



SARASIN

Sustainable Swiss Private Banking since 1841.

Speeches at the 23rd Annual General Meeting of Shareholders of Bank Sarasin & Co. Ltd, 27 April 2010

[Check against delivery]



Christoph Ammann
Chairman of the Board of Directors

Bank Sarasin stands for sustainability –
What does this imply, given the current
financial policy issues?



Joachim H. Straehle
Chief Executive Officer

Low-risk business model –
Sustainable growth

Bank Sarasin stands for sustainability – What does this imply, given the current financial policy issues?

Christoph Ammann, Chairman of the Board of Directors

Dear Shareholders
Ladies and Gentlemen

2009 turned out to be a challenging year for Bank Sarasin. Following the global shock of the financial crisis in 2008, the adverse market conditions initially persisted during the first quarter of 2009. The strong and swift recovery of financial markets since then has surprised many market players, but is obviously good news. However, the political climate and international relations between individual countries have become rather strained in the aftermath of the crisis. This is illustrated by the huge pressure being exerted on Swiss banking secrecy, the sharp regulatory response to deal with the financial turmoil and the related question about the best way in future to avoid or retract what are in practice state guarantees for banks classed as "too big to fail". What's more, steps have to be taken to overcome the prevailing global crisis of confidence.

Agenda

3 topics – Our sustainable approach in tackling them:

- Swiss banking secrecy.
- The Bank's role as an employer.
- Switzerland's future as a financial centre.



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In my speech I'd like to address three main topics, and highlight what our bank stands for and how it follows a sustainable approach in tackling these issues:

- Swiss banking secrecy,
- the Bank's role as an employer and
- Switzerland's future as a financial centre

Sustainable management of financial privacy

- Paradigm shift unavoidable.
- Privacy inextricably linked to the Swiss understanding of the role of the state and democracy.
- Recognition of OECD Article 26 calls for transitional rules.
- Regularisation of clients' existing untaxed assets has priority.
- Declaration or introduction of a flat-rate tax.
- Free access to markets (cross-border).
- Tax compliance, blocking undeclared assets.



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Switzerland got off lightly from the crisis. Even so, the only way it can move forward is through a paradigm shift regarding its banking secrecy. What is required is a **sustainable management of our clients' financial privacy and any undeclared assets they may hold**. On the political level, this transformation must be completed swiftly, consistently and in a forward-looking way so as to prevent any potential threat to the long-term future of the Swiss financial centre through severe damage to its reputation. What are our priorities? Privacy is one of the personal rights that are inextricably linked to the Swiss understanding of the role of the state and democracy. These fundamental personal rights not only include banking secrecy, but also medical or legal confidentiality. Privacy must always be respected, but not abused for the purposes of tax evasion, tax fraud or other criminal offences such as money laundering. Banking secrecy protects clients from the unwelcome invasion of their financial privacy. This privacy was never absolute and in particular provided no protection for criminal activities. At the same time, protection against high-handed intrusion by state authorities is also a legitimate principle which we ardently defend. This not only applies to cross-border activities from Switzerland, but also to business conducted within Switzerland. Compared with other tax regimes abroad, Switzerland has a tried and tested system in place: the duty of self-declaration, the scheme of withholding tax and the administrative procedures employed by the fiscal authorities all ensure a fair dialogue between the tax payer and the tax authorities. It is already possible to deal with deliberate and serious tax evasion without having to introduce new legal remedies.

As far as international tax issues are concerned, Switzerland's Federal Council has already shown the way by recognising and implementing Article 26 of the OECD Model Tax Convention. As a result, the previous distinction between tax avoidance and tax fraud has now been dropped as far as foreign domiciled persons are concerned. The relevant double taxation agreements still have to be approved by the Swiss parliament and ratified by the Swiss people in a referendum. The current behaviour of certain neighbouring countries, however, suggests that this step alone is not sufficient. Unless further measures are taken, bank clients – along with the banks themselves and their employees – will be increasingly exposed to threats, criminalisation and blackmail (data theft). There is a real risk of long-term damage to the reputation of the Swiss financial centre.

Fundamental changes to the law usually lead to clear rules being set for the change from A to B. The most important aspect of any transitional ruling in the area of banking secrecy must be the regularisation or legalisation of clients' existing untaxed assets in Switzerland. To this end, the tax owed with respect to the applicable periods of limitation must be paid retroactively. This can be effected either as part of a self-declaration made by clients, or through requests from other countries for international administrative or legal assistance, which involves enormous cost for the

country in question – in some cases even on the basis of bank client data acquired by illegal means. To prevent the associated reputational damage, this issue should be resolved for all clients affected in the form of a lump-sum settlement negotiated between countries. This can be done quickly and without too much effort. This latter course of action would allow clients to declare their assets without further ado in their tax domicile. Another step would be to introduce a flat rate tax payable every year to other countries. This would spare clients who, for whatever reason, would prefer not to submit a declaration in their tax domicile, from having to do so. Such an approach should produce a real paradigm shift in Switzerland's relations with those countries willing to accept such a solution.

These steps, combined with the assurance of free access to cross-border markets out of Switzerland and full tax compliance, as well as innovative measures for blocking new, undeclared assets, would prepare the way for good relations with our neighbours in future. Our Bank, and I myself, strongly support the fair treatment of existing clients as already outlined. Fostering stable legal conditions also ensures that the Swiss financial centre, which has always enjoyed an excellent reputation, can maintain its position as the world's biggest asset manager in cross-border private client business and helps to preserve the basis of trust which is vitally important for private banking. Ultimately this security also provides Bank Sarasin with the foundation it needs to continue to grow its business in a sustainable way. Bank Sarasin commands a very strong position in relation to its peers. Before it took over Rabobank's international private banking activities in 2002, Sarasin was heavily focused on Swiss clients and had already implemented a sustainable business model at a very early stage. The international growth strategy that we have been consistently pursuing since 2006 is based on clear geographical diversification and a strong local presence in selected markets. Because of this, any outflows of client assets resulting from the implementation of new double tax treaties or the declaration of assets are likely to be negligible.

Now I'd like to move on to the second topic in my speech today: **our role as a sustainable employer.**

Our role as an employer

- Our success is based on our staff.
- Increasing competition for talent.
- Compensation rules play an important, but not central role.
- Variable pay components allow sustainable and socially acceptable control of costs.
- Compensation rules of Bank Sarasin – constrained and sustainable.

Our success is based on professional and sustainable investment consulting tailored exactly to the needs of clients, and combined with the very best service quality. Just over 1500 people now work for our bank worldwide. They play a vital role in the future success of our business, as their high standard of technical expertise and interpersonal skills is precisely why clients choose Sarasin. It is therefore crucial for the Bank to foster their continuing personal and professional development. Our task is not simply to recruit the best talents for Sarasin, but to retain them and give them the

chance to grow to their full potential. Our employees are our most important capital and play a key role in safeguarding the Bank's future and upholding its excellent reputation.

Given changing demographic patterns and the growing shortage of highly qualified personnel, our reputation as a sustainable employer acutely aware of its responsibilities towards its staff is extremely important. When we talk about attracting and retaining talents, the prickly topic of compensation systems inevitably comes up. Headlines about greedy bank executives, opaque business practices and the awarding of massive bonuses despite deficits and state guarantees are drawing public attention and infuriating many people.

It is precisely here that each institution needs to be judged on its individual merits. Not all banks – and certainly not all bankers – are driven purely by money. The compensation philosophy of the Sarasin Group is built on a transparent and sustainable approach to remuneration based on performance and conduct, and one that effectively marries the interests of shareholders with the interests of management and staff. Our model is built upon the Compensation Rules, which in turn are based on the Corporate Governance Rules and the principles of the latest circular issued by the Swiss Financial Market Supervisory Authority (FINMA).

Compensation rules of Bank Sarasin

- Fixed cash payment for members of the Board of Directors.
- Executive Committee, senior management and other staff:
Fixed salary and variable, performance-oriented pay component .
- Variable pay component:
 - up to CHF 100,000: cash payment;
 - above CHF 100,000: 50% cash payment;
50% deferred entitlement to Bank Sarasin shares
→ over the next 4 years, subject to meeting annual targets and ongoing employment.
- bonus/penalty component:
 - target attainment 50% to 150%: proportional entitlement;
 - target attainment below 50%: loss of entitlement.



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The key points of our compensation system can be summarised as follows: Members of the Board of Directors only receive a fixed cash payment. Members of the Executive Committee, senior managers and all other employees receive a fixed salary and a variable pay component. The size of the variable component compared with the basic salary increases in proportion to the employee's responsibility and influence on the Bank's business performance and risk trends. Variable pay of up to 100,000 Swiss francs will immediately be paid out in full for the relevant financial year. Only half the variable pay in excess of 100,000 Swiss francs is paid out in cash immediately. The remaining 50% is paid out in the form of deferred entitlement to Bank Sarasin shares over the next four years. Furthermore, this remuneration is only payable if the employee is in the bank's continuous employment and also meets the annual targets fixed in advance for the next four years. These entitlements also include a bonus/penalty component: if the performance target attainment is below 50%, no entitlement is due. If the performance target attainment is between 50% and 150%, the entitlement increases proportionately, up to a maximum of 50% above the originally fixed amount. Our compensation system therefore meets the relevant FINMA criteria and can be classed as both very constrained and sustainable compared with other models in the financial services industry.

Information on our Compensation Rules can be found on pages 82 to 84 of the Annual Report. Details of the compensation paid during the financial year 2009 are provided on pages 84 and 135 to 139. Less than 3% of the workforce received variable pay above their basic annual salary, while 90% of all bonuses were less than 50% of the annual fixed salary.

Although variable pay has been the subject of much criticism recently, it must be stressed that it still makes good business sense, especially if it encourages a sustainable and responsible orientation of the business model and is not intended purely to maximise profits in the short term. Along with other factors, variable pay provides an important incentive system but at the same time allows costs to be reduced automatically when annual business results are lower. This system therefore offers a more sustainable and socially acceptable alternative to redundancies. It's worth noting that Bank Sarasin's Executive Committee voluntarily set an important example here by waiving its bonus payments for 2008 as a precautionary measure in response to the global financial crisis. This decision is very much in tune with Sarasin's underlying philosophy and the socially responsible model we champion, which ultimately offers a higher degree of security to our staff in the long run.

Sustainable development of the Swiss financial centre in the future

- Private banking and asset management are important pillars.
- Excellent position thanks to extensive expertise, power of innovation, professionalism, stable framework and discretion.
- Safeguarding value creation.
- Increasing pressure and competition.
- Financial centre: Only as strong as its weakest link.
- Targeted and sustainable regulation.
- Restoring confidence.
- Challenge: grasping opportunities to shape the future of the Swiss financial centre



This brings me to my third and last point: **the sustainable development of the Swiss financial centre in the future.** Private banking and asset management are important core businesses of banks domiciled in Switzerland. Our reputation is based on our extensive expertise, the permanently regenerative power of innovation in our industry, the extremely high level of professionalism and our strong sense of responsibility. The tradition of Swiss banks is built on stable political and monetary framework, and also on a culture of discretion. Switzerland's financial centre has established an excellent position for itself on the international stage. In terms of assets under management, Switzerland is one of the top players in international private banking. We must make every effort to defend our strong position going forward. But rival financial centres are jealous of us and want to emulate our success. The huge pressure currently being exerted on Swiss banking secrecy is just another expression of this.

Each new crisis confirms that a financial centre is only as strong as its "weakest link". The Swiss financial centre has also suffered in the recent crisis from enormous losses posted by some large banks but most of all from a huge loss of confidence. To restore confidence and strengthen Switzerland's standing as a financial centre will require effectively targeted regulatory measures, such as stricter capital adequacy requirements and systemic protection. But that alone is not sufficient to win back lost confidence. What market players have to do is to own up to their mistakes and adopt a new mindset by developing a greater sense of self-discipline and

responsibility. It is also important to foster an open dialogue that extends beyond social and party political boundaries. Mutual understanding is the foundation for future trust.

Everyone needs to be clear that our future already started yesterday, and that our actions today set the course for tomorrow. This is happening in a climate where we are under a lot of pressure – both from Swiss political circles and abroad. In such a constellation, we cannot afford to engage in trench warfare, make errors of judgement or try to hang on to untenable positions. The problems outlined not only present major challenges but also exciting opportunities to shape the future of our financial centre in a positive way and to defend ourselves from a position of strength. Maintaining the capacity of our financial services industry to create value is vital for the Swiss economy. It affects everyone and does not leave any room for vested interests.

Ladies and gentlemen, the Swiss financial community – and of course Bank Sarasin itself – is facing a number of major challenges in the fields of economic policy and regulatory issues. As before, we will be closely monitoring developments and trying to influence them, so that we can exploit this transition as an opportunity. The financial crisis and the past fiscal year have shown that Bank Sarasin is extremely well positioned with its sustainability strategy and investment products to emerge from the crisis as a winner. The looming transformation of the industry is the next chance we have to show what we are capable of. The Bank's operating performance in 2009 and our consistently strong growth measured by new money inflows testify to our success in positioning Sarasin as a sustainable private bank. As a pioneer and market leader in sustainable investment, and as a private bank with Swiss roots and an international presence in all the world's major growth markets, I am convinced that we will be able to continue our success story in the current financial year and the years ahead.

On behalf of my colleagues on the Board of Directors and the Executive Committee, I would like to thank you, our esteemed shareholders, for the trust you continue to place in Bank Sarasin. The success of our wealth management business rests on this vital trust and we will do everything in our power to live up to it through prudent management and tireless effort. We would also like to thank our management team and everyone who works for Bank Sarasin: their highly professional input and commitment are central to our success. I would now like to hand you over to Joachim Straehle, who will outline our 2009 results in more detail and set out the Bank's newly defined mid-term goals.

Thank you for listening.

Low-risk business model – Sustainable growth

Joachim H. Straehle, CEO

Mr Chairman, dear Christoph,
Dear Shareholders,
Ladies and Gentlemen

I am also delighted to welcome you all to Bank Sarasin's 23rd Annual General Meeting of Shareholders here in Basel.

At last year's AGM I began my presentation by talking about the dimensions of the financial crisis and its consequences. Following difficult conditions in 2008, which persisted into the first quarter of 2009, the biggest question at that time was what the future would bring for us. Even though we expected 2009 to be a difficult year, we were determined to push ahead with our growth strategy and set key focal points. We've been successful in this: in 2009 Bank Sarasin was once again on track with its growth plans. The second half of 2009, when stock markets performed very well, gave us further support along our expansion path.

Today I'd like to start off by looking at the main drivers of our business growth.

Successful growth strategy

- Growth course – still on track.
- Consistent strategic direction: focus on private banking – innovative solutions provider – concentration on specific geographic regions.
- Exploiting unique opportunities: recruiting talent – opening new offices in markets with high growth potential.
- Crisis of confidence – investors becoming more aware of the importance of sustainability.
- Security for clients, shareholders and employees.



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The key to our success lies in our clear strategic direction: Our strategy is geared towards sustainability and investments in the future. We focus on private banking and offer investment solutions tailored to individual client needs. We are not product pushers. We target clear geographic focal points. We implement strict cost management and regularly review our business cases. We make very selective but also continuous investments in our growth strategy.

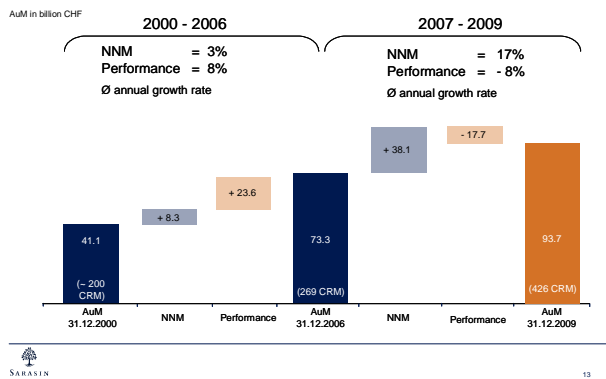
We are not interested in maximising profits in the short term. Instead, Bank Sarasin follows a low-risk business model and plans for the long term. This is demonstrated by the fact that we do not offer non-transparent investment vehicles such as hedge funds. Furthermore, we have set ourselves narrow limits for proprietary trading and we take special care to continue to broadly diversify or even reduce counterparty risks. It also means, however, that we initiate far-sighted measures where appropriate. To give you a concrete example, the EU Directive "Markets in Financial Instruments"

affects our business model when we serve clients domiciled in the EU either directly or through local EU offices. To ensure our marketing initiatives are as flexible as possible and comply fully with regulatory requirements, we have decided to introduce the MiFID standards not just in our European locations, but also throughout Switzerland from 2010 onwards.

This inherently sustainable approach has paid off for Sarasin even during the financial crisis. It is very much in tune with our claim “Sustainable Swiss Private Banking since 1841”. During the recent financial turmoil, many investors have been attracted towards sustainability. Here we are able to benefit from 20 years of expertise and our position as market leader in Switzerland.

We are confident that this sustainable model helps to foster credibility and security not just among you, our esteemed shareholders, but also among our clients and employees.

Successful growth strategy



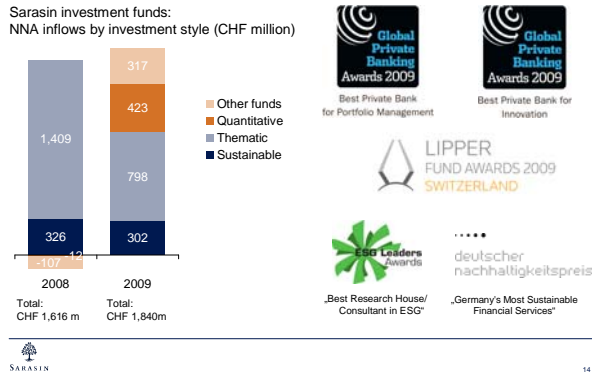
The continuing success of our strategy and the associated operating measures implemented in its support are particularly apparent in the figures for net new money inflows:

From 2000 to 2006 Bank Sarasin achieved average net new money growth rates of just three percent. During this period the Bank’s growth was driven mainly by the positive performance of financial markets.

But the situation changed from 2006 onwards, when Sarasin embarked upon a new growth strategy. Since then, Sarasin has generated impressive net new money growth averaging 17 percent per year. This performance has been achieved by a dynamic, highly qualified team of client relationship managers (CRMs). In recent years Sarasin has expanded this team by means of acyclic investments.

The strong new money growth reflects the confidence that Sarasin inspires in the marketplace. Clients know that the Sarasin brand stands for quality, professionalism and sustainability.

Strong positioning –
Inflows to investment funds and awards



Sarasin's strong competitive position as an asset manager is reflected in three ways: through high net asset inflows, superior investment performance and international recognition in the form of numerous industry awards. Sarasin's flagship investment funds and discretionary mandates returned impressive absolute and relative performances: 99 percent of all Sarasin's investment products delivered positive returns and more than half of them generated double-digit returns.

The annual results for 2009 can be summarised as follows:

Annual results 2009 –
Successful growth strategy

- Assets under management reach new peak of CHF 93.7 billion (+34%)
 - Excellent net new money inflows of CHF 12.5 billion (+18% p. a.)
 - CHF 11.9 billion from performance and currency translation effects
- Selective implementation of growth projects:
 - New offices opened in Berne and Nuremberg
 - Market entry in Poland, Austria and India
 - Number of CRMs: net +10 / gross +60.
- Assets managed according to sustainable principles double to CHF 11.9 billion

The total assets managed by the Sarasin Group increased by 34 percent during the reporting period to reach a new record of 93.7 billion Swiss francs. This sharp increase was partly attributable to very strong net new money inflows of 12.5 billion Swiss francs. We comfortably beat the net new money target of seven billion Swiss francs set for 2009. Our acquisition performance is the central platform for the Bank's future earnings and profitability. Market performance and currency translation effects also made a positive contribution of 11.9 million Swiss francs to net new money growth in 2009. The expert appraisal of financial markets by Bank Sarasin's Research team, which ensured a timely and significant expansion of the equities quota, helped to produce a better than average performance in the Bank's mandates.

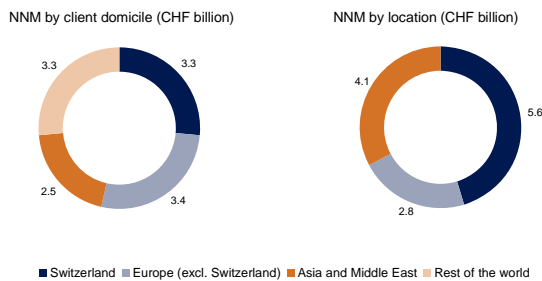
In 2009 Bank Sarasin was more selective in the pursuit of its growth strategy because of the prevailing market conditions, but still engaged in a number of important initiatives. We strengthened



our position in Europe by opening new locations in Berne, Nuremberg, Vienna and Warsaw. We opened offices in India as well. In the summer, we decided to relaunch our set-up in Bahrain by entering into a new joint venture with Alpen Capital, and we are about to establish a company in Manama, Bahrain. The application for a licence has already been submitted to the local authorities.

During the past financial year our Sustainable Investment team celebrated its 20th anniversary. Bank Sarasin is not only a pioneer in this field, but is also the market leader among providers of sustainable investment products in Switzerland. Within the space of a year, Sarasin has doubled assets managed according to sustainable criteria to 11.9 billion Swiss francs. Demand for sustainable investments and asset management mandates invested purely according to a sustainable criteria has continued to rise during the financial crisis.

Annual results 2009 – Net money inflows well diversified



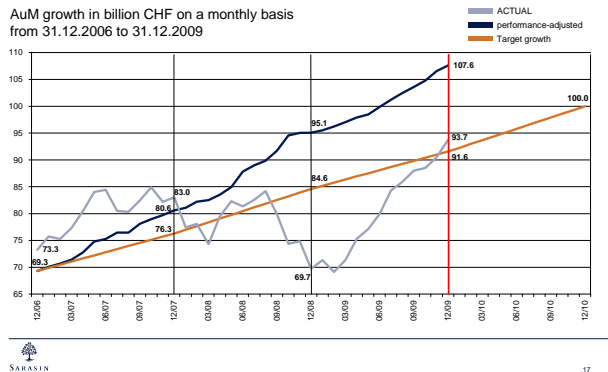
The Bank has managed to effectively diversify its growth in recent years by pushing ahead with the internationalisation of its business. Without wanting to detract from the performance of CRM teams in other locations, I would like to highlight in particular the strong growth dynamic in the Asia & Middle East region.

The acquisition performance in this region improved significantly in 2009, with net new money growth reaching 4.1 billion Swiss francs compared with 1.5 billion Swiss francs last year. This shows that the accelerated rate of expansion in this region is starting to bear fruit.

Asia is a crucial growth market for private banking, and we are keen to exploit its potential. The foundation has already been laid with the banking licence recently granted to our Hong Kong office, making it our first international branch. This will deliver additional impetus to the Asian region.

The net new money inflows of 5.6 billion Swiss francs at our Swiss locations demonstrate the strength of Sarasin’s acquisition performance in its home market. 2.3 billion Swiss francs came from clients domiciled outside Switzerland. As you can see, cross-border business out of Switzerland is still thriving!

Adjusted AuM target of CHF 100 billion by 2010 –
Already achieved in July 2009



We have set ourselves an assets under management target of 100 billion Swiss francs by the end of 2010, after adjustment for performance. We had already achieved this by the end of 2009, with assets under management totalling 107.6 billion Swiss francs. This confirms that we are on the right track with our strategy and are managing to implement it very effectively.

The impressive rate of growth we have achieved over the past two years makes me confident we can reach our client assets in excess of CHF 100 billion (in absolute terms) as early as the second half of 2010, as long as markets remain relatively stable.

Now let's take a look at income and expenses:

Annual results 2009 – boosted by more
favourable environment from Q2 2009 onwards

- Operating income improved to CHF 673.9 million (+8%) – mixed contributions from the various revenue streams over the course of the year.
- Successful cost management: operating expenses CHF 486.8 million (+5%) – higher personnel costs (+11%) – lower general administrative expenses (-9%).
- Adjustment to the valuation of the financial interest in NZB Holding – non-recurring value adjustment of CHF 70.2 million.
- Adjusted group result of CHF 121.7 million higher than adjusted figure for the previous year (+6%).
- Dividend of CHF 0.90 per class B registered share will be proposed at AGM.
- Capital base still strong: BIS Tier 1 ratio improved to 16.3%.

After coming under pressure during the challenging market environment in 2008, the Bank's earnings have improved again during 2009. The stock market rally that began in March 2009 – coupled with the effects of diversifying income across several revenue streams – gave a boost to the Bank's result.

Interest income, at 130.7 million Swiss francs, and income from commission and service fee activities, at 398.5 million Swiss francs, were both roughly the same as last year. Transaction-based commissions still suffered from lower transaction volumes. We intensified our activity in the Trading business, and income from this source rose 18 percent to 103.5 million Swiss francs.

We have consistently applied our tight cost management. Operating expenses rose slightly, as expected, mainly because of higher personnel costs. These were 11 percent more than the previous year, at 358.8 million Swiss francs. The rise was in fact significantly lower than the 14 percent increase in average headcount. This is the result of a performance-oriented human resources policy, as well as our variable compensation policy geared to the achievement of mid-term performance targets for the business.

At the same time general administrative expenses were cut by 9 percent to 128 million Swiss francs, despite the opening of a number of new locations and the start of the project to roll out the IT system Avaloq in Asia.

The NZB Neue Zürcher Bank is undergoing restructuring. It wants to retain its existing business model, with a shareholder pool of 60 percent from the circle of existing and new employees and members of its Board of Directors. Bank Sarasin will consequently refrain from increasing its financial stake of 40 percent to a majority stake. Given the background of the market developments in the brokerage business, we have adjusted the value of our 40 percent financial interest in NZB Holding. This results in a one-off write-down of 70.2 million Swiss francs. This adjustment is a non-recurring special factor and is not connected in any other way with the operating performance of the Sarasin Group in 2009.

To make it easier to compare the operating performance, we have stripped out the effects of this impairment from the annual results. The adjusted net profit for the Sarasin Group therefore rose 6 percent to 121.7 million Swiss francs. We therefore managed to beat our target of matching last year's net profit. Taking into account the one-off impairment charge, Sarasin's group result comes to 51.5 million Swiss francs.

Given the annual results, the Board of Directors is today proposing to pay a dividend of 90 centimes (CHF 0.90) for each class B registered share. For shareholders that have chosen to exercise the cash option for last year's COTO, this represents an increase of 38 percent.

Our capital strength is still top class, with a Tier-1 Ratio of 16.3 percent.

That concludes my review of 2009. Now I'd like to move on to the outlook for the current financial year, 2010. Looking at the first quarter, we can already say that we have got off to a very positive start. We are on track and fairly optimistic. But what concrete challenges do we face?

Current strategic challenges

- Restoring investors' confidence in the markets.
- Repositioning Switzerland as financial centre – safeguarding the reputation of Swiss Private Banking.
- Ensuring our market positioning is firmly anchored to sustainability.
- Consistent investment in IT systems.

The instability of financial markets continues to have a negative impact on both the investment activities and investment priorities of our clients. The general mood is still one of uncertainty. We expect markets to trend sideways in 2010, and therefore take a cautiously optimistic view of 2010. In such an environment, actively managing asset allocation is the key to investment success. A simple ‘buy and hold’ strategy is unlikely to be successful.

As our Chairman pointed out in his speech, we are not only exposed to market risks, but face challenging political and legal conditions. Precisely because Bank Sarasin is active worldwide, we appreciate the value of ‘Swiss Private Banking’ as a brand. Our task is to safeguard Switzerland’s reputation as a financial centre and to position it in the long term in a way that best reflects all the positive values associated with it. Given the changes on the horizon, Sarasin as a company must continue to consolidate its own market positioning and actively set itself apart from the competition. Due to the complexity of constantly changing client needs, we must offer a high standard of personalised and innovative investment advice. As competition intensifies – and with it pressure on margins – we must ensure that we demonstrate even more ostensibly the genuine value that we add for the client. Bank Sarasin itself is already very well positioned: not only do we have a strong degree of international diversification, but any outflows of client deposits are likely to be very small.

Market strategies dictated
by regulatory restraints

Definition	
Onshore	Provision of products and services within the client’s main country of residence.
Cross-Border	Offering of products and services to clients outside their main country of residence.
	Active: Focused approach to develop markets (e.g. dedicated offering and teams).
	Passive: No active market development.
No Activities	Decision not to do business in a market at all, e.g. economic reasons, due to legal and/or political risks.

Focus of active market strategy and marketing activities.



In 2009 Bank Sarasin launched a new project designed to assure flawless marketing that conforms to the relevant regulations, irrespective of whether the Bank is offering its advisory services on an on-shore (through local entities) or cross-border basis. The focus here will be on the regions of Europe, Asia and the Middle East. To minimise the risks, we will check carefully to see which rules apply for which country, and what implications they have for us.

We are confident that compliant cross-border business represents a growth market for us. This applies equally to clients domiciled in EU member states or in other continents. In particular, the provision of cross-border services is becoming increasingly complex due to the tougher legal and regulatory requirements. The aim is therefore to gain access to foreign markets while complying with all the local regulations for a particular country.

In the case of Germany, for example, Bank Sarasin has been granted an exemption by the local regulator for the performance of cross-border services out of Switzerland. We are now active in both onshore and cross-border business for Germany.

After careful review, we have also decided that there are a number of markets which we should specifically exclude from our marketing activities, such as the USA. Sarasin already completed the

reorganisation of the US business in 2009. The associated outflows of certain clients' assets are included in the figures reported for net new money growth.

What concrete targets have we set ourselves for the current financial year?

Sarasin 2010 – Outlook at a glance

- Investment in future growth:
 - Return to the mid-term growth path: recruitment of up to 50 new CRMs.
 - Expansion in Asia: Hong Kong to be upgraded to branch status / Avaloq to be rolled out as the main IT system.
- Revenues:
 - Improvement expected thanks to a higher level of average client assets.
 - Sustained improvement in profitability is the top priority for 2010.
- Maintain growth momentum:
 - Net new money growth of 10%.



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Having slightly curbed investments in future growth during 2009, Bank Sarasin now wants to return to its mid-term growth path in 2010. However, these expansion initiatives will be governed by the criteria of quality and strict cost management.

On the one hand, we plan to resume investment in the expansion of our CRM team. In doing so, we are laying the long-term foundation for successful acquisition. The mid-term planning figure is around 50 additional CRMs every year. We also want to increase the number of client advisors as a percentage of the total workforce.

Furthermore, we intend to strengthen the infrastructure of our Asian locations. Our Hong Kong office has just received a banking licence and will soon become Sarasin's first international branch. In Hong Kong and Singapore we will also be rolling out the Avaloq IT banking system, which has been successfully used in Switzerland since 2003.

Despite the growth achieved in 2009, we believe there is still room to improve our earnings power. Here the focus is on high-quality, profitable growth. We stand by our principles: We are maintaining a consistent focus on the client and on personalised solutions. We focus on areas where we can deliver genuine value-added to the client, for which we can justifiably ask a reasonable price in return. One important step for improving our earnings power, for example, would be to bring our discount rate into line with the market.

We have set ourselves a target of net new money growth of 10 percent in 2010.

Now I'd like to outline our new mid-term goals:

Growth strategy –
New mid-term targets 2015

- Grow assets under management to CHF 150 billion (performance-adjusted)
- Significantly improve gross margin – despite tougher competition, which in turn puts margins under pressure.
- Cut cost income ratio through further efficiency improvements.



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Firstly, we want to increase assets under management to 150 billion Swiss francs (performance-adjusted) by 2015.

Secondly, we want to significantly improve the gross margin, despite the tougher competition and the higher margin pressure that comes with it. Our margin target is still 90 basis points.

Thirdly, we aim to cut the cost income ratio to around 65 percent by means of further efficiency improvements.

We will make every effort to achieve these goals and are confident that our strategy, and the way we implement it, will continue to produce success.

I am convinced that the Sarasin Group is ideally positioned to continue to grow in a sustainable fashion. I would like to thank all our valued shareholders for the trust they place in Bank Sarasin. I would also like to thank all the Bank's employees. I am delighted to have the support of a highly dynamic and motivated team capable of delivering exceptional performance.

I would now like to hand you over to our Chairman.