difference to you. In terms of Saxo Bank, this is closely related to the value of honesty, and essentially means that you should neither hold back constructive and justified criticism nor should you fail to praise a colleague that does something of value or ethically correct, when you see it.

When we are doing unbearable damage is when we fail to recognise appropriately those people who are doing great things. Whether this is out of envy or indifference, it is very damaging if people that should be praised fail to get the recognition they deserve. There is nothing more self-reinforcing than getting recognition for good work, and this is something we all need to remember everyday – whether you are the CEO, director, team leader or the colleague in the next seat. When someone has done something truly exceptional, we all owe it to that person to thank them and to value it. Not only is it fair, but also every time someone does something great for Saxo Bank, we all benefit from the impact on the company – making it a better and more exciting place to work. Of course the exact opposite comes into play if someone does something damaging during their work.

This also means that praise and criticism are both healthy to your self-interest – as all good things are. Being just is both the right action towards your colleagues, and a way to increase your own chances of long term success – by correcting mistakes, and encouraging good work.

## PRODUCTIVITY

Being productive means doing what every one of you does every day in Saxo Bank: Creating systems and services that are valued sufficiently by our clients to enable us to run a successful business and for all of us to be paid a salary that allows us to care adequately for our families and ourselves.

Being productive means taking pride in providing for your own life, and avoiding relying unnecessarily on other people's production, and recognising that any other way of living – stealing, voting for politicians that give you money by taking it from other members of society, begging – may work short term, but would be completely unsustainable unless someone else made the decision to produce.

I think that we all know the joys of a job well done. To achieve success, to use one's mind creatively and productively, to see things grow and expand through your own efforts is a great experience, and life would be much poorer if we did not experience this individually, and together, every day of the working week. Enjoying the fruits of work, getting the things you want, having fun and free time on your hands, enjoying hard-earned time with your family is all great – but getting there, securing this through your own efforts is a big part of the exercise.

Productivity plays a big part in all we do. It is important that we always bear in mind productivity in our lives as a necessary and logical objective. It is great for us to spend time on research and thinking ahead, and having great plans and long discussions if necessary – but at the end of the line, the goal is productivity. Any initiative we undertake in Saxo Bank must have productivity as the key objective – because if we allow ourselves to lose sight of productivity, eventually the business will fail, and we will all lose out in life.

But we are much comforted when looking around at the people in Saxo Bank and the things we create together. Since we started the Bank, we always have a high focus on getting things done, executing on decisions and creating results. We have never just done things because we thought we ought to, or because we thought it would look good when we did them, if there was no rational reason for doing them.

The constant focus on the practical outcome is something we have to continue to bear very much in mind in all we do at Saxo Bank. As long as we do that, and observe the other virtues and rules of engagement, we have a very exciting and successful journey ahead of us.



*"Being productive means taking pride in providing for your own life."*

## PRIDE

In the country of “Janteloven”, all Danes have been brought up with the notion that pride is mostly a bad thing and that people should rather be humble than proud.

“Janteloven” criticises the success of individuals and portrays their achievements as unworthy, wrong or inappropriate. It equals the term “tall poppy syndrome” and if you are a foreigner and fortunate enough not to have met this particularly odd attitude in Denmark, it is, unfortunately, only a matter of time before you do.

We believe that you are indeed responsible for your own character, your own achievements and your own results; and it does matter that you try to do well. You can influence the outcome of your life, and the behaviour and character of your own person – particularly through the use of rationality, leading you to inevitable conclusions about how to manage your life, your work and your interactions with other people – and leading you to a successful, productive life.

Even in your fundamental choice – deciding to be a productive individual, taking charge of your own destiny and responsibility for your life instead of relying on other people for your sustenance – you have reason to be proud. By having decided to work for a living, instead of stealing or begging your way through life, you have established a critical foundation for justifiable pride.

The rewards for leading such a life are the values – both physical and spiritual – that you can create, allowing you to have self-esteem and to be proud of your life.

Pride does not mean shouting from the rooftops that you are better than everyone else, but it does mean that you accept justified recognition as something you deserve rather than creeping along the walls and being ashamed of praise. This is important to remember in a society such as the Danish, where it is rare to see appreciation of real achievements and where the media and the public are more likely to pursue anything from an angle of jealousy, envy and suspicion of achievement. In fact, praise is so rare that people actually feel uncomfortable and a little ashamed when they do occasionally meet recognition.

It is important to emphasise that we are talking about truly earned pride, not just vanity or pride in an achievement in which you have had no part. Earned pride is the feeling of satisfaction we all know from a job well done, or from receiving a long-awaited promotion, or feeling the recognition and admiration of your colleagues, or from the collective achievement of yet another milestone or award for the Bank. We all know that feeling, and we should revel in it as often as it is justified.

The self-esteem that derives from this, the continued commitment to excellence that it creates, and the justice inherent in praising right actions when due, in turn create a beneficial circle of even stronger pursuit of excellence when we see it recognised rather than ignored or envied.

We have often heard and both been told that from people in the Bank that the recognition of good work by respected colleagues and managers in fact means more than monetary rewards (although we are sure that you would agree with us that a bit of cash is nice, too...). So let us all be sure to hand out praise and recognition where it is due, just as we should not shy away from constructive criticism when that is necessary.

You should allow yourself, your friends and your colleagues to take pride in achievements, and never succumb to the "Jantelov" – trying to wrest away a person's feelings of self-esteem or pride. Pride and recognition are what make everyone tick and continue to reach for the next level of achievement – for the Bank and for the individual.

And therefore, in an environment such as Saxo Bank where everyone has chosen rationality as a guide to cooperation and existence, let us again remind ourselves of the need to share certain virtues, values and rules – Rationality, Independence, Integrity, Honesty, Justice, Productivity and Pride – and to always remember to allow ourselves to share the joy of the successes we achieve.

We need to ensure that there is no element of complacency in this pride we feel. There are still lots of things to achieve, and more battles to fight and win – and hopefully many more proud moments ahead of us.

By always keeping focus on being productive and respecting the values as principles for our activities; we have every opportunity to create a fantastic future for ourselves and for Saxo Bank.

*"Pride and recognition are what make everyone tick and continue to reach for the next level of achievement".*