

Annual Results 2005

of the Sarasin Group

15 March 2006



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Agenda

- **Positioning of the Sarasin Group**
- Financial results 2005
- Outlook



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Sarasin Group: Good business development in 2005

	2005	2004
Assets under management (in CHF billions)	63.5	53.8
Shareholders' equity (in CHF millions)	996	912
BIS Tier 1 ratio (in %)	23.9	23.0
Group profit (in CHF millions)	115.8	83.2
Dividend per class B registered share (in CHF)	90	60
Cost income ratio I (in %) (operating expenses/operating income)	66.7	70.3
Headcount (adjusted for part-time working)	1134	1145
<i>of which in Switzerland</i>	756	756
<i>abroad</i>	378	389



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Commitment to a business model that assures long-term success



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Main thrust of our strategic direction

Retain focus on core business:
Asset management for private and institutional clients.

Growth of onshore and offshore business at existing locations.

Organic growth through expansion of CRM teams at all locations.

Continuous monitoring of selective external growth.

Further improvement in operating efficiency.



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Market initiatives and accolades in 2005

Market penetration

- Entry into the Middle Eastern growth market
- Repositioning in the German market
- Sarasin establishes itself as a leading asset manager for foundations and charities

Top-quality investment advice and innovative products

- “Best asset manager in German-speaking region” for the third time (DIE WELT and Welt am Sonntag)
- 2nd place: European Small Caps Research (AQ Research)
- 3rd place: “Best Research Dept. for SMI stocks” (NZZ)
- Market leader in the category “Best ethical investment” (Euromoney Wealth Management Survey)
- “Best Fund Group over Three Years - Overall Group and Bond Group – Small” (Lipper Fund Awards Switzerland 2005)

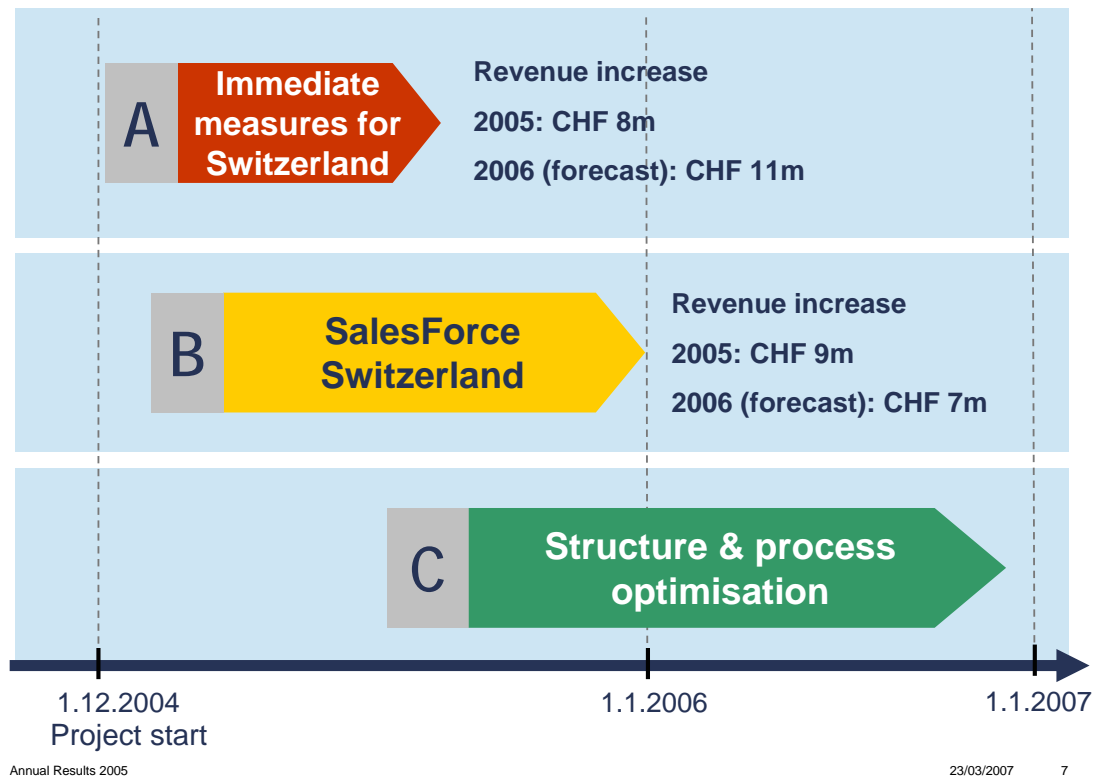


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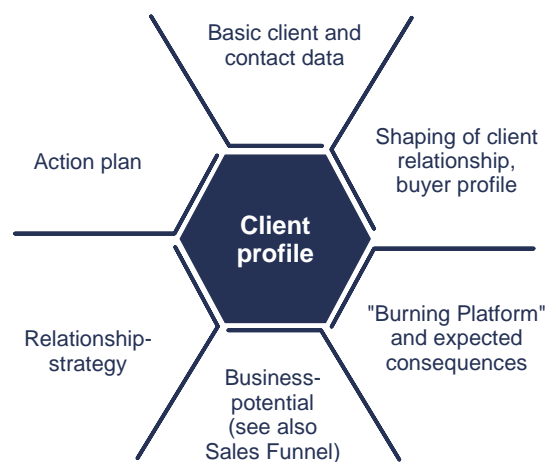
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SaraChange project

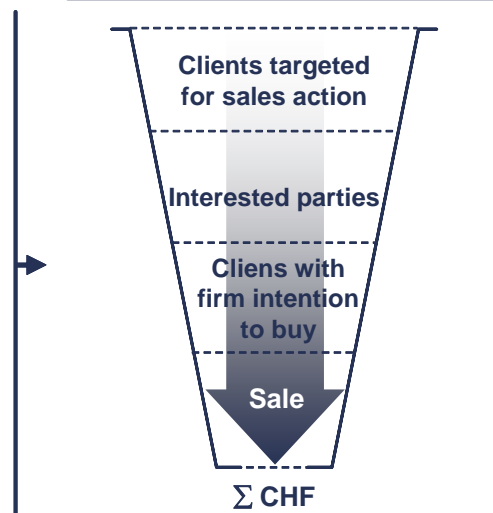


SalesForce Switzerland: Active marketing focused on clients

Client Profiling



Sales Funnel-Management



Concept for new front-office organisation

1. **Consolidation of our performance and results-based culture** is supported by consistent management.
2. **Increase in revenues** through needs-based acquisition, service & advisory approaches, business cases for subcritical teams as well as benchmark-based revenue targets for all teams and CRMs.
3. **Cost optimisation** through reduction of administrative tasks and standardisation of team structures
4. **Efficient support** in marketing, sales and portfolio management → out of APS.
5. **Flat management structures** → PIC management – location heads – teams.



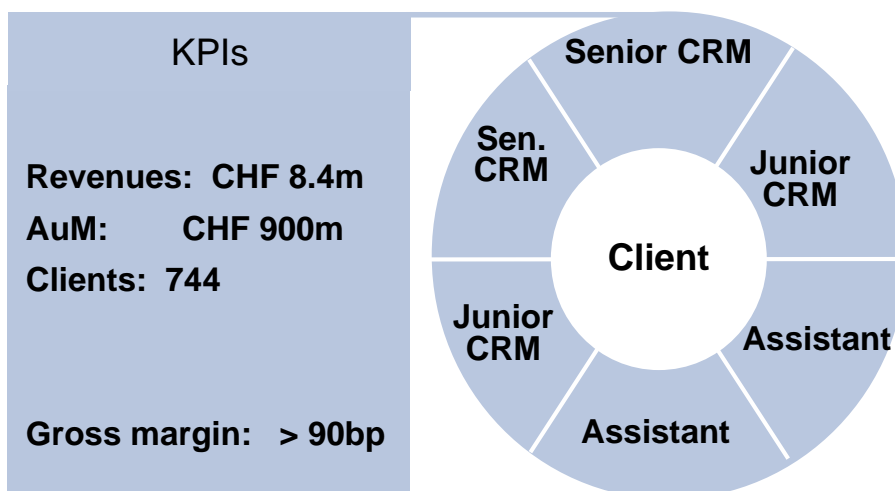
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Front-office organisation: harmonisation of team structures

Model team in Private Banking Switzerland



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➤ Positioning of the Sarasin Group

➤ **Financial result 2005**

- KPIs: Good improvement in all key ratios
- IFRS accounts 2005: sharp rise in operating profit
- Segments: all business divisions post significant increases

➤ Outlook



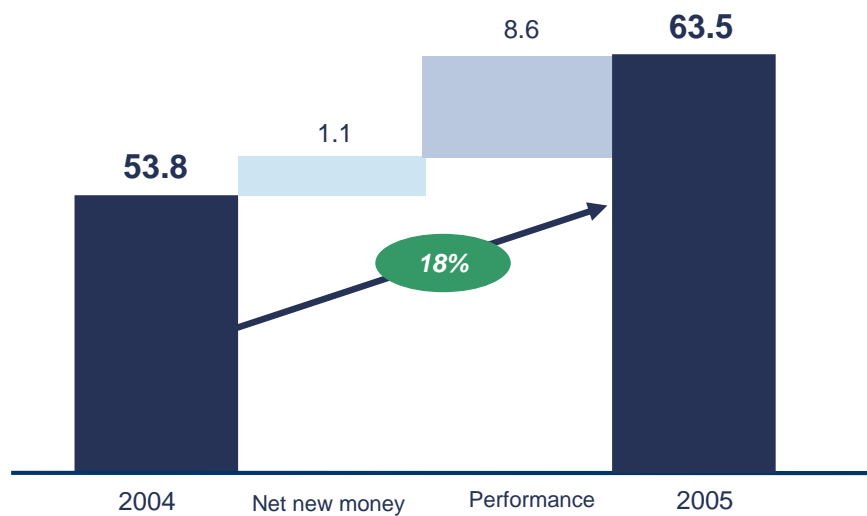
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Assets under management increase by 18%

in CHF billions



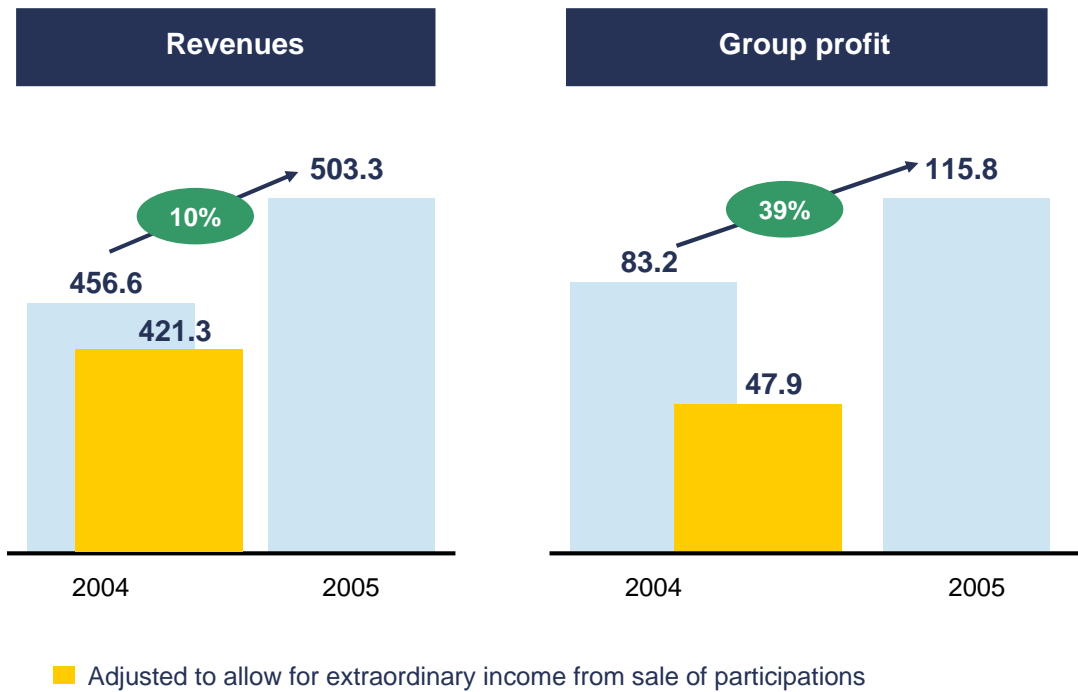
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Big leap in performance in 2005

in CHF millions



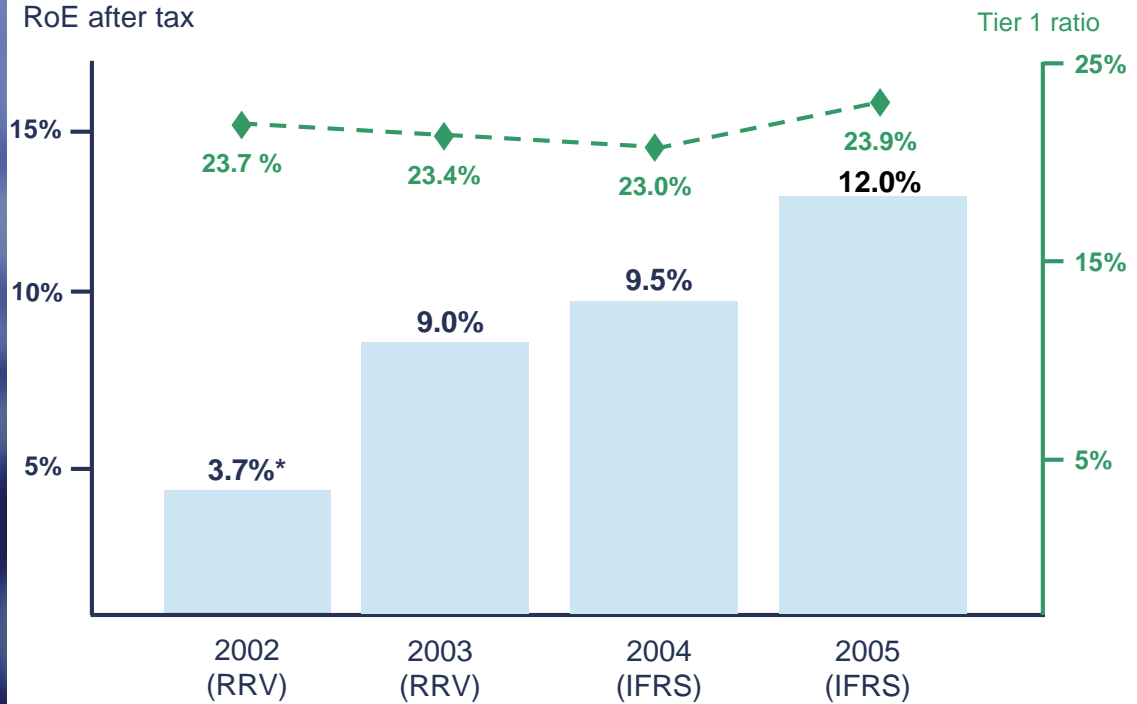
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Sharp rise in RoE despite high equity ratio

RoE after tax



* Adjusted for goodwill impairment and restructuring costs

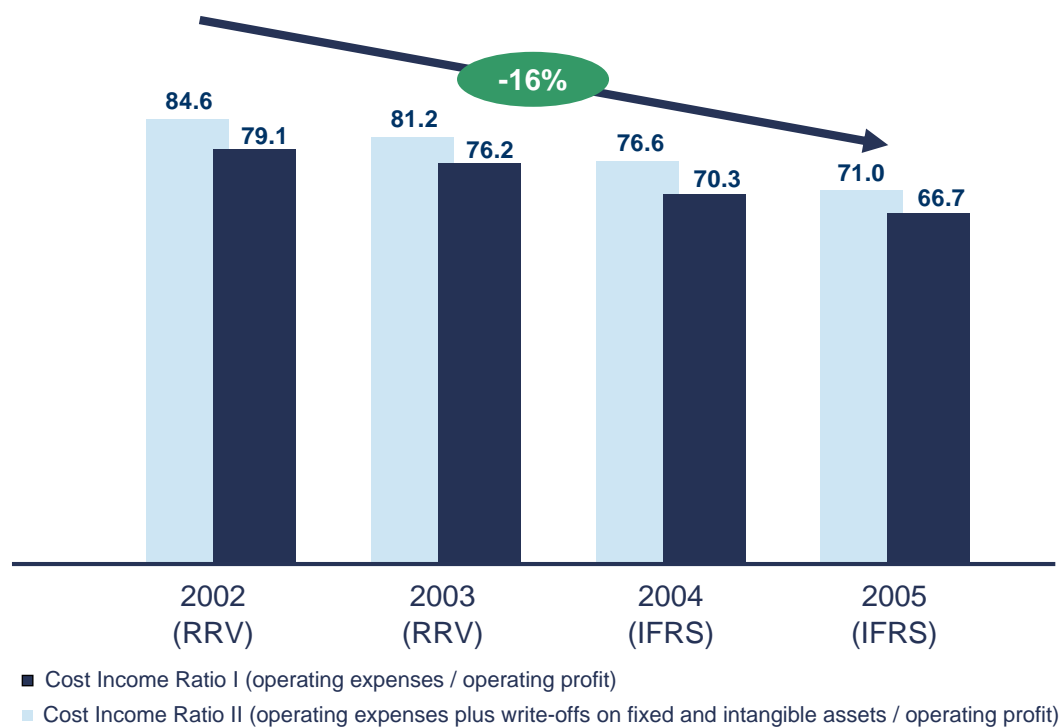
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Perceptible improvement in efficiency

Cost Income Ratio I / II in %



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Overview of group results 2005

	in CHF millions	2005	2004	+/- in %
Operating income		503.3	456.6	10
Operating expenses		335.6	321.2	4
Operating profit		167.7	135.4	24
Depreciation & write-offs on fixed assets		15.4	16.0	- 4
Depreciation & write-offs on intangible assets		6.4	12.7	- 50
Value adjustments, provisions and losses		1.5	1.5	0
Profit before extraordinary items and taxes		144.3	105.2	37
Taxes		28.5	22.0	30
Net profit		115.8	83.2	39



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Operating income

	in CHF Mio.	2005	2004	+/- in %
Net interest income		65.8	59.6	10
Income from commission and service fee activities		344.6	303.7	13
Net income from trading operations		63.1	48.8	29
Other ordinary income		29.7	44.5	- 33
Total operating income		503.3	456.6	10



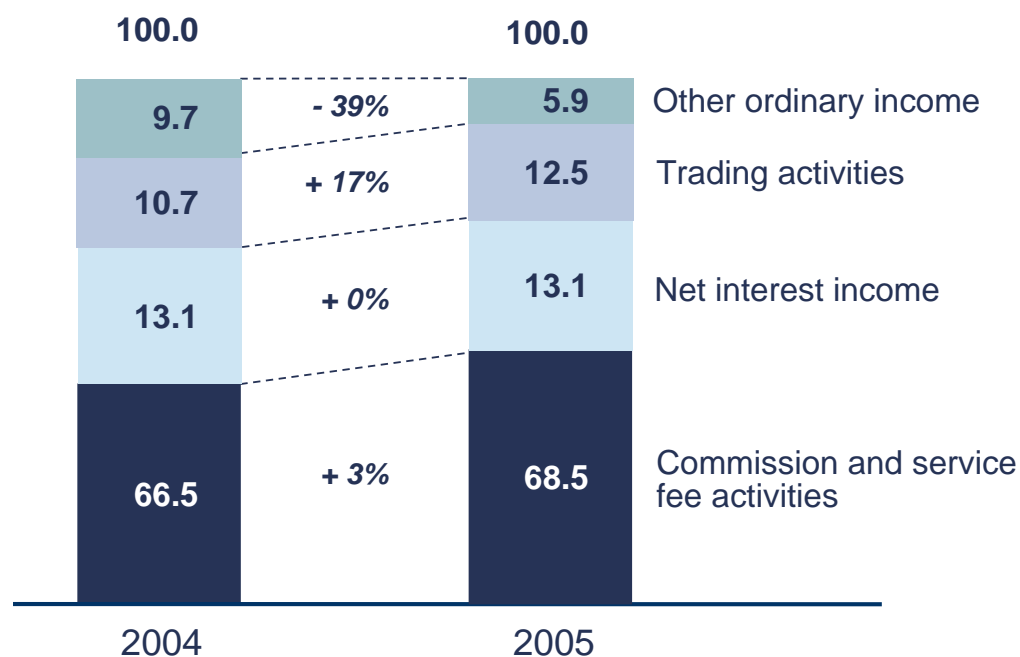
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Breakdown of operating income

in %

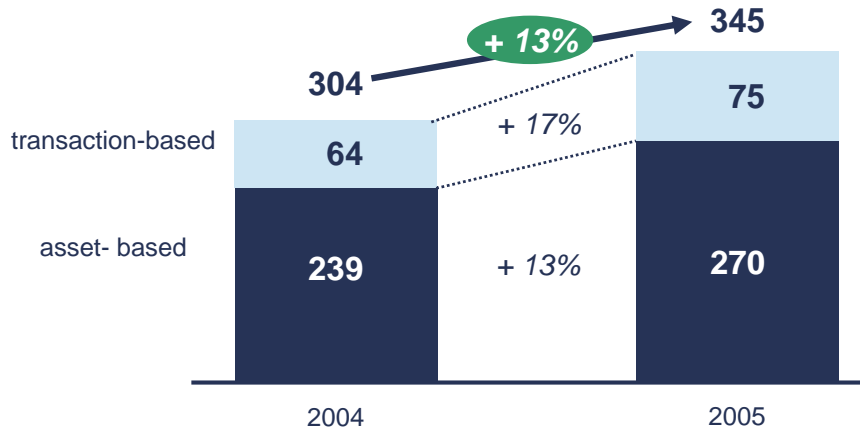


Net income from commission and service fee activities

	in CHF millions		
	2005	2004	+/- in %
Transaction and brokerage fees	90.9	79.6	14
Investment fund transactions	119.6	108.1	11
Commission for investment advice, securities deposit fees	155.1	135.4	15
Underwriting	3.6	0.8	350
Other commissions	26.5	27.3	-3
<i>Less commission expenses</i>	<i>51.1</i>	<i>47.3</i>	<i>8</i>
Net income from commission and service fee activities	344.6	303.7	13

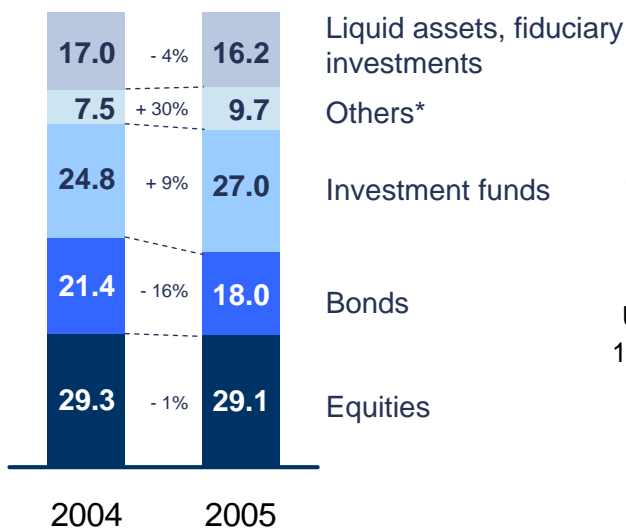
Transaction-based and asset-based income rose by similar amounts

in CHF millions

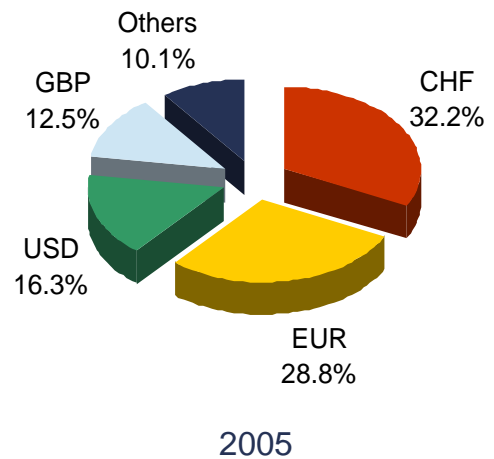


Breakdown of assets under management . . .

. . . by asset class



. . . by currency



* "Others" include structured products, hedge funds, commodities, futures, swaps, forex forwards and options.

Net income from trading operations

	in CHF millions	2005	2004	+/- in %
Securities trading		37.1	20.6	80
Trading in foreign exchange, precious metals and bank notes		26.0	28.2	- 8
Net income from trading operations		63.1	48.8	29



Defensive risk profile in trading activities

Trading - Risk Matrix 2005

CHF millions	Bonds	Stocks	FX	Commodities	Overall
Exposure as at 31.12	15.38	25.16	12.09	0.79	53.42
VaR as at 31.12	0.08	2.14	0.06	0.03	2.31
Avg.-VaR 2005	0.04	1.00	0.13	0.02	1.18

*) 99%, 1 day holding period

- Cautious risk profile in own-account trading throughout the year.



Ordinary income from other sources

	in CHF millions	2005	2004	+/- in %
Sale of financial investments		16.8	1.5	1020
Income from participations		1.5	35.3	- 96
Income from real estate		1.6	0.4	- 400
Sale of fixed assets		1.2	0.0	n/a
Ordinary income from other sources		10.0	8.2	21
Other ordinary expenses		0.1	1.1	- 95
Total ordinary income from other sources		29.7	44.3	- 33



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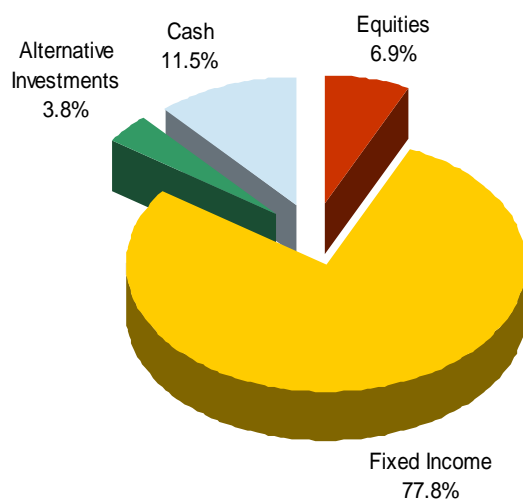
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Ordinary income from other sources is dominated by the impact of financial investments

ALCO asset allocation by asset class, as at 31.12.2005
(CHF millions):

Equities	55
Fixed Income	622
Alternative Investments	30
Cash	92
Total	799



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Low risk exposure in ALCO positions in relation to overall volume

ALCO – Risk Matrix 2005

in CHF	Bonds	Equities	Alt. Inv.	Cash	Diversi- fication	Total
Exposure as at 31.12.	621.67	55.03	29.72	92.43	-	798.85
VaR as at 31.12.	1.87	0.37	0.08	0.03	-0.29	2.06
Avg.-VaR	1.28	1.05	0.07	0.04	-	2.04

*) 99%, 1 day holding period



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Operating profit

	CHF millions	2005	2004	+/- in %
Operating income		503.3	456.6	10
Personnel expenses		237.1	225.4	5
General administrative expenses		98.5	95.8	3
Operating profit		167.7	135.4	24

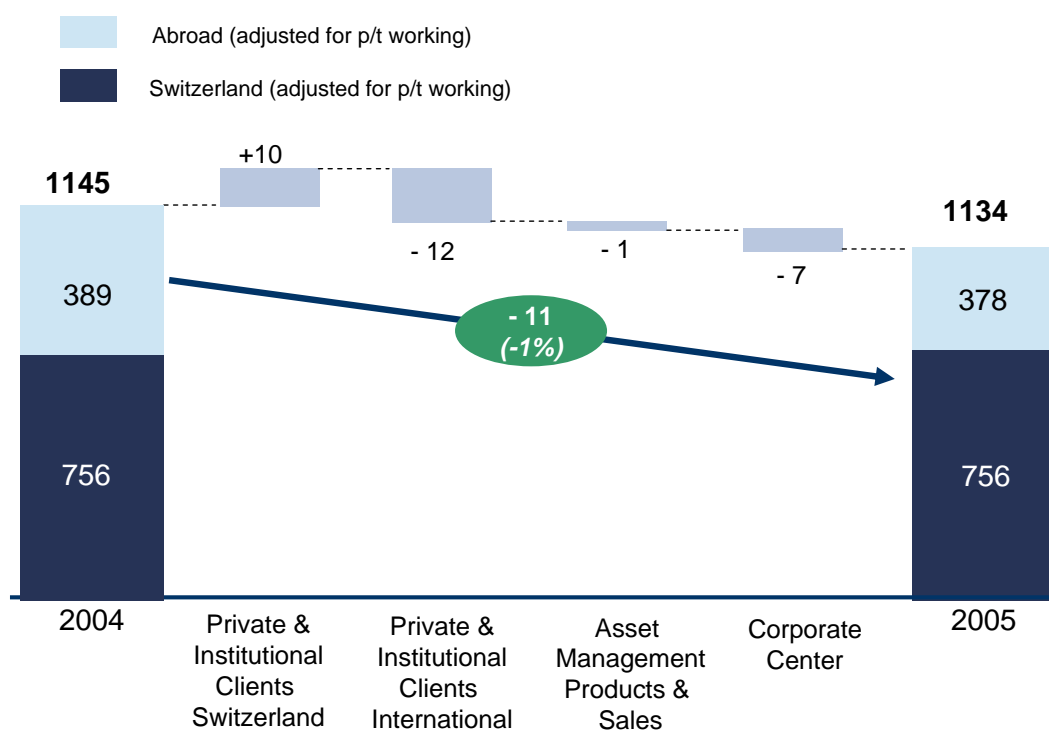


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Slight reduction in headcount



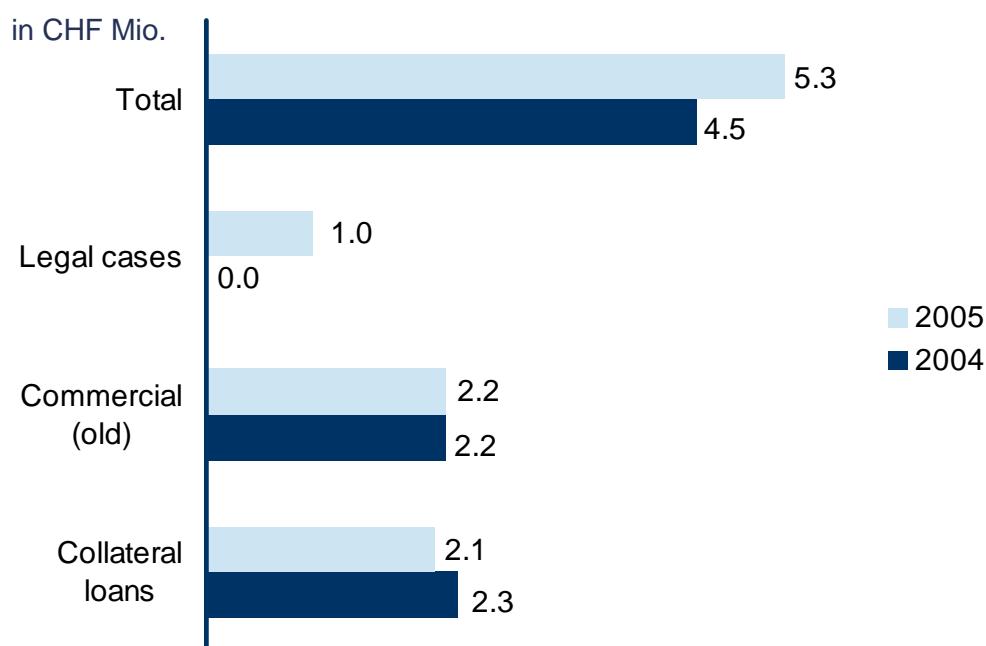
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Profit before extraordinary items and taxes

	CHF millions	2005	2004	+/- in %
Operating profit		167.7	135.4	24
Depreciation & write-offs on fixed assets		15.4	16.0	- 4
Depreciation & write-offs on intangible assets		6.4	12.7	- 50
Value adjustments, provisions and losses		1.5	1.5	0
Profit before extraordinary items and taxes		144.3	105.2	37

Still low provisioning requirement for credit risks



Low credit risk rising from amount due from clients

Total exposure:
CHF 1710 million

Currency:		
<i>Amount due</i>	<i>CHF millions</i>	<i>in %</i>
CHF	582.3	34
USD	481.1	28
EUR	295.6	17
JPY	189.3	11
GBP	52.4	3
Others	109.3	7
Total	1710.0	100

Collateral:		
<i>Amount due</i>	<i>CHF millions</i>	<i>in %</i>
Marketable	1417.4	83
Non-marketable	10.0	1
Real estate lien	257.0	15
Unsecured	25.6	1
Total	1710.0	100

Credit exposure to other banks shows defensive risk profile

in CHF millions	Exposure (1)	Limit (2)	in % (1) / (2)
AAA	72	292	25
AA+	1072	3055	35
AA	744	2376	31
AA-	1437	4352	33
A+	644	1236	52
A	299	849	35
A-	201	706	28
BBB+	20	41	49
Internal	135	540	25
No rating	43	442	10
Total	4666	13888	34



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Country rating confirms relatively low risk exposure

Rating	31.12.04	31.03.05	30.06.05	30.09.05	31.12.05
AAA	3111 98%	3740 98%	3577 99%	3724 99%	3596 100%
AA	12 0%	16 0%	12 0%	5 0%	0 0%
A	15 0%	17 0%	12 0%	27 1%	7 0%
BAA	20 1%	22 1%	14 0%	11 0%	0 0%
BA	4 0%	6 0%	0 0%	9 0%	8 0%
B	0 0%	1 0%	1 0%	1 0%	0 0%
Total	3163	3802	3616	3776	3612

➤ Over 99% of exposure is in countries with A-ratings (A – AAA)



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Capital adequacy still excellent

	2005	2004
Risk-weighted assets (in CHF millions)	3677	3470
Core capital (in CHF millions)	879	798
BIS Tier I Ratio (in %)	23.9	23.0
Shareholders' equity per share (in CHF) (after dividend)	1585	1452



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Group profit 2005

	in CHF millions		
	2005	2004	+/- in %
Operating result	144.3	105.2	37
Income tax	28.5	22	30
Group profit	115.8	83.2	39

Apportionment of group profit:

• Bank Sarasin & Co. Ltd shareholders	111.8	82.8
• Minority interests	4.1	0.4



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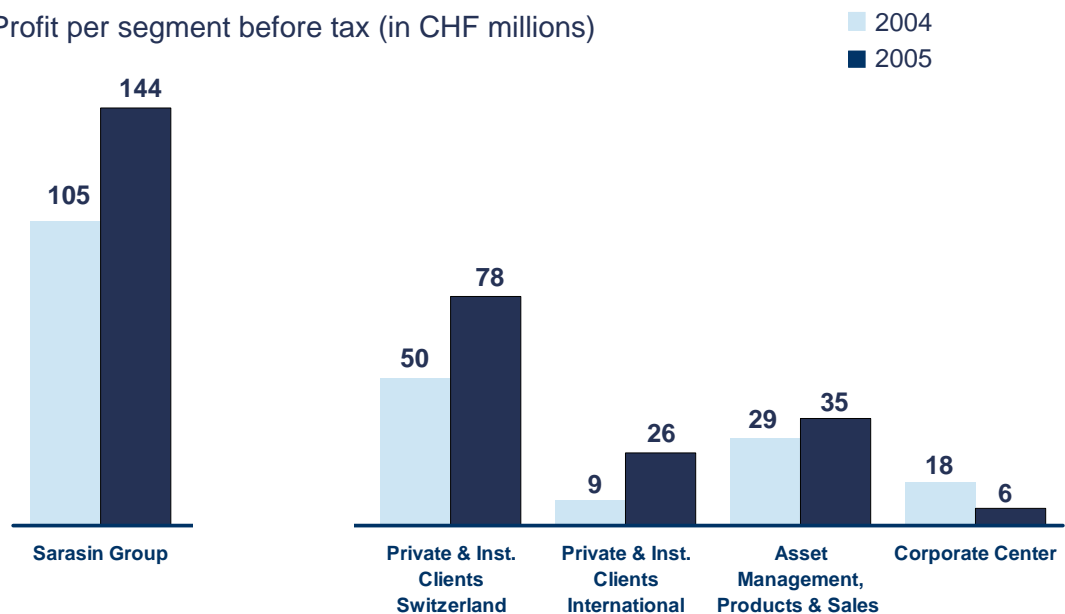
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Improved performance in all segments

Profit per segment before tax (in CHF millions)



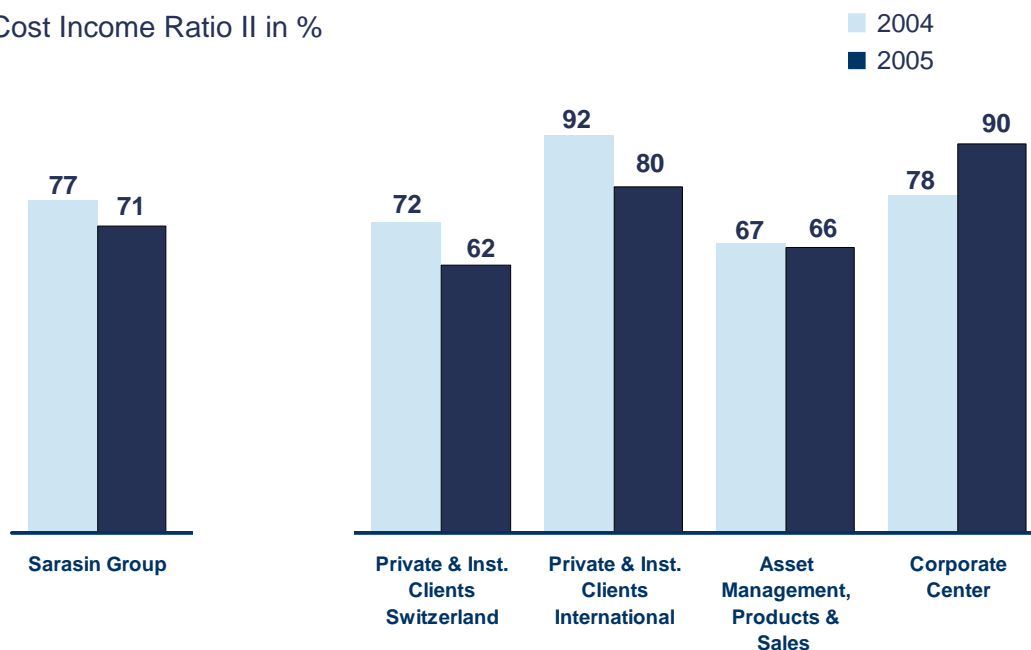
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Operating efficiency has improved in all front-office segments as well

Cost Income Ratio II in %

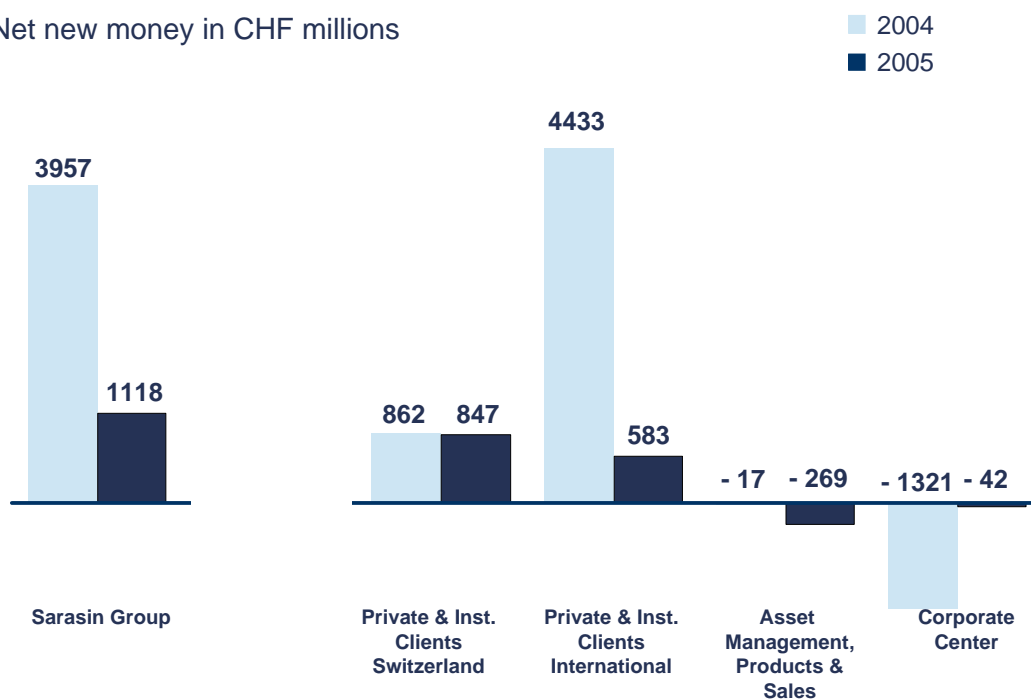


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Good acquisition performance in client business

Net new money in CHF millions

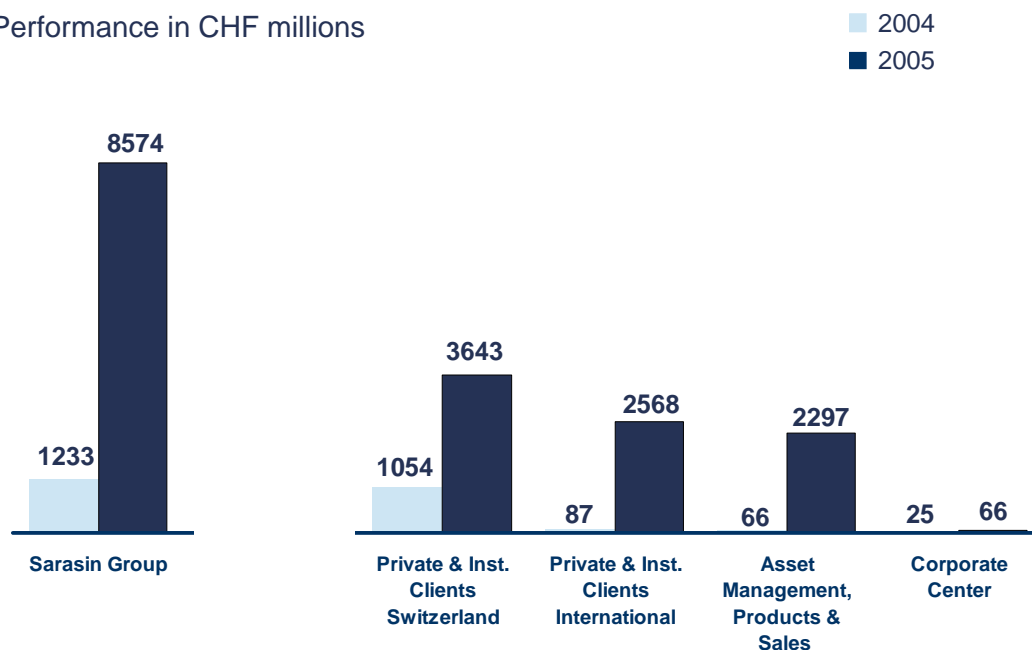


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Strong financial markets in 2005 boost AuM performance

Performance in CHF millions



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Segment result: Private & Institutional Clients Switzerland

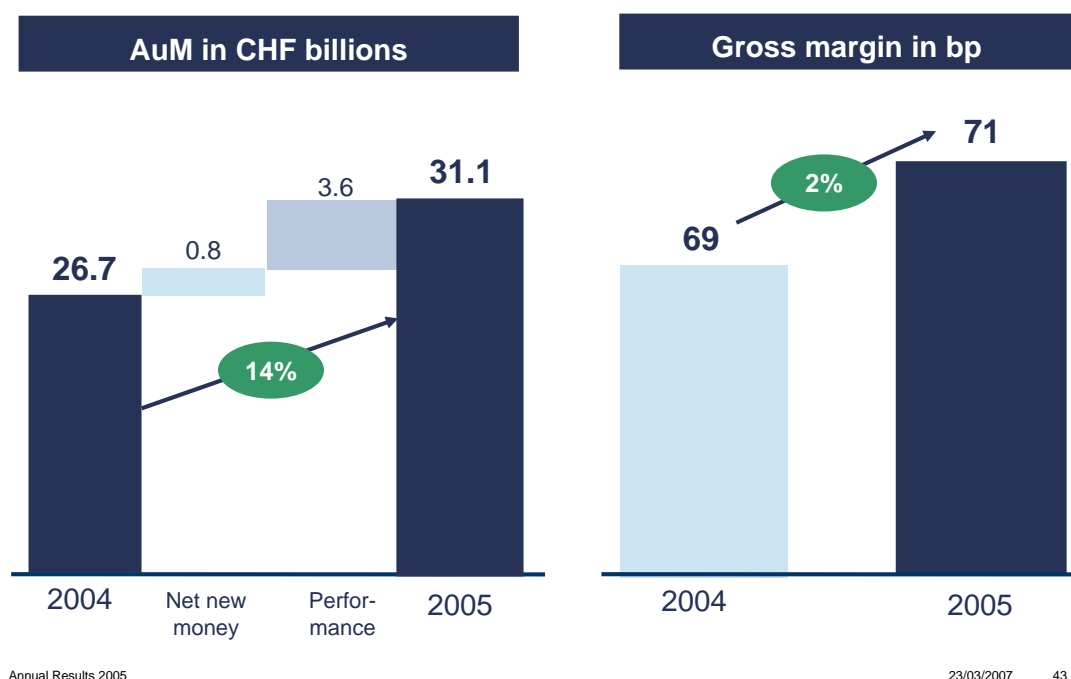
	in CHF millions		
	2005	2004	in %
Operating income	205	177	15
Operating expenses	122	122	0
Operating profit	82	55	50
Depreciation & write-offs	5	5	0
Value adjustments, provisions and losses	0	0	0
Segment result	77	50	54
Cost Income Ratio II (in %)	62	72	- 14
Adjusted headcount	397.1	420.2	- 6
Assets under management	31142	26653	17
New money	847	862	- 2
Performance	3643	1054	246
Gross margin (in bp)	71	69	3



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Modest increase in AuM and marked improvement in gross margin



Business units in the segment Private & Institutional Clients Switzerland

		2005	2004	in %
Private Clients Switzerland	Operating income	170	148	15
	Operating expenses (incl. write-offs)	102	102	0
	Segment result	68	45	50
	Cost Income Ratio II (in %)	60	69	- 13
	Gross margin (in bp)	86	83	4
Institutional Clients Switzerland	Operating income	35	30	16
	Operating expenses (incl. write-offs)	25	25	0
	Segment result	10	4	128
	Cost Income Ratio II (in %)	72	86	- 16
	Gross margin (in bp)	38	38	2

Segment result: Private & Institutional Clients International

	in CHF millions	2005	2004	in %
Operating income		132	107	23
Operating expenses		100	92	9
Operating profit		32	15	120
Depreciation & write-offs		5	5	0
Value adjustments, provisions and losses		1	0	n/a
Segment result		26	9	197
Cost Income Ratio II (in %)		80	91	- 13
Adjusted headcount		385.0	396.1	- 3
Assets under management		18048	14898	21
New money		583	4433	- 87
Performance		2568	87	2836
Gross margin (in bp)		80	85	- 6

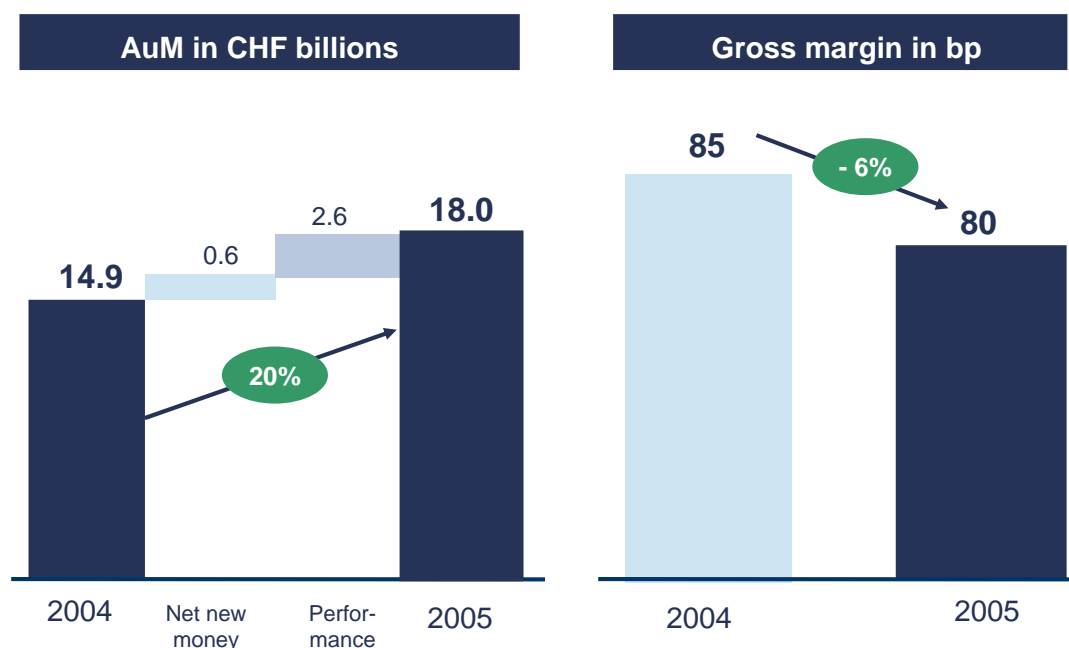
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IC-oriented growth in the UK* reduces the average gross margin in the international business

Private & Institutional Clients International



* Chiswell acquisition consolidated in the 2004 results for seven months.

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Business units in the segment Private & Institutional Clients International

		2005	2004	in %
Private Clients International	Operating income	89	83	7
	Operating expenses (incl. write-offs)	75	71	7
	Segment result	14	13	8
	Cost Income Ratio II (in %)	84	84	0
	Gross margin (in bp)	87	93	- 7
Institutional Clients International	Operating income	43	24	79
	Operating expenses (incl. write-offs)	31	28	10
	Segment result	12	- 4	413
	Cost Income Ratio II (in %)	72	116	- 39
	Gross margin (in bp)	69	64	7



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Segment result: Asset Management, Products & Sales

	in CHF millions	2005	2004	in %
Operating income		103	90	14
Operating expenses		64	57	12
Operating profit		39	33	19
Depreciation & write-offs		4	4	0
Value adjustments, provisions and losses		0	0	0
Segment result		35	29	20
Cost Income Ratio II (in %)		66	67	- 3
Adjusted headcount		229.0	226.1	1
Assets under management		14065	12036	17
New money		- 269	- 17	- 1452
Performance		2297	66	3387
Gross margin (in bp)		79	75	5



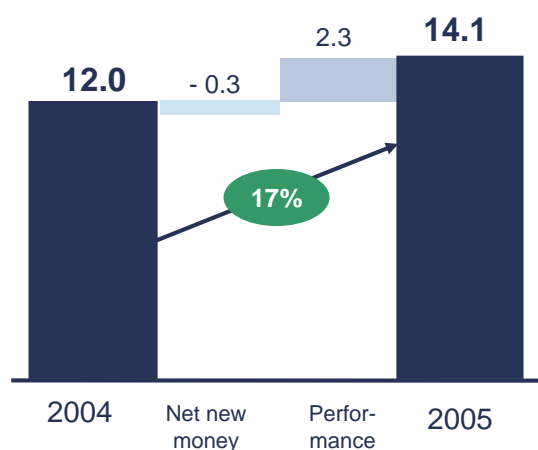
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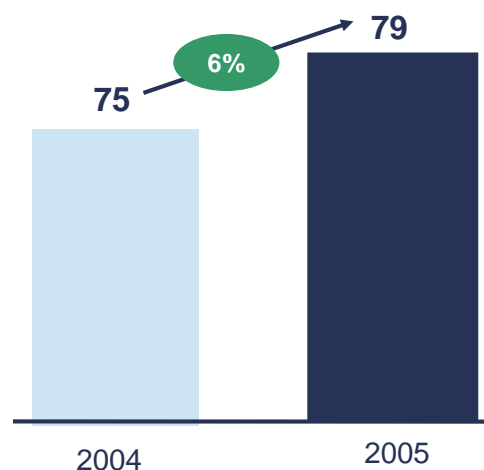
Increase in AuM and gross margin

Asset Management, Products & Sales

AuM in CHF billions



Gross margin in bp

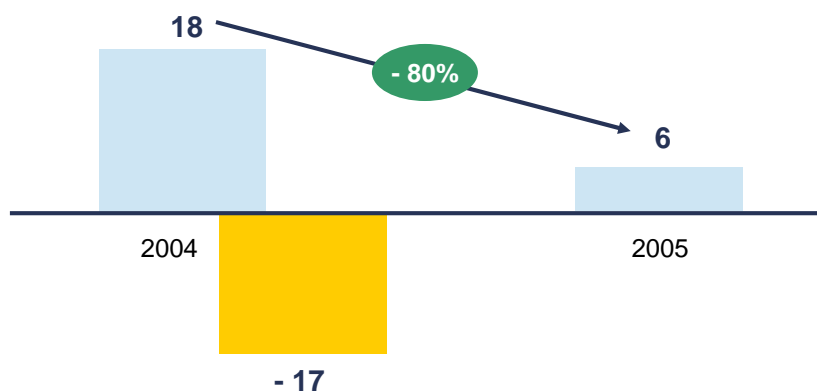


Segment result: Corporate Center

	in CHF millions		
	2005	2004	in %
Operating income	64	82	- 22
Operating expenses	50	50	0
Operating profit	14	33	- 57
Depreciation & write-offs	8	14	- 44
Value adjustments, provisions and losses	1	1	0
Segment result	6	18	- 68
Cost Income Ratio II (in %)	90	78	17
Adjusted headcount	123.2	102.1	21

Segment result severely affected by absence of proceeds from sale of participations

Segment result for Corporate Center, before tax (in CHF millions)



■ Adjusted for income from sale of participations

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Good start to 2006

Results for the months of January and February confirm level of results achieved in the previous year.

More cost synergies to be exploited by increasing efficiency in all business divisions.

Selective, external growth being continuously monitored.



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What next?

New CEO Joachim H. Straehle to take up post on 1 Sept. 2006.

SaraChange to be extended to our international locations.

Financial goals for 2006:

- 15% return on equity after tax
- Increase in net new money by CHF 2bn to CHF 3bn
- Gross margin to increase to > 90 bp
- Cost-income ratio I < 65%, towards 60% in the mid-term



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