

Good reasons to be confident

bank zweiplus is celebrating its first anniversary. Our bank has achieved an outstanding performance from the very first day. Read the interview with our Chairman of the Board of Directors, Joachim H. Strähle, to know why you can continue to count on us in the future as well. **Trends, on page 4**

Mortgages: New in product range

Now you can finance your residential property with bank zweiplus at attractive conditions, and afford your own home. **News, on page 3**

Banking-Line: The right solution

How do I become an investor? Which securities should I invest in? Our Banking-Line knows the answers and, together with you, will find the appropriate solution. **About us, on page 7**



**Your prize:
15 iPod shuffles**
On page 8

"My heartfelt thanks for the trust you have placed in bank zweiplus."

Editorial, on page 2

Editorial



Marco Weber, CEO

Dear Customers,

bank zweiplus Ltd opened its doors one year ago. We merged together the business units of two private banks within just six months. Since the beginning, we have counted on your encouragement and succeeded in boosting our customer base. At this point, I would like to express my heartfelt thanks for the trust you have placed in bank zweiplus!

The introduction of mortgages has rounded off our range of services, which is now as complete as you would expect from a universal bank. Take a look at the new opportunities offered on page 3.

Look to the future and feel at ease with us. Read the interview on page 4 with our Chairman of the Board of Directors, Joachim H. Strähle, on why bank zweiplus - with its vast array of independent products and services - offers you a stable and reliable environment even amid the prevailing financial market climate.

I hope you thoroughly enjoy reading this issue of surplus!


Sincerely
Marco Weber
CEO bank zweiplus Ltd

Intrinsic valueDespite OECD concessions:
banking secrecy is still intact

Banking secrecy, as stipulated in Art. 47 of the Swiss Federal Law on Banks and Savings Banks since 1934, remains intact in Switzerland despite the concessions within the scope of the OECD standards. Furthermore, the Swiss government has unequivocally stated that there will be no automatic exchanges of information with foreign tax authorities as well as no so-called fishing expeditions. In addition, the prerequisites for government intervention in such matters still remain strictly regulated, and the following conditions must be fulfilled: submission of a written petition based on sufficient, substantiated suspicion - now including tax evasion as well; full declaration of the name of the tax payer in the petition; adequate account of the circumstances of the tax evasion; and precise identification of the bank or branch office involved.

Switzerland must engage in its negotiations with confidence and as an equal partner - particularly in the wake of the attempts at strong-arm tactics and verbal attacks from abroad - in order to assert its own legitimate inter-

ests. Switzerland indeed has explicitly committed itself to adopting the OECD standards, and there is no reason to doubt its willingness to follow through with its obligations. Indeed, any member of the G-20 that seeks to exert pressure on the nation should respect the fact that Switzerland is a direct democracy. Laws cannot be passed without consulting the people, but rather require their approval, which may necessitate a certain amount of time. In this regard, any attempts at exerting political pressure would be counterproductive as well.

Overall, the debate surrounding Swiss banking secrecy laws has triggered considerable uncertainty. But in fact, Switzerland continues to uphold bank client confidentiality and protection of privacy. All the prerequisites are therefore in place to ensure that Swiss banking secrecy will continue to prevail. (rk) 



Dreams come true

bank zweiplus now offers mortgages and loans

In addition to securities custody accounts and savings accounts, our customers now have the opportunity to benefit from securities and mortgage loans - so fulfill your dream and make yourself at home in your new dream house.


Historically low interest rates and the prevailing moderate trend in prices on the Swiss real estate market open the door to favourable prerequisites for buying owner-occupied residential property. With bank zweiplus, you have a strong partner at your side to help with financing issues. In fact, we have three mortgage loan models to choose from.

The **variable-rate mortgage** is a loan with an unlimited term for financing your property. You can make repayments at any time. The interest rate is adjusted to the money market or capital market, depending on the particular situation. Hence, you benefit from lower interest costs amid declining market interest rates.

The **fixed-rate mortgage** guarantees you a fixed interest rate with a set term ranging between two and ten years. You can therefore hedge against rising interest rates over the long run at attractive conditions and, at the same time, easily budget your interest costs over the long term.

With a **LIBOR mortgage** (London Interbank Offered Rate), you benefit from a fixed, unchanging interest rate with terms ranging from three, six, nine or twelve months. Thus, you can react quickly to changes on the market to take advantage of declining interest rates.

Whether you're planning to finance your primary residence or vacation domicile, bank zweiplus mortgage loans offer well thought-out financing models, so that you can relax and enjoy the pleasure of your own home. Fulfill your dreams today - just give us a call and we'll find the financing model that ideally suits your financial situation.

And if you're not thinking about residential property, but are looking to fulfill other wishes instead, bank zweiplus offers personalized, attractive **securities loans** providing you with short-term liquidity. These loans enable you, for example, to realize investment opportunities without having to sell any of your long-term assets. Of course, you continue to profit from any dividend and/or interest income earned from the pledged assets. (sb) 

Tips

Investing wisely in funds

Stock markets had been retreating for a long time, but recently regained substantial terrain. How can we determine the right timing for entering the market? At best, not at all, according to the experts. In fact, even professional investors err in terms of timing. Hardly anyone manages to buy at low points. And when prices are high, investing too late can be dangerous.

So, it's not just a matter of asking "when?" but also asking "how much?" and then regularly investing a set amount. For instance, you should buy more shares when prices are low and, accordingly, fewer shares when prices are high. In the course of time, you will achieve an average initial acquisition price for all your shares - and in most cases at much less than if you had attempted to invest based on market timing. Financial experts call this the cost-average effect.

In order to reap rewards from this effect, you should invest in a mutual fund savings plan, for which you select one or more funds and designate the amount you wish to invest each month. bank zweiplus also offers you the advantage of buying fractions of fund units. (ma)

Attractive mortgage rates

Calculation for residential property

Mortgage model	Interest rate
Variable-rate mortgage	2.625 %
Fixed-rate mortgage 2 years	1.600 %
Fixed-rate mortgage 3 years	1.975 %
Fixed-rate mortgage 8 years	3.275 %
LIBOR mortgage 3 months	1.140 %

Effective: July 7, 2009

The interest rates shown are based on the assumptions that financing is carried out within the scope of a first mortgage, the customer has a good credit rating, and the property is assessed as good quality. The definitive interest rate cannot be determined until the bank has reviewed the relevant documentation.

“Our decisive advantage”

bank zweiplus, one year later:
Interview with Joachim H. Strähle

bank zweiplus marked its one-year anniversary on July 1, 2009. Joachim H. Strähle has been its Chairman of the Board since the bank was founded. In this interview, he looks back at a successful business year, fully committed to bank zweiplus customers.

Mr. Strähle, bank zweiplus turned one year old on July 1, 2009. What conclusions can you draw as Chairman of the Board?

The founding of the bank went as smoothly as can be despite the short preparation time of just six months. This was also clear by the fact that the customers of both founding banks remained loyal to bank zweiplus. On behalf of the Board of Directors, I would like to congratulate the management and employees of bank zweiplus for this remarkable performance.

In addition to your function as Chairman of the Board of Directors of bank zweiplus, you also hold the position of CEO of Bank Sarasin & Co. Ltd. What role does bank zweiplus play in the Sarasin Group?

bank zweiplus is an important part of Sarasin Group. First of all, Bank Sarasin is majority stakeholder in bank zweiplus, with an equity interest of 57.5%. From a legal standpoint, bank zweiplus is therefore a subsidiary of Bank Sarasin. Hence, the bank is not just a financial investment for Sarasin, but was founded as the result of definitive strategic considerations since it enabled all participants to focus on their own core businesses. In the end, there is also close cooperation between the two banks at the operational level. bank zweiplus takes advantage of Bank Sarasin's state-of-the-art infrastructure, particularly in the areas of IT and securities settlement.

bank zweiplus was created by the merger of the business operations of Bank Sarasin & Co. Ltd. and Falcon Private Bank Ltd. (formerly AIG Private Bank Ltd.). Didn't the customers of the two private banks who were integrated into the new bank zweiplus feel somewhat left out?

Up to the time bank zweiplus was founded, Bank Sarasin as well as Falcon Private Bank had combined two customer segments under one roof: private banking clients and retail clients. Fulfilling the various needs of both customer segments was often a balancing act. The formation of bank zweiplus paved the way for designing a range of products that met the needs of both customer segments. This is reflected in the assortment of products and services offered, such as e-banking and fee structures. The cost-savings advantages in settlements can be passed on to the customers, so that now they pay significantly lower fees at bank zweiplus. Consequently, we can say that

this move proved to be worthwhile. More than 95% of the clients originally reallocated are still clients, which is a distinct sign that the customers have felt comfortable.



Joachim H. Strähle (51), Chairman of the Board of Directors of bank zweiplus and CEO of Bank Sarasin, is convinced about the bank zweiplus business model. This seasoned banker has over 30 years of experience in the field of private banking in Switzerland and abroad. He is married and has three children.

What precisely does "significantly lower fees" mean?

For instance, the custody account fees for former Sarasin clients have been reduced by more than 50%, depending on the products in their custody account. Transaction fees are significantly lower as well.

Why do you believe that bank zweiplus is a competitive player? The density of banks in Switzerland is quite high.

bank zweiplus pursues a unique business model. I know of no other bank in Switzerland that focuses on clients with small- and medium-sized portfolios and, at the same time, offers such a broad range of products and services at comparatively attractive conditions. For example, customers may choose from among roughly 4500 funds and pay the same custody account fee for each fund regardless of the investment amount. Furthermore, since bank zweiplus does not offer any proprietary investment products of its own, it can provide its customers with wholly objective advisory services. And last but not least, bank zweiplus customer advisors have years of extensive experience in the investment advisory business.


Recent months have seen banks filing for bankruptcy and government aid packages for battered banks. Could such a new bank like bank zweiplus face a similar situation as a result of the financial crisis, thereby endangering the customer assets it holds?

bank zweiplus very intentionally follows a low-risk business model. The bank neither engages in investment banking activities, nor executes trading with its own securities positions, but rather focuses on investment and pension advisory services. A large proportion of the client assets held by bank zweiplus

is invested in investment funds, which are exempt from inclusion in the pool of legal assets in the case of bankruptcy. Furthermore, bank zweiplus is covered by the deposit protection system of Swiss banks, which guarantees privileged deposits up to an amount of CHF 100000. Like other banks, bank zweiplus is not immune to the indirect effects of the financial crisis. The earnings situation has not trended the way we would have preferred, for example. Nevertheless, despite the difficult environment and notwithstanding the costs related to its founding, bank zweiplus managed to realize a decent profit already in its first half-year of operations (i.e. the second half of 2008). Moreover, the two stakeholders behind bank zweiplus - Bank Sarasin and Falcon Private Bank - guarantee the bank's stability and security as well. In this regard, Bank Sarasin ranks among the oldest private banks in Switzerland. Its majority shareholder, the Netherlands-based Rabobank, holds a AAA rating and thus boasts the highest possible credit rating.

How do you assess the future for bank zweiplus?

Indeed, the financial sector is facing one of the most severe crises in history - a challenging environment for a newly established bank. In my view, however, the company strategy that bank zweiplus pursues offers good opportunities. Many customers have become more cost-conscious amidst the current market climate. I am convinced that bank zweiplus can win over new customers, particularly now, with its attractive conditions business model. As a streamlined organization with some 140 employees, the bank is also in a position to swiftly and flexibly react to the new market challenges and needs of customers - a decisive advantage amidst a fiercely competitive market.

Many thanks for the interview Mr. Strähle. 


Mission statement

Our values, your advantage

Values are important - they provide solid footing even amidst turbulent times. They also enable us to remain one step ahead. And they allow you to always be able to rely on us.

Solid. bank zweiplus is considered a reliable and solid partner by its customers. Our stability is based on close co-operation with Bank Sarasin & Co. Ltd. We benefit from the good credit rating of the Swiss private bank and also rely on its state-of-the-art IT infrastructure. Hence, we offer our customers and staff a highly motivated, modern bank in a stable environment.

Unique. bank zweiplus boasts a unique and innovative business concept, by offering its own customers, as well as customers of certified financial services providers, customized financial solutions. Like no other bank we stand out as the leading product and transaction execution platform.

Independent. bank zweiplus paves the way for its own customers, as well as for those of certified financial services providers, to gain open access to a comprehensive universe of financial products and services - free of any conflicting interests and independent of any specific product provider or designated investment sum. Consequently, unlike almost any other bank, bank zweiplus succeeds in providing its customers with totally independent advisory services while, at the same time, developing the best possible investment recommendations. 

Forecasts

Macro-economy

Green shoots are emerging worldwide

- + The global economy is mired in the worst recession since the Second World War
- + Such deep worldwide recession must be alleviated through monetary and fiscal policies
- + Public-sector debt is still manageable, and inflation poses no threat
- + Central banks will likely maintain interest rates at low levels with unconventional instruments
- + Risks for growth are slowly diminishing, and green shoots are sprouting
- + Signs of economic stabilization in the USA, Germany and China are increasing
- + The sharp contraction in the first half of 2009 should give way to a robust upswing in the second half

Money market

Benchmark interest rates continue to fall

- + The European Central Bank will likely cut its benchmark interest rate further in the third quarter
- + Most central banks are pursuing a zero-interest-rate policy
- + Generally, all central banks should keep interest rate levels low

Economic outlook

The pace and intensity of the rally since March in risk-bearing assets came as a surprise to most market observers. However, the extreme turnaround in sentiment within just two months or so seems rather exaggerated. So a consolidation could be in the cards - albeit short-lived - since many investors still want to jump on the bandwagon. We do not recommend significant changes in asset classes at this time, but favour positioning portfolios for the cyclical upswing.

Until recently, investors had been grappling with the question of whether or not the global economy would fall into a real depression. Although Q1 2009 GDP growth data confirmed that we are now mired in the deepest recession since the Second World War, investor sentiment has undergone a tremendous turnaround. Affirmation of the trend reversal in the business climate indicators has led to a sharp decrease in risk aversion. In light of emerging concerns over inflation, demand for real assets, such as commodities, has surged strongly. Indeed, signs of an economic recovery are increasingly mounting,

not just in China and India - where the industrial sector is expanding again - but in developed countries too, where a cyclical upswing is looming. Recent data have turned out to be surprisingly upbeat, even leading to the hope of a V-shaped recovery. Even though this is not in line with our basic scenario, it is certainly possible that, in the aftermath of the massive downswing in the winter quarters, the global economy could stage an equally robust recovery. In the USA, we forecast a return to positive growth rates in Q3 2009. Meanwhile, however, the reduction in inventories will likely continue. (jp) 

Investment strategy

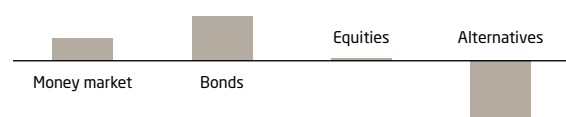
- + Government bonds look unattractive, corporate issues still hold potential
- + Corporate bonds are more attractively valued than equities
- + Equities: Risk aversion is dropping, but upside potential is limited
- + Alternatives: Real estate is unattractive; gradually build up commodities
- + Build up positions in cyclicals, focusing on growth/low-debt firms
- + We are overweighting in the emerging markets and USA, but cautious toward Europe and Japan

Sector weightings

- | | | |
|---------------------------|---------------------------|----------------------|
| + Technology | ● Consumer goods | - Healthcare |
| + Industrials | ● Cyclical consumer goods | - Telecommunications |
| + Commodities / materials | ● Energy | |
| | ● Financials | |
| | ● Utilities | |

Asset classes: Overweight corporate bonds

- + Overweight
- Neutral
- Underweight




Source: Bank Sarasin

Always at your service


Banking-Line: Finding the right solution

Your first point of contact with bank zweiplus is our Banking-Line. Whether you reach out to us via telephone or e-mail, you can always count on expert advice. Our advisory services team boasts extensive know-how regarding any and all bank services. Ranging from in-depth advisory meetings to tailor-made services, we offer our customers multifaceted solutions. Through our

asset management advisory services, you receive investment proposals that are free of conflicting interests. Thanks to the independent nature of bank zweiplus, you can count on our advisory meetings focussing on you and your financial needs - just the type of advantage you won't find at any other Swiss bank. 

Employee in the spotlight:

"Knowing what's good for you"

That is **Silke Blocher's** motto. She has worked for ten years in the investment and pension advisory business. You can reap benefits from her experience - and from her approach - when you call our Banking-Line: "Our mission is to recognize the desires and needs of our clients and offer them customized, uncomplicated solutions. At the same time, customer satisfaction is our top priority." 



Silke Blocher, Head of Banking-Line

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Showing the spirit

bank zweiplus sponsors
employees dedicated to sports

This year's Gigathlon in the St. Gallen region is the ultimate sports event. Organized by Swiss Olympic, the governing body of Swiss sports, under the motto "Timeless Moments," the event takes place against the backdrop of one of the most breathtaking Swiss landscapes.

Five bank zweiplus employees participated in the Gigathlon. We are proud of the performance of our group in the


"Team of Five" category: 448.4 kilometer and 8310 altitude difference in the disciplines bike racing, biking, swimming, in-line skating and running.

We are pleased to sponsor outstanding performance. We proudly stand behind our dedicated team financially as well as organizationally. Since only one plus one equals zweiplus. (sf) 

Play and win

Your chance to win one of 15 iPod shuffles

Ensure your chance to win one of 15 exclusively engraved iPod shuffles. Compact, functional and easily clipped onto almost anything, the iPod shuffle could be your constant companion. So what do you have to do to win? Just visit

www.bankzweiplus.ch/contest no later than **August 31, 2009** and answer three questions about bank zweiplus. And it's such an easy play, once you've read surplus. 

www.bankzweiplus.ch/contest



**"Solid, unique, independent.
Just see for yourself."**

Marco Weber