

22nd Annual General Meeting of Bank Sarasin & Co. Ltd, 22 April 2009

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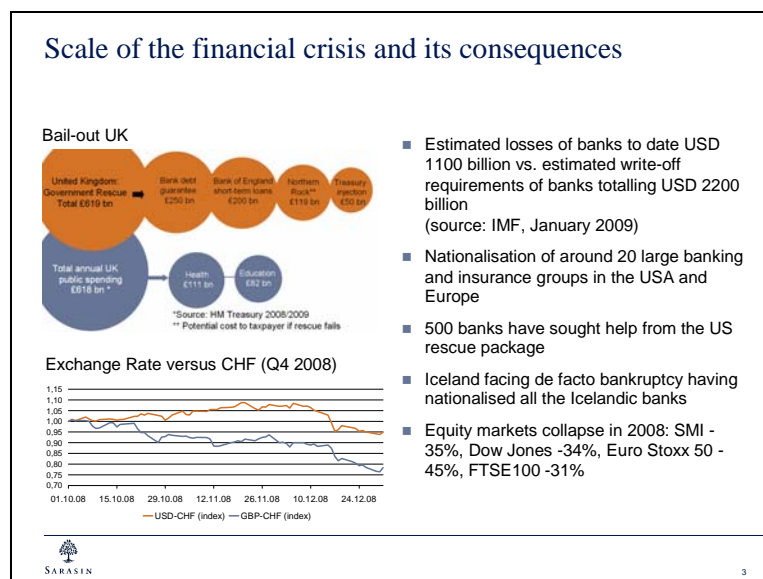
Joachim Straehle, CEO

Mr Chairman,

Shareholders

Ladies and Gentlemen

I am also delighted to welcome you to Bank Sarasin’s twenty second Annual General Meeting here in Basel.



2008 was a historic year in many respects. The financial crisis dragged the economy down to new depths, with a number of previous lows shattered. The climate of the previous year, 2007, triggered by the US housing market on the brink of collapse and the associated subprime debacle, had already been a very challenging time. But who would have thought, just a year ago, that we would find ourselves in the mess we are in today. We have seen a radical change in recent months. State interventions are the order of the day – everyone is calling for them, often without questioning their suitability. The situation came to a head in the “Black September” of 2008, with the failure of America’s fourth biggest investment bank. On Friday, credit agencies were



still giving Lehman Brothers an A-rating, but by Monday the bank was forced to file for bankruptcy. The ensuing liquidity crunch and systemic crisis on international financial markets had unprecedented consequences and since then has triggered several waves of state intervention.

Since that time, around 20 large banking and insurance groups in the US and in Europe have been nationalised, including America's biggest insurer AIG, the equally huge financial conglomerate Fortis, the banking group Dexia, and last but not least all the Icelandic banks. UBS has had to ask the Swiss government for help as well. In the US alone, more than 500 banks have applied for new capital as part of the government's rescue package, and can therefore be classed in theory as partially nationalised. Over 50 US banks have already filed for bankruptcy – not just the mighty Lehman Brothers but America's biggest savings bank, Washington Mutual. The total support package provided by the UK government for British banks is worth GBP 600 billion, which is equivalent to the entire UK annual public budget, or roughly 40% of its gross domestic product.

The course and the enormous scale of the financial crisis have been causing us many sleepless nights. The crisis seemed so distant, but yet we have all been part of it. Tightly networked global financial markets forced us to adopt new and cumbersome routines. Before we were able to settle large euro transfers through our European partner banks, for example, we had to wait for the latest stock market news every morning. Automated transactions were abandoned, and instead carefully monitored on an individual basis. In such a situation, investors can hardly be blamed for being extremely reluctant to invest, so that transaction volumes fell sharply.

The collapse of international equity markets was accompanied by a special brand of currency turbulence. In the last quarter of 2008 alone, the US dollar initially appreciated by 6% against the Swiss franc, only to fall back 15% in the last three weeks of the year. The course of sterling against the Swiss franc was even more dramatic. Having retreated roughly 12% in the first nine months of 2008, the British pound suffered another loss of more than 20% in the last three months of the year. Over the entire financial year sterling, which is an important currency for Sarasin, therefore lost a third of its value against the Swiss franc. Anyone from Switzerland travelling to London during this period would presumably have been delighted about this unexpected “discount”. As CEO of a banking group with an important subsidiary in London, however, I am extremely concerned about the collapse of the British pound



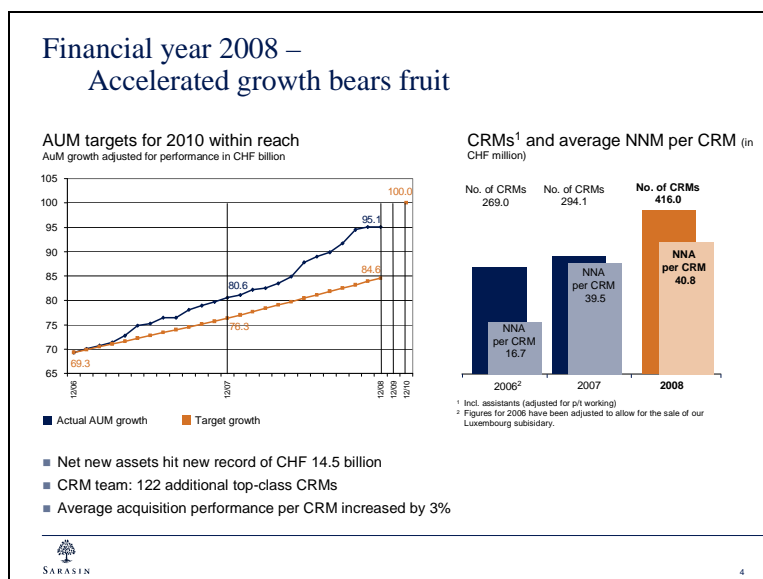
with the resulting erosion of profits we earn in the UK and our local assets under management as the basis of our business.

The past year was an exceptionally difficult and challenging year for the financial community. Shockwaves tore through the industry, shaking many institutions to their very foundations, with serious long-term repercussions. Even as a highly focused private bank, we are also players in the international financial system and are unable to escape the effects of this crisis. But thanks to our clear focus on private banking, we have come through the crisis relatively well.

Our initiatives are geared to the long term. As a bank which thinks and acts in a sustainable manner, we are **not** interested in trying to maximise short-term profits. It is important to bear this in mind when it comes to assessing our performance. We are confident about the long-term success of our strategy, and subsequently about the Group's future.

### What have we achieved in concrete terms?

As far as the key growth drivers of our business are concerned, 2008 was a record year:



Our net new money growth of CHF 14.5 billion is a new record. This figure is not only 30% up on the previous year, but is also exceptionally high compared with our competitors. In fact our acquisition performance in the second half of the year brought in CHF 7.3 billion, even more than in the first half.

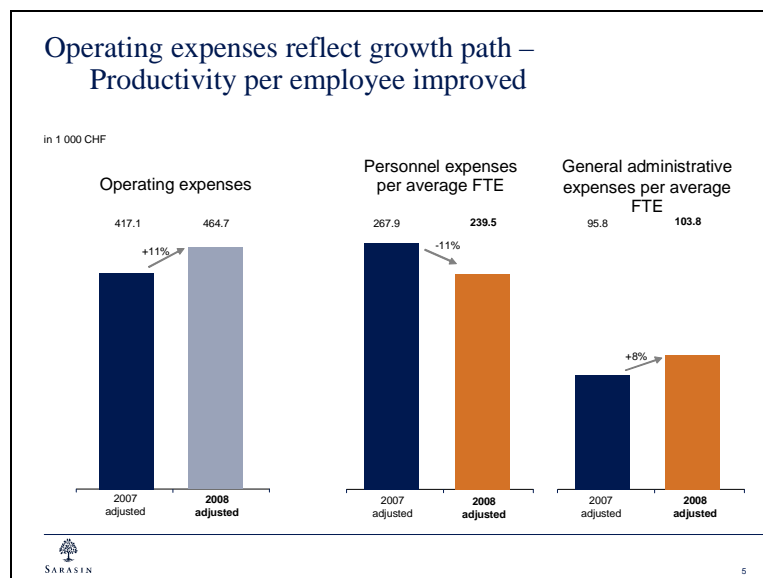
We are proud of this performance. It is better than we expected, and higher than the targets we originally set ourselves. Net new money inflow is the crucial measure of



growth for private banks. Given the volatile state of stock markets and the associated falls in the value of client assets under management, new money growth is vital for protecting the health of the business.

Our success shows the high level of trust that clients place in us and the strong recognition that the Sarasin brand enjoys. But our success is also built on the backing we have from Rabobank. This strong partner with its AAA-rating representing safety and stability continues to give Sarasin a valuable competitive advantage.

The quality of our CRM team is another extremely important component of our success. Despite the difficult climate last year, we pushed ahead with the systematic expansion of our sales force as planned, thereby strengthening the foundation for future growth. The recruitment of another 122 highly experienced CRMs has been a substantial investment. We had 416 advisors working in our CRM team at the end of 2008. We can see that in comparison with our peers the average net new money growth per CRM is high. In the reporting period this has actually grown by another 3%, despite the very negative market environment.

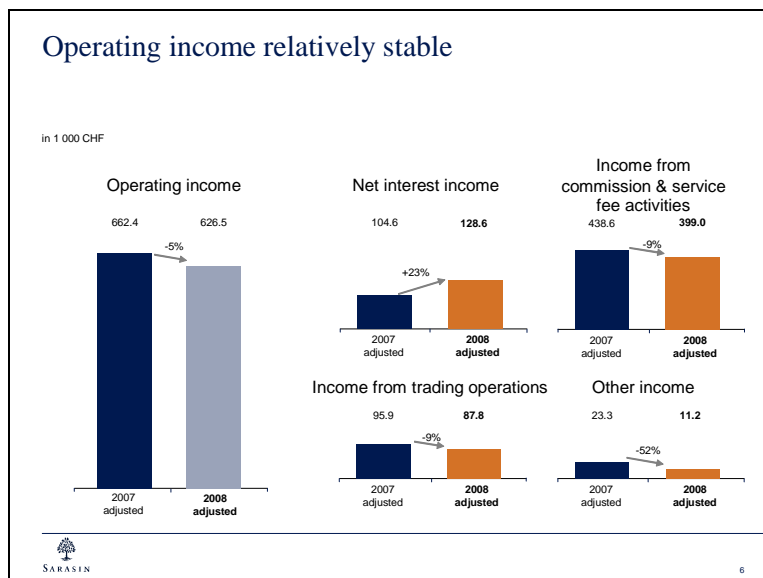


The investments in our growth strategy have inevitably had consequences on the cost side. These rose 11% in 2008, to reach CHF 465 million. The increase in personnel expenses was more modest, at just 5%. This is mainly due to the fact that our bonus malus system is reflected in the variable salary components, i.e. lower performance-based compensation on the back of weaker market and business performance. Another point to bear in mind is that the appointment of new CRMs has been staggered over

time. Our senior management has shown its commitment and confidence in our growth strategy by voluntarily waving bonus payments for 2008.

A sharp increase was seen in general administrative expenses, which rose 28%. This rise not only reflects the acceleration of our marketing drive, but also the opening of new offices and the expansion of existing locations, as well as the launch of Bank Zweiplus. Even so, the figure for average costs per employee is still excellent. This is true not only for average salary costs per employee, but also the average general administrative expenses for each member of staff. We perform very well in this area when compared with our main peers.

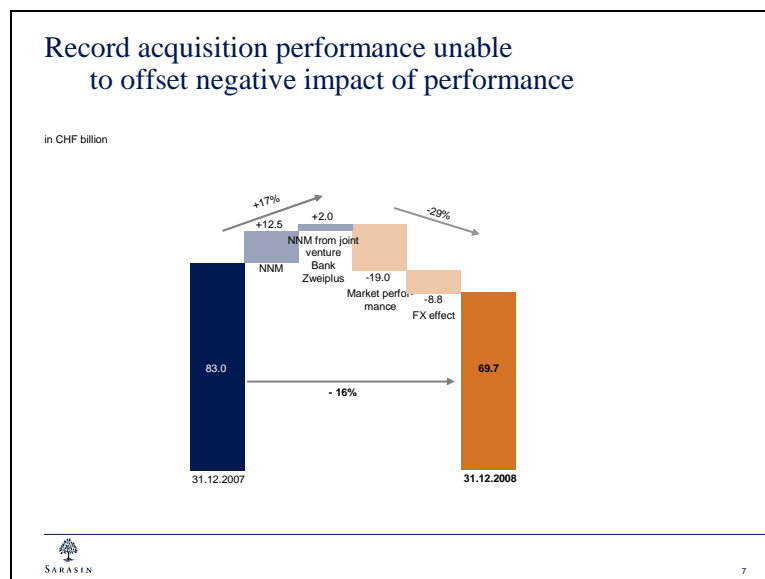
Despite having pushed ahead with the expansion of our CRM team, we still have costs under tight control.



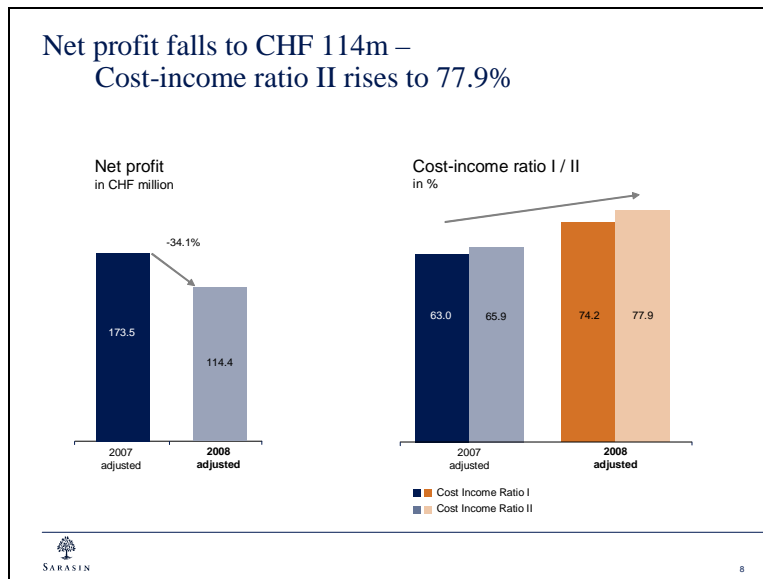
Now let's take a look at the income situation. Given the very difficult market environment, it's reassuring to see that our operating income only reduced by 5%, to CHF 627 million. Investors are understandably very reluctant to invest at the moment. This caution is reflected in a drop in our transaction-based income and in a further rise in the proportion of liquid assets held in the client funds we manage. The income from commission and service fee activities therefore fell 9% to CHF 399 million.

By contrast, the trend in net interest income was positive: this climbed 23% to CHF 129 million. This improvement can be explained by the significant increase in the level of customer lending, both in the form of mortgages and loans against collateral. The expansion of the credit business is closely connected with our core asset management business and is tailored exclusively to the needs of our private and institutional clients.

Once again our “Other Income” has been significantly influenced by one-off special factors. For the sake of transparency, we have therefore provided adjusted figures for this slide. In 2008 the first-time valuation of the holding in the new Bank Zweiplus resulted in one-off proceeds of CHF 51 million, which represents the value-added created by this merger. After adjustments for this one-off gain, Other Income fell by roughly half, down to CHF 11 million. This drop was the result of lower proceeds from the sale of financial investments and reduced income from holdings in associates.



The value of clients' assets under management was affected by the negative market performance and by currency translation effects. Our assets landed 16% lower at CHF 69.7 billion. The new record in net new money growth of CHF 14.5 billion was therefore only able to partly compensate for the severe impact of the adverse market climate. The acquisition performance shows that investments in our growth strategy – particularly in the expansion of our team of highly experienced CRMs – is starting to bear fruit. At the same time the strong new money figures testify to the excellent reputation and trust that Bank Sarasin enjoys in the marketplace and with clients. Our acquisition performance is the cornerstone of our future earnings and profitability.

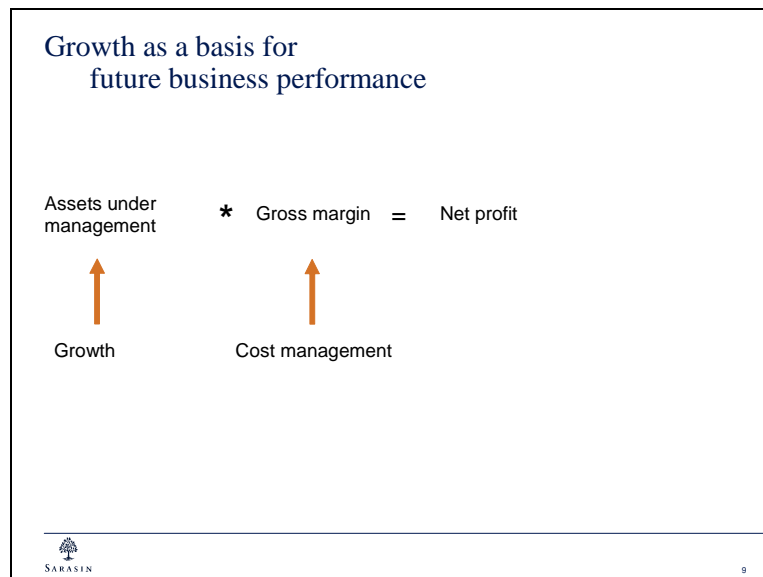


As pointed out earlier, the financial crisis caused huge problems in the interbank lending market in the autumn of 2008. As part of the continuous monitoring of our risk exposure, we already made provision for this back in the spring of 2008 by diversifying our counterparty risk across more than 100 different banks. We have also steadily reduced our exposure over the course of the year. Despite this, the insolvency of Lehman Brothers and the nationalisation of the Icelandic banks forced us to charge one-off value adjustments after tax to the amounts due from these banks, to the tune of CHF 58 million.

The impact of these developments can be seen in our productivity and in our group result: our adjusted net profit after tax fell to CHF 114 million, while the cost income ratio II rose to 77.9%.

Based on the result achieved in 2008, the Board of Directors is today proposing a dividend payment of CHF 0.65 for each class B registered share. Our result for 2007 was boosted by the proceeds from the sale of our Luxembourg subsidiary, and you, the shareholders, were able to benefit from this. This one-off effect and the challenging market conditions in 2008 are reflected in the Board's decision to cut last year's dividend by 50%.

How does the Bank's growth strategy tie in with the business result? Does our strategy need to be adjusted to reflect the current market environment?



In crude terms, the Bank's operating profit is calculated by multiplying the total assets we have under management with the gross margin achieved. This shows how important growth, and specifically newly acquired assets, are in such a challenging market environment. Without the acquisition success of the past two years, the Sarasin Group's business base measured by assets under management would have shrunk to approximately CHF 44 billion.

Conditions are likely to remain difficult in 2009. Our earnings performance is therefore uncertain and difficult to predict. It depends on too many factors over which we have no direct influence. The Bank's management is therefore concentrating on two key levers which we are in a position to influence in the short term: continuous growth to ensure the health of our business and effective cost management.

Let's look at growth: We are committed to consistently pursuing our strategy, which is geared towards the long term rather than maximising profits in the short run. The Bank's sustainable positioning in such as difficult market climate throws up special challenges.

The need to preserve our business base and assure future growth means we must capitalise on the benefits we have created through our investments over the last two years. At the same time we have to match our pace of growth to the fragile market environment. This means, for example, concentrating on just a handful of growth projects and – when selecting suitable projects – applying even stricter criteria to the




business case and to its success parameters. In tactical terms we will orient ourselves here to the market environment and act flexibly in response to market developments.

As part of our growth strategy we have significantly expanded our CRM team over the past two years, thereby laying a solid foundation for our future success. Our task now is to consolidate this basis. In the current financial year our CRMs will have to continue to work very hard to maintain the acquisition performance of 2008. In 2009 we therefore expect our CRM team to once again achieve solid net new money growth of around CHF 7 billion. Our business performance in the first months of 2009 confirms that we are on track to meet our annual target.

We are of course well aware that the market climate puts a lot of pressure on the cost side in particular in the short to mid-term. The members of the Executive Committee have already set an example by voluntarily waiving their bonus payments for the 2008 financial year.

**Sarasin 2009 – Strategy and cost management lay the foundation for further growth**

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|  <p><b>Focus as a private bank</b></p> <ul style="list-style-type: none"><li>■ Sustainability and client proximity set us apart.</li><li>■ Our majority shareholder has an AAA rating.</li></ul> |  <p><b>Solutions provider</b></p> <ul style="list-style-type: none"><li>■ Product strategy concentrated on 3 investment styles.</li><li>■ Scalable IT at high level.</li><li>■ Cost synergies through Bank Zweiplus.</li></ul> |  <p><b>Geographic focus</b></p> <ul style="list-style-type: none"><li>■ Switzerland, Europe, Middle East and Asia.</li></ul> |
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The most important event both for our future growth and our cost efficiency year has been the launch of Bank Zweiplus. After only 32 weeks of planning, this new bank successfully opened for business on 1 July 2008. As part of the Sarasin Group, Bank Zweiplus positions itself as a leading Swiss-based product and settlement platform for independent financial advisers and life insurance companies, as well as for direct clients in the retail and affluent segment in Europe. Bank Zweiplus gives Bank Sarasin, as majority shareholder, the potential for enhanced cost efficiency, as well as creating additional stability and attractive growth opportunities.



To save costs, we shall rely on systematic cost management comprising a number of components:

Firstly, we are putting a temporary freeze on the further expansion of our IT infrastructure. This is already at a very advanced level thanks to investments in the past. By putting various projects on hold we are not compromising anything. Our clients will not be affected by these measures, which are intended solely to achieve a direct reduction in our running costs.

Secondly, we have already realigned our product strategy in 2008. We decided to stop marketing our own hedge funds, and closed down the relevant department. We have also pulled out of the private equity business. We are focusing our product strategy on three investment styles:

- Thematic investments
- sustainable investments and
- quantitative investments.

This focus will be further intensified during the course of 2009.

Thirdly, we are critically reviewing all our growth initiatives. Those which do not create value-added will be deferred, rationalised, or stopped completely.

Should the market situation continue to deteriorate to the point where additional measures are required on the personnel side, we will resort in the first instance to salary cuts and short-time working. By adopting this socially responsible model, we hope to be able to avoid redundancies. At the same time, this approach offers more flexibility than job cuts and has a more immediate effect on our costs.

We do not plan to expand our CRM team in 2009. Instead we shall be concentrating on improving the quality of our team by taking advantage of natural staff fluctuations.

While we anticipate another difficult year in 2009 in which proactive cost management will be vital, our outlook for 2010 is quite positive and we should ultimately be even better placed to take advantage of the investments we have made in our future growth.



Irrespective of the time horizon, the cornerstones of our strategy make me very optimistic about the future of the Sarasin Group:

- Our business model is focused on Private Banking.
- We have an international footprint, with a presence in the most important growth markets.
- Our clients are at the centre of everything we do, not the product.
- Not only are we the leading provider of sustainable investments, but live out sustainability as a company in our day-to-day activities.
- Our majority shareholder Rabobank is a strong, highly reliable partner.

Given the current environment and the painful experiences of last year, our optimism needs to be tempered by caution. We still need to monitor the counterparty risk very closely. Even so, no amount of caution can fully exclude all risks in extreme situations. The forthcoming state interventions and regulatory changes will require far-sighted action on the part of banks. We expect the Swiss financial services authority FINMA to impose higher capital adequacy requirements on all banks in Switzerland. Given this backdrop, we must preserve our flexibility, as it is vital for securing the basis for the future growth of the Sarasin Group. The reduction in our share's nominal value and the issue of the COTO, which you are about to vote on, is an efficient way of providing us with this flexibility, by making new capital available.

Ending my presentation, I would like to restate my optimism that financial markets should recover again in the medium to long term. When they do, Bank Sarasin will be very well positioned to take full advantage of the upturn. Our strategy is geared to success in the long run. I would like to thank you, as shareholders, for your confidence in our strategy. I would also like to thank our employees for their tireless commitment in the past very difficult year. The exceptionally strong acquisition performance has laid a vital foundation for our future success.