



SARASIN

Media and Analysts' Conference Annual Results 2008

Basel, 26 February 2009
Joachim H. Straehle, CEO
Matthias Hassels, CFO

Sustainable Swiss Private Banking since 1841.

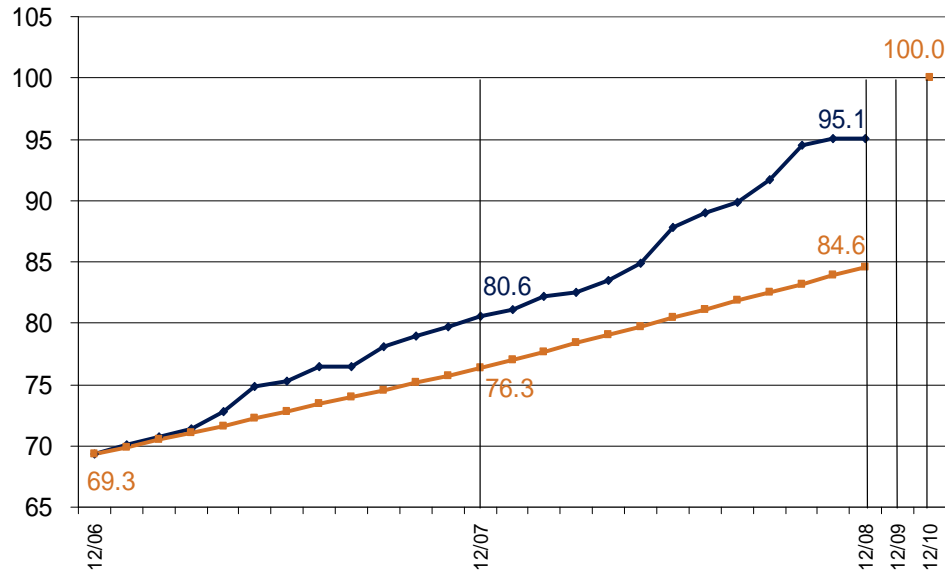
Agenda

- **Introduction by the CEO**
- Financial Results 2008
 - Sarasin Group
 - Segment Reporting
 - Risk and Capital Management
- Strategic Developments & Outlook

Financial year 2008 – Accelerated growth bears fruit

AUM targets for 2010 within reach

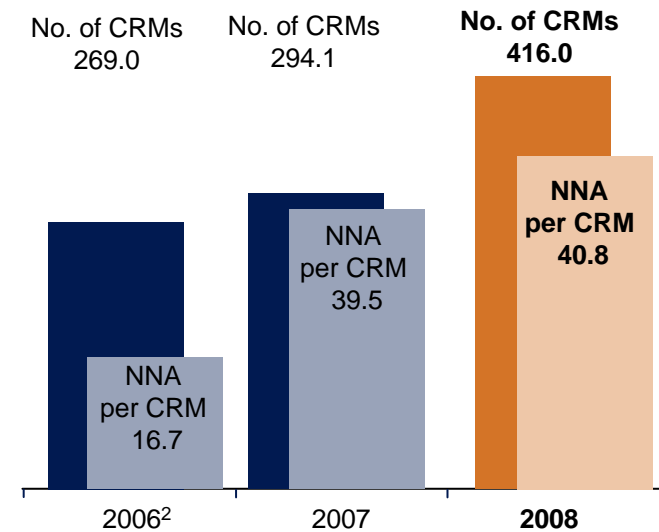
AuM growth adjusted for performance in CHF billion



■ Actual AUM growth ■ Target growth

- Net new assets hit new record of CHF 14.5 billion.
- CRM team: 122 additional top-class CRMs.
- Average acquisition performance per CRM increased by 3%.

CRMs¹ and average NNM per CRM (in CHF million)



¹ Incl. assistants (adjusted for p/t working)

² Figures for 2006 have been adjusted to allow for the sale of our Luxembourg subsidiary.

FY 2008 – Sarasin invests in its long-term success, but feels the effects of challenging market conditions

- Focus: the opening of new offices and expansion of existing locations, as well as the launch of Bank Zweiplus, are important development steps geared to long-term growth.
- Growth strategy impacts on costs:
 - Moderate 6% rise in personnel costs to CHF 324.2m.
 - 28% increase in general administrative expenses to CHF 140.6m.
- Earnings power slightly reduced: adjusted operating income down 5% to CHF 626.5m.
- Assets under management (AuM) undermined by negative market performance and FX effects: value down 16% to CHF 69.7bn.
- Counterparty risk plays vital role in current financial crisis: CHF 58.2m value adjustments (after tax) on amounts due from banks.
- Adjusted net profit CHF 114.4m.
- Proposal to AGM: dividend of CHF 0.65 per class B registered share.
- Cost income ratio II of 77.9%.

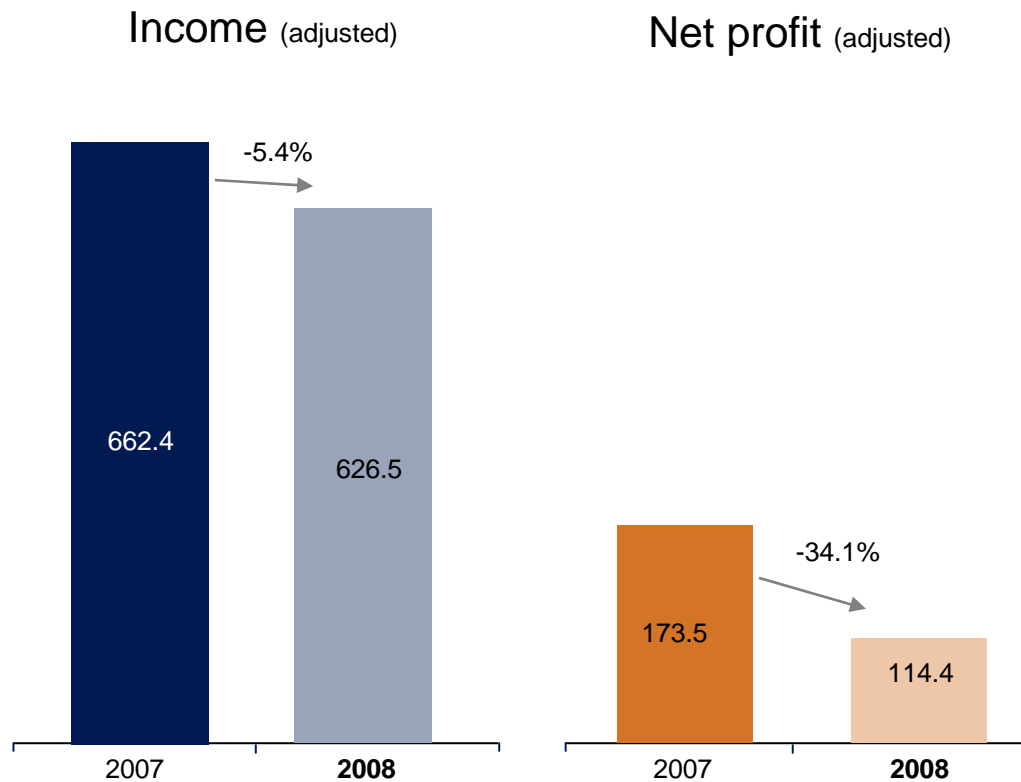
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Operating income relatively stable

Net profit eases to CHF 114m

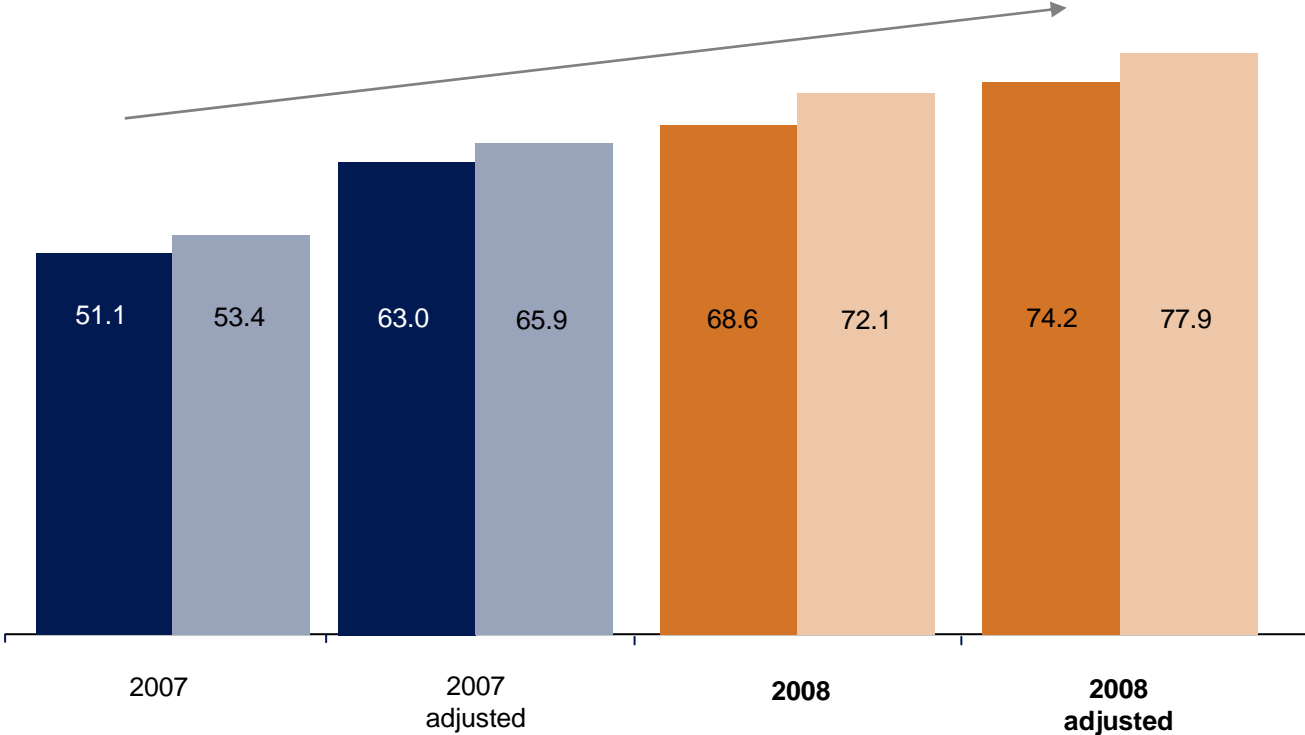
million CHF



- Operating income reassuringly stable despite financial crisis.
- Earnings potential from NNM growth only partly realised at the moment.
- Investments in growth initiatives drag down group result.

Cost income ratio II rises to 77.9%

Cost income ratio I / II
%

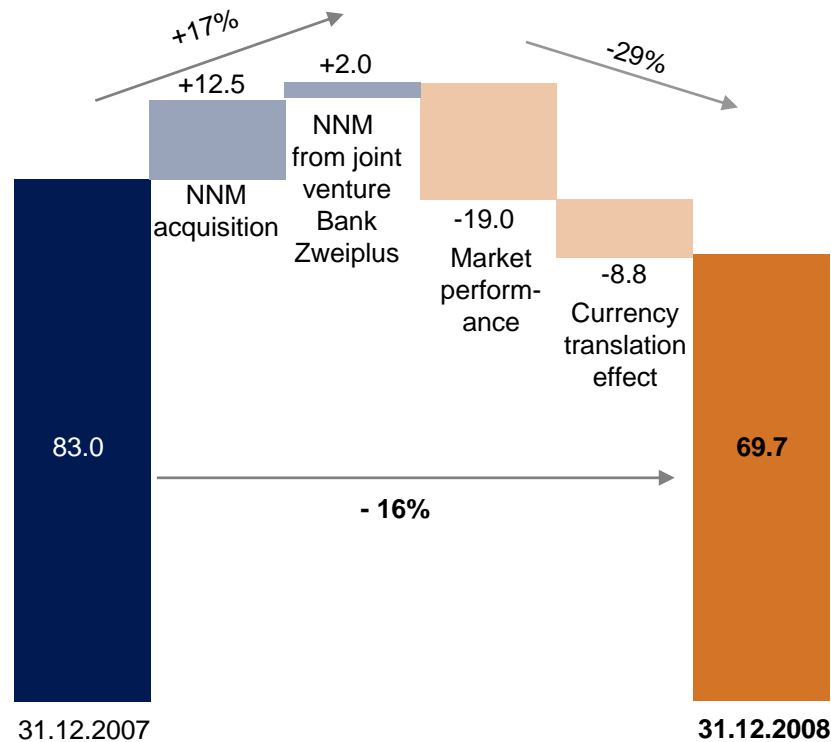


- Investments in personnel, locations and markets inflate cost base.
- Financial crisis prevents growth from being quickly translated into higher revenues.

■ Cost income ratio I (Operating expenses / Income)
 ■ Cost income ratio II (Operating expenses incl. depreciation and amortisation / operating income)

Growth course bears fruit

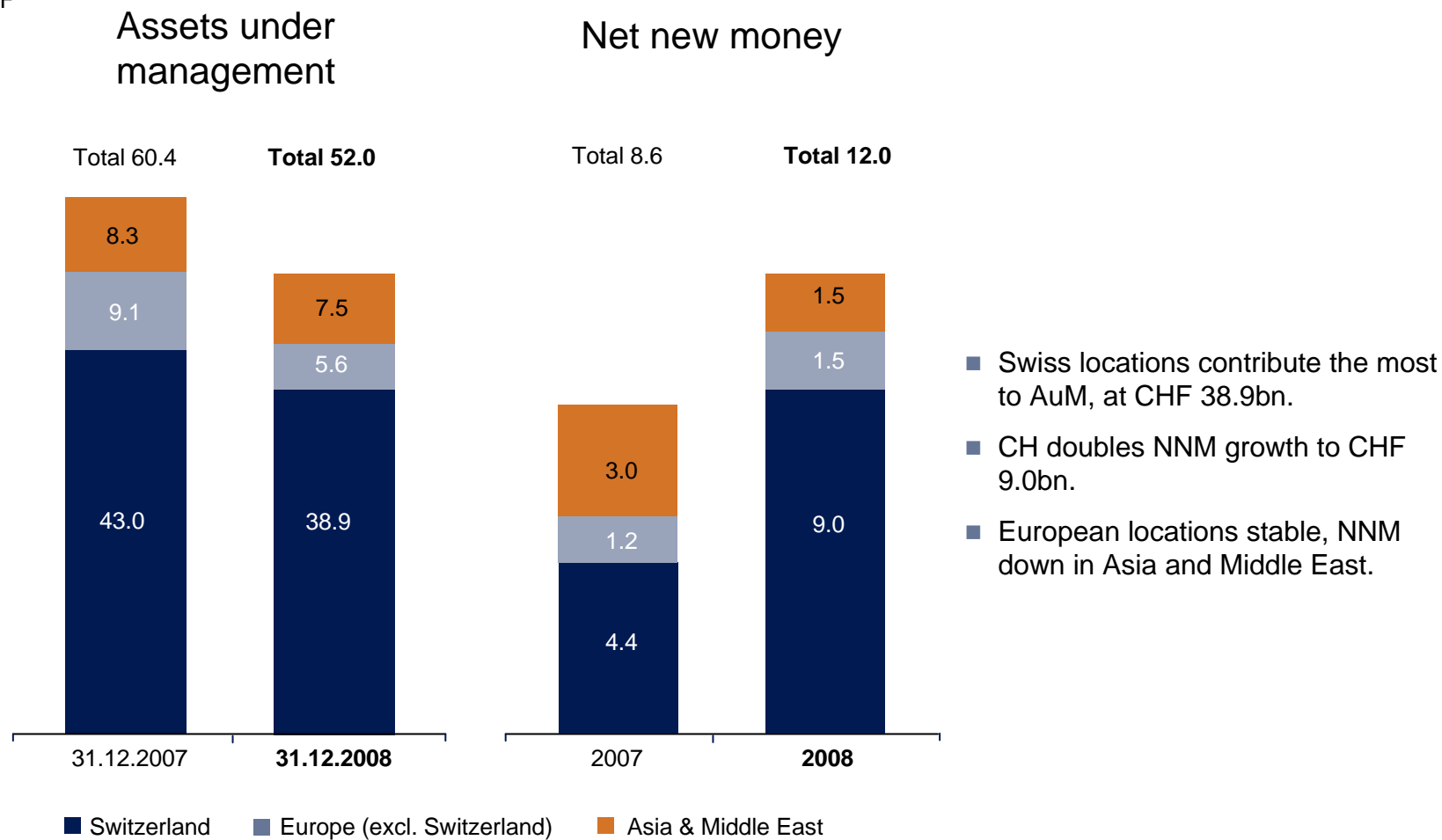
billion CHF



- Excellent NNM growth of CHF 14.5bn (+17%).
- High growth tempo confirmed in 1H 2008 (NNM growth: CHF 7.3bn vs. CHF 5.2bn in 1 H, plus CHF 2bn from joint venture with AIG Private Bank).
- AuM down 16% to CHF 69.7bn due to market performance and FX effects.

Strong NNM growth in private clients business – Private clients' AuM by location

billion CHF

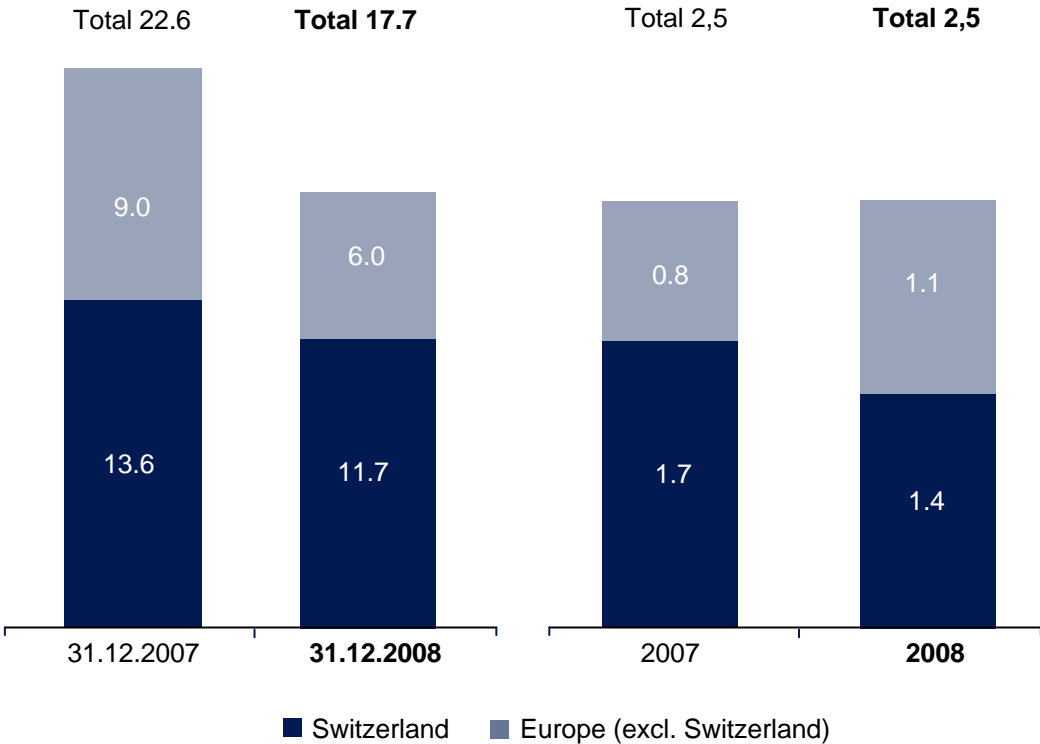


Steady growth in institutional clients business – Institutional clients’ AuM by location

billion CHF

Assets under management

Net new money



- Institutional clients business focused mainly on CH.
- Excellent NNM growth in both markets:
UK: + CHF 1.1bn
CH: + CHF 1.4bn.

P&L reflects strong operating performance – Overview of net profit 2008

million CHF	2008 adjusted	2008	2007 adjusted	+/- in % ¹
Operating income	626.5	677.1	662.4	-5
Operating expenses	464.7	464.7	417.1	11
Operating profit	161.7	212.4	245.3	-34
Depreciation and amortisation	23.6	23.6	19.3	22
Value adjustments, provisions and losses	7.0	80.7	3.5	99
Profit before taxes	131.2	108.1	222.5	-41
Taxes	16.8	1.3	48.9	-66
Net profit	114.4	106.8	173.5	-34

¹Percentage change based on a comparison of 2008 "adjusted" figures and 2007 "adjusted"

- Earnings very stable despite financial crisis.
- Operating income only slightly down by 5% to CHF 627m.
- Growth initiatives push up operating expenses by 11% to CHF 465m.
- Gross profit and net profit fall by 34%.

Adverse market conditions undermine income growth in commission and service fee activities

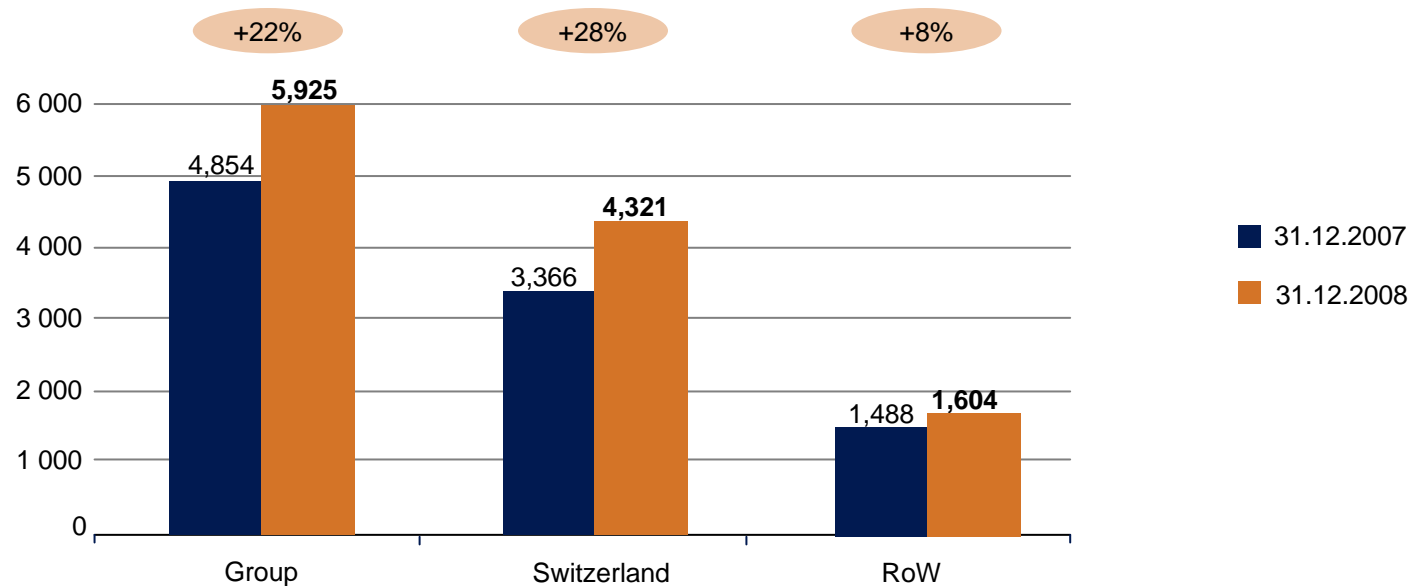
million CHF	2008 adjusted	2008	2007 adjusted	+/- in % ¹
Net interest income	128.6	128.6	104.6	23
Results from commission and service fee activities	399.0	399.0	438.6	-9
Results from trading operations	87.8	87.8	95.9	-9
Other ordinary results	11.2	61.8	23.3	-52
Operating income	626.5	677.1	662.4	-5

¹Percentage change based on a comparison of 2008 "adjusted" figures and 2007 "adjusted"

- Net interest income rises sharply by 23% thanks to strong loan growth.
- Income from commission drops 9% to CHF 399m, mainly due to declining transaction-based fees in a challenging market.
- Income from trading operations holds up well despite adverse market conditions (-9% to CHF 88m).

Credit growth is the driver of higher net interest income – Credit volume by booking centre

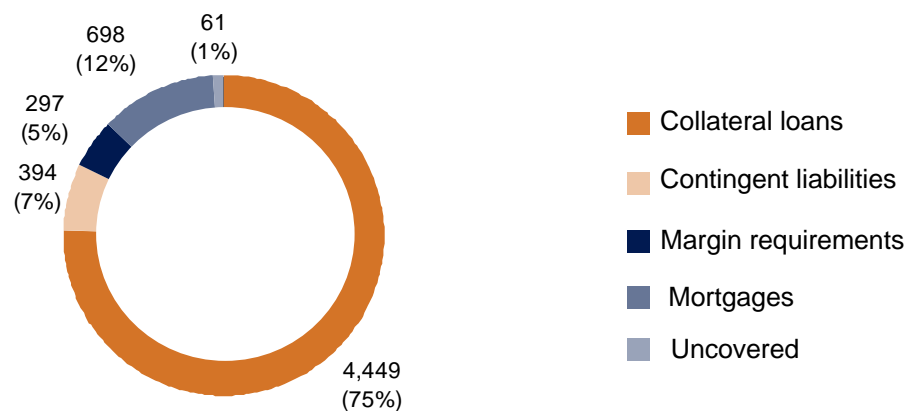
million CHF



- Credit growth in Switzerland (+28%) and Asia (+8%) is a key driver for the strong net interest income.
- Credit volume up 22% to almost CHF 6bn.

Top-quality collateral for amounts due from clients – Total due from clients

million CHF (Group)	2008	2007	+/- in %
Cash loans – mortgage security	698	272	156
Cash loans – other security	4,449	3,539	26
Cash loans – unsecured	61	45	37
Value adjustment (Group)	- 4	- 5	18
Total due from clients	5,203	3,851	35
Contingent liabilities	393	395	0

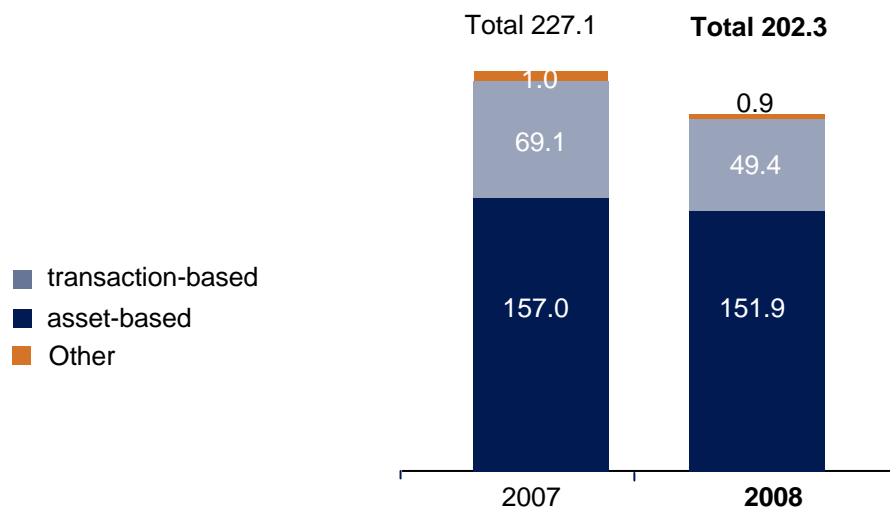


- 75% of credit volume is made up of collateral loans.
- Contingent liabilities (7%) are also covered receivables.
- Mortgage almost exclusively provided to wealthy Private Clients.
- “Zero loss” policy in credit business.
- Virtually no credit losses despite turmoil in global stock markets.

Income from commission: Transaction-based fees fall sharply due to poor market conditions

million CHF	2008 adjusted	2008	2007 adjusted	+/- in % ¹
Transaction and brokerage fees	101.1	101.1	130.0	-22
Investment fund transactions	162.8	162.8	178.1	-9
Advisory, Management fees, Securities deposit fees	160.7	160.7	171.8	-6
Underwriting	3.0	3.0	3.5	-14
Other commission expenses	24.4	24.4	22.6	8
Less commission expenses	52.9	52.9	67.4	-22
Results from commission and service fee activities	399.0	399.0	438.6	-9

¹Percentage change based on a comparison of 2008 "adjusted" figures and 2007 "adjusted"



Other income dragged down by losses realised on financial investments

million CHF	2008 adjusted	2008	2007 adjusted	+/- in % ¹
Results from sale of financial investments designated at fair value	0.2	0.2	-1.2	113
Results from sale of financial investments available for sale	-6.6	-6.6	14.5	-146
Gain from the sale of group companies	0.0	0.0	0.2	-100
Proportion of earnings of associated companies	4.6	4.6	7.0	-34
Real estate income	0.3	0.3	0.4	-8
Other ordinary income	15.3	65.9	3.4	350
<i>Of which: release of provisions</i>	7.3	<i>0.0</i>	<i>0.0</i>	<i>0</i>
<i>Other ordinary expenses</i>	2.6	<i>2.6</i>	<i>1.0</i>	<i>157</i>
Total other ordinary results	11.2	61.8	23.3	-52

¹Percentage change based on a comparison of 2008 "adjusted" figures and 2007 "adjusted"

- First-time valuation of Bank Zweiplus resulted in one-off proceeds of CHF 50.7m.

First-time consolidation of Bank Zweiplus Ltd results in one-off income

- Bank Zweiplus consolidated in accordance with IFRS 3 (Business combination), resulting in one-off contribution to income of CHF 50.7m, which corresponds to the value-added effectively created by the transaction.
 - Under IFRS 3, the valuation and the consolidation of the transaction must be performed at market values.
 - Business transferred from Sarasin is treated as a sale of 42.5% to AIG Private Bank (⇒ one-off gain of CHF 50.7m).
 - Business transferred in from AIG Private Bank was purchased by Sarasin up to a quota of 57.5% (⇒ goodwill CHF 42.6m, intangible assets CHF 17.7m).

Higher operating expenses reflect bank's growth initiatives

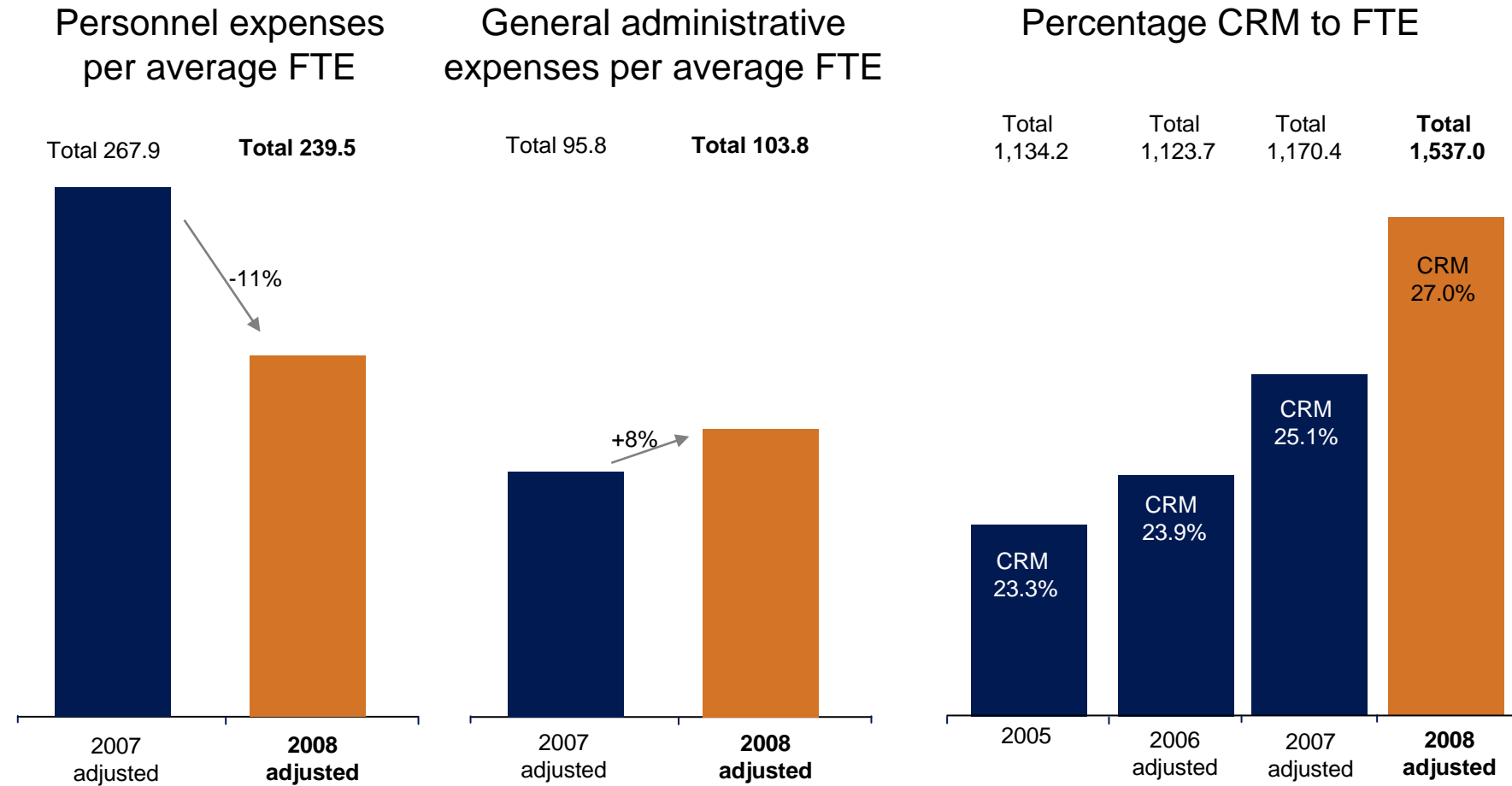
million CHF	2008 adjusted	2008	2007 adjusted	+/- in % ¹
Operating income	626.5	677.1	662.4	-5
Personnel expenses	324.2	324.2	307.3	5
General administrative expenses	140.6	140.6	109.8	28
<i>Operating expenses</i>	464.7	464.7	417.1	11
Operating profit	161.7	212.4	245.3	-34

¹Percentage change based on a comparison of 2008 "adjusted" figures and 2007 "adjusted"

- Personnel growth: operating expenses dominated by the expansion of international locations and intensified activities in the Swiss business.
- Increase of 367 FTEs, with 242 FTEs in Switzerland and 125 FTEs International.
- Growth in personnel expenses limited to 5%, thanks to lower bonus accruals.
- General administrative expenses dominated by expansion of our international locations.
- Operating profit down 34% to CHF 162m.

Productivity per employee improved

1,000 CHF



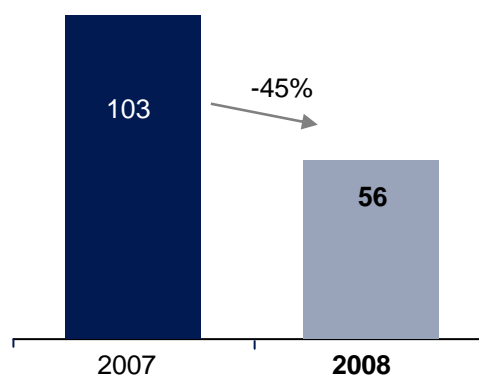
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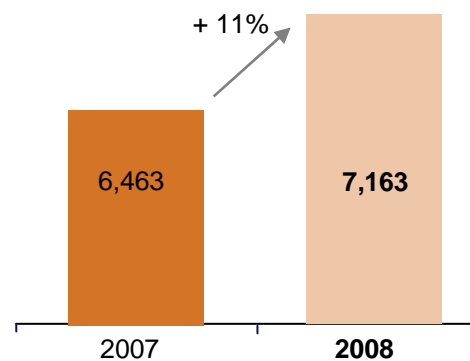
Segment result Private Banking

million CHF
(adjusted)

Segment result



Net new money



- Investments affect segment result.
- NNM: even better than last year's strong performance.

million CHF	2008 adjusted	2007 adjusted	+/- in %
Operating income	322	326	-1
Operating expenses ¹	266	223	18
Net profit before tax per segment	56	103	-45
Cost income ratio II (%)	81	68	
Net new money (million CHF)	7,163	6,463	
Gross margin (bp)	91	95	

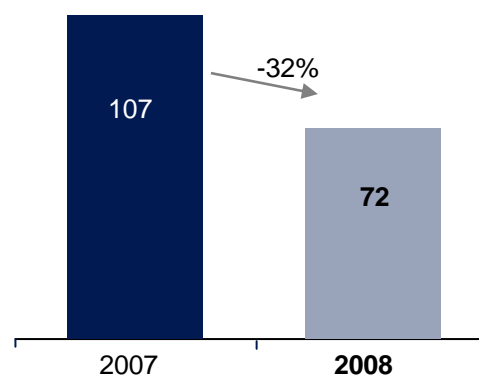
¹ incl. write-offs, Value adjustments, provisions and losses

Segment result

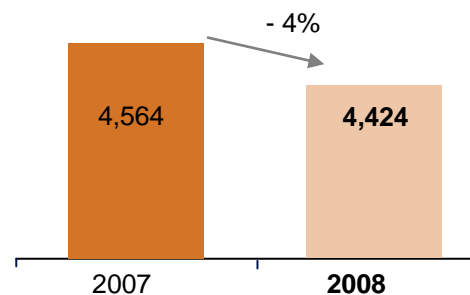
Asset Management, Products & Sales

million CHF
(adjusted)

Segment result



Net new money



- Tight cost management keeps cost base more or less stable.
- Lower income drags down segment result.
- Net new money same level as last year.

million CHF	2008 adjusted	2007 adjusted	+/- in %
Operating income	221	248	-11
Operating expenses ¹	149	141	6
Net profit before tax per segment	72	107	-32
Cost income ratio II (%)	67	57	
Net new money (million CHF)	4,424	4,564	
Gross margin (bp)	63	68	

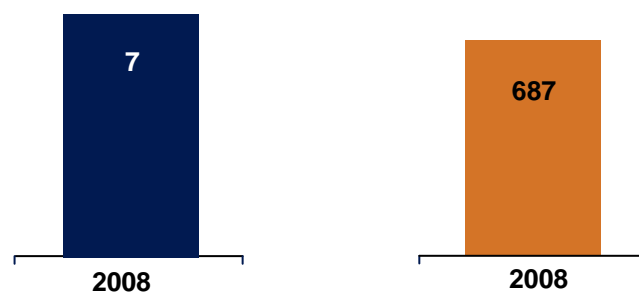
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Segment result Bank Zweiplus

million CHF
(adjusted)

Segment result

Net new money



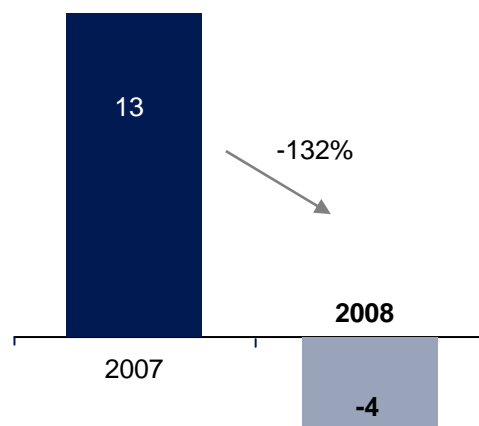
- Successful start on 01.07.2008.
- Good NNM growth of CHF 687m.
- High gross margin at 141 bp.
- Segment result CHF 7m.

million CHF	2008 adjusted	2007 adjusted	+/- in %
Operating income	44	0	
Operating expenses ¹	37	0	
Net profit before tax per segment	7	0	
Cost income ratio II (%)	81	0	
Net new money (million CHF)	687	0	
Gross margin (bp)	141	0	

¹ incl. write-offs, Value adjustments, provisions and losses

Segment result Corporate Center

million CHF
(adjusted)



- Adjustments and restructuring led to a decline in the segment result purely for technical reasons.
- One-off special effects drag down result.

million CHF	2008 adjusted	2007 adjusted	+/- in %
Operating income	39	88	-56
Operating expenses ¹	43	74	-42
Net profit before tax per segment	-4	13	-132
Cost income ratio II (%)	109	82	
Net new money (million CHF)	2,202	85	
Gross margin (bp)	144	123	

¹ incl. write-offs, Value adjustments, provisions and losses

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One-off value adjustment to amounts due from banks

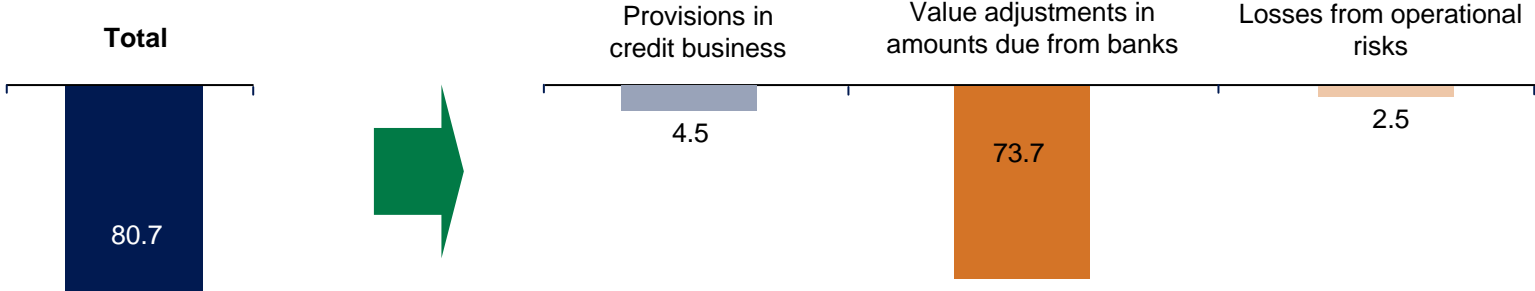
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Taxes	16.8	1.3	48.9	-66
Net profit	114.4	106.8	173.5	-34

¹Percentage change based on a comparison of 2008 "adjusted" figures and 2007 "adjusted"

- Financial crisis leads to one-off value adjustments on amounts due from banks (interbank lending).
- Credit business with clients more or less unaffected.
- Operational risks well under control despite the group's strong growth.

Value adjustments classified by risk drivers

million CHF



Main influences



- Low default rate despite strong growth in lending (+28%).
- Loan portfolio still only very low risk.
- Provision required in connection with toxic collateral (Lehman bonds).
- Value adjustments relate to nostro positions with Lehman Bros & Icelandic banks.
- Default risk more or less fully covered.
- Losses from operational risks at same level as last year.
- No increased risks identifiable, despite bank's growth.

Balance sheet structure: Even capital commitment and low risk profile

million CHF	Average Cash Flow Duration	
ASSETS		
Cash	0.0	435
Due from Banks	0.4	4,082
Due from Customers	0.6	5,203
Financial Investments, Money Market Papers and Trading Book	1.9	1,981
Other Assets	n/a	1,005
Total Assets	0.7	12,707

million CHF	Average Cash Flow Duration	
LIABILITIES		
Due to Banks	0.6	1,336
Due to Customers	0.2	9,410
Other Liabilities	0.0	767
Equity	n/a	1,193
Total Liabilities	0.3	12,707

- Longest duration on the asset side can be found in marketable financial investments.
- Very low refinancing risks.
- Amount due to customers far exceeds amounts due from customers (181%).

Broad diversification of counterparties (AAA – A)

Category	2008	2007	+/- in CHF	+/- in %
Swiss Repo	516	480	36	8
AAA	1,142	224	918	410
AA	1,353	2,973	-1'620	-54
A	948	1,879	-931	-50
Others (incl. financial markets infrastructure organisations)	123	127	-4	-3
Total	4,082	5,682	-1 600	-28

- Precise reduction in amounts due from third-party banks at time (-59%).
- Regrouping in amounts due at sight (+833%) and at time (+622%) from Rabobank.

Capital adequacy still excellent

	Basel II		Basel I	
	risk weighted assets	required capital	risk weighted assets	required capital
million CHF	2008	2008	2007	2007
Credit risk	2,857	229	4,993	399
Non-counterparty-related risk	511	41	135	11
Market risk	1,712	137	1,325	106
Operational risk	1,140	91		
Total	6,220	498	6,453	516
BIS Tier I Capital ¹	905		1,097	
BIS Tier I Ratio (in %) ¹	14.5		17.0	
Core capital	905		1,097	
Core capital Ratio (in %)	14.5		17.0	
Core capital in % of total assets	7.1		9.4	
Leverage ratio (total assets/tangible equity)	14.0		10.7	

¹ BIS Tier I Ratio 2008 after dividend and Rabo commitment for share supply, according SA-BIS

Capital situation in accordance with Swiss Standard Approach (SA CH)

(selected approach for calculating the required and eligible capital)

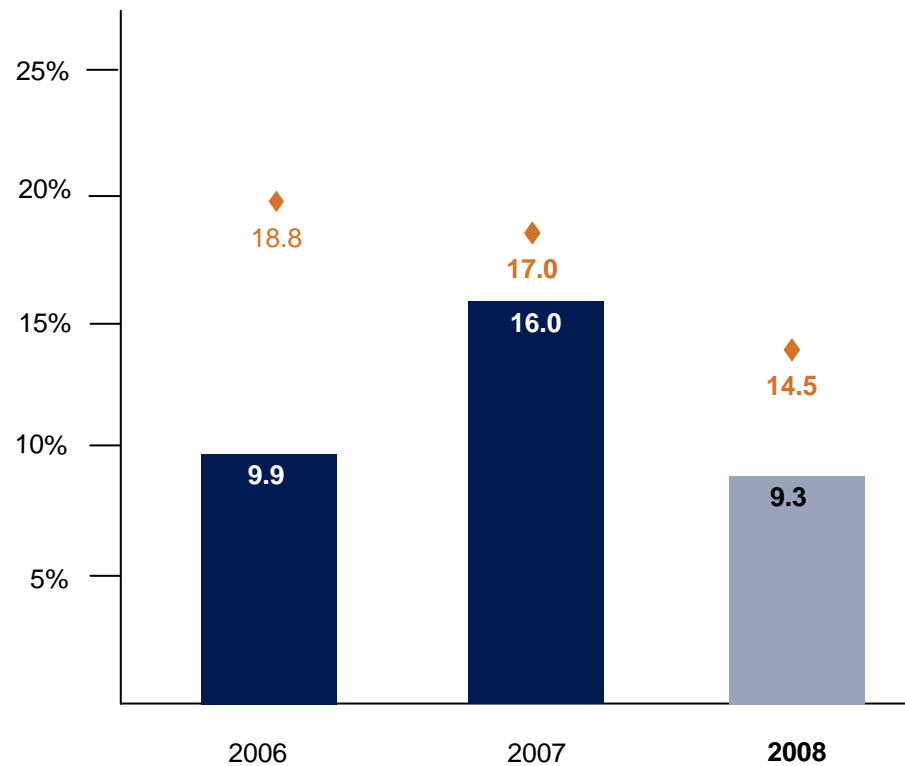
Required capital	485	556
Core capital	924	1,092
Excess required capital in %	190	197

- Risk-weighted assets shrank from CHF 233m to CHF 6,220m.
- BIS Tier I ratio slips to 14.5% due to bank's growth.
- Room still available for further growth (target corridor for Tier 1 ratio: 12% - 14%).

Return on equity (adjusted) drops to 9.3%, with high capital reserves

RoE after tax
%
(adjusted)

■ BIS Tier 1 ratio



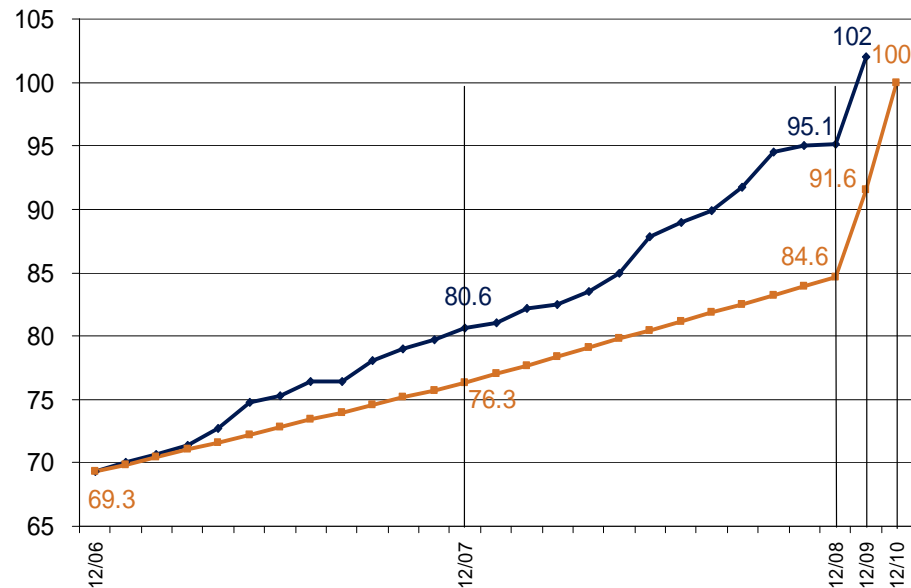
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Sarasin 2009 – Growth target and strategy unchanged

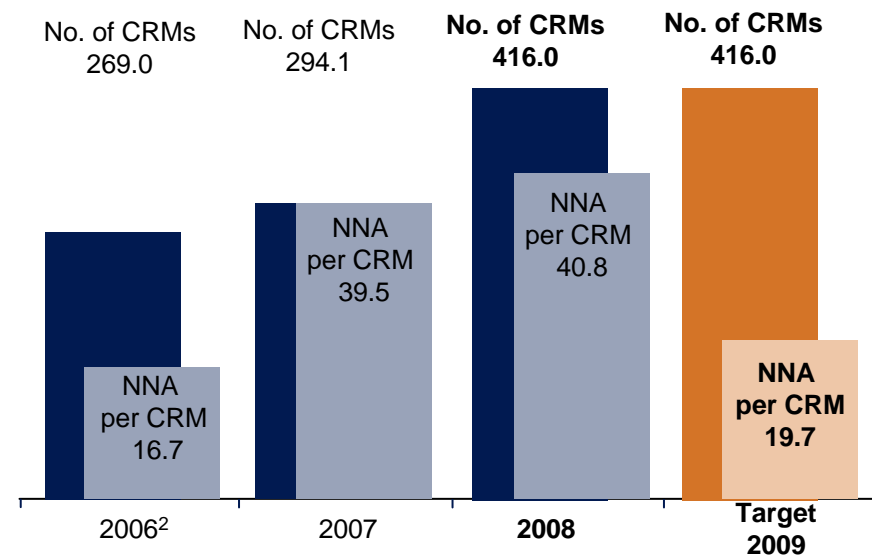
2010 AuM target will be reached at y/e 2009

AuM growth adjusted for performance, in CHF billion



■ Actual AUM growth ■ Target growth

CRMs¹ and average NNA per CRM (in CHF million)



¹ Incl. assistants (adjusted for p/t working)

² Figures for 2006 have been adjusted to allow for the sale of our Luxembourg subsidiary.

- Implement growth initiatives as the market situation allows.
- Consolidate CRM base: no further recruitment for the time being.
- NNA acquisition: maintain growth rates.

Sarasin 2009 – Systematic cost management

- Already being implemented:
 - Maintain excellent quality of IT infrastructure, but defer further expansion.
 - Concentrate on focused product strategy based on three investment styles.
 - Continuously review business cases and achieve systematic cost savings where necessary.

- Other potential measures:
 - Priority 1: Maintain investments to be ready for the turnaround: temporary salary reduction as a quick-acting and effective measure.
 - Priority 2: Reduce workforce in a socially acceptable way through measures such as early retirement.

Sarasin 2009 – Strategy lays foundation for further growth



Focus as a private bank

- Sustainability and client proximity set us apart.
- Our majority shareholder has an AAA rating.



Solutions provider

- Product strategy concentrated on 3 investment styles.
- Scalable IT at high level.
- Cost synergies achieved through Bank Zweiplus.



Geographic focus

- Switzerland, Europe, Middle East and Asia.

Sarasin 2009 – Outlook in figures

- Earnings:
 - Difficult to predict.
- Net new money growth:
 - Further strong growth of 10%.
- Costs:
 - Stable or rising modestly.
- Profit forecast:
 - Assumptions: current business growth maintained and markets stabilising.
 - Operating profit on a par with 2008.

The end of Swiss banking secrecy?

- Protection of personal privacy is sacrosanct, and will remain so!
- What action needs to be taken?
 - The definition of what constitutes “tax fraud” needs to be reconsidered.
 - Efficient mutual legal and administrative assistance is an obligation.
 - Swiss federal withholding tax has an exemplary nature and provides room for negotiation without exchange of data.
- “Big brother” may be watching you – but that’s not an option in banking.



Thank you for listening