



SARASIN

Sustainable Swiss Private Banking since 1841.

## Shareholders' Information

Basel, 2 March 2010

### Annual results 2009 of Bank Sarasin & Co. Ltd:

## Bank Sarasin's growth strategy still successful

**Assets under management climb to new peak of CHF 93.7 billion (+34%) – Net new money growth CHF 12.5 billion (+18%) – Operating income improves 8% to CHF 673.9 million – Adjustment to the valuation of Sarasin's financial interest in NZB Holding – Adjusted net profit of CHF 121.7 million improved by 6% – Dividend increased from CHF 0.65 to CHF 0.90**

Dear Shareholder

Our solid performance in 2009 was driven by our low-risk business model as well as the systematic implementation of our growth strategy – albeit based on a more selective approach. We also benefited from the improvement in the market environment in the course of 2009: the year got off to a disappointing start, as the negative stock market trends of 2008 spilled over into the first quarter. However, the reversal in the financial markets began on 9 March 2009. The mood brightened considerably in the second quarter and the rally in the equity markets carried on into the second half of the year. This favourable trend – combined with flexible planning and rigorous cost management – enabled us to achieve sustained growth. The positive development of our business during 2009 meant that we did not have to revert to contingency plans to dramatically reduce personnel costs. This also represents an encouraging development.

During the reporting period, the total assets under management of the Sarasin Group reached a new record, rising from CHF 69.7 billion to CHF 93.7 billion by 31 December 2009. This exceptional result was partly attributable to highly successful asset gathering, as reflected in our net new asset inflow of CHF 12.5 billion. Market performance and currency translation effects accounted for CHF 11.9 billion of the significant rise in assets under management. We comfortably beat the net new money target of CHF 7 billion. We also managed to reach our performance-adjusted

target for 2010 of CHF 100 billion in assets under management ahead of schedule.

The Group's consistently impressive new money inflows are a reflection of the confidence that Sarasin inspires in the marketplace. Our team of client relationship managers (CRMs), which has been systematically expanded and strengthened over the past three years, is our strong selling point. Our solid performance across the board is confirmed by the many industry awards Sarasin has been granted from different institutions in a number of areas. We also benefit from the backing of our majority shareholder, the Dutch Rabobank, and its AAA-rating. Sarasin enjoys a close working relationship with Rabobank, one of the world's top-20 financial institutions. The combination of a mutually owned universal bank focused on sustainability and a sustainable Swiss private bank is proving to be a highly fruitful partnership.

In 2009, operating income increased to CHF 673.9 million (2008 adjusted: CHF 626.5 million). Our skilled appraisal of financial markets, which prompted an early and significant expansion of the equities quota in mandates, was equally beneficial to our clients and to the Bank's earnings power. The effects achieved by diversifying income across several revenue streams helped to support the Bank's result: net interest income rose by 2%. Income from commission and service fee activities improved significantly during the second half of 2009 and – over the year as a whole – was in line with 2008 levels. Income from trading operations was particularly strong in the first half

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of 2009, but fell back to the previous year's level in the second half. On balance, the Bank reduced its risk profile once again, as reflected in the 18% decline in the average Value at Risk (VaR) in trading operations, to CHF 287,000.

Despite the growth achieved in 2009, we believe there is room to improve our earnings power. A number of factors prevented us from growing revenues as much as we would have liked. The financial crisis has shaken investors, inevitably resulting in higher cash holdings and low transaction volumes in client portfolios. Given this environment, the high proportion of new money – combined with the unusually high quota of liquid assets – limited our earnings potential.

We stand by our principles: we are maintaining our consistent focus on our clients and on personalised solutions. We therefore only offer our own products in areas where we can deliver genuine value-added to our clients, for which we can justifiably ask a reasonable price in return. Against this backdrop, our top priority for 2010 is high-quality and profitable growth, bringing an improvement to the Bank's gross margin.

Following a year-on-year increase of 14% in the average headcount, the Group's personnel costs rose by 11%, in line with expectations. At the same time, the slight increase in the number of CRMs as a percentage of the total workforce, coupled with a consistently performance-oriented human resources policy, helped to further enhance the quality of our teams. Tight cost management helped to reduce general administrative expenses by 9% compared with last year. Existing business portfolios were reviewed: business cases that had failed to develop successfully were relinquished, redimensioned or put on hold. However, most business cases are still progressing very well, as reflected in the encouraging figures for net new money inflows. Total operating expenses during the reporting period came to CHF 486.8 million, an increase of just 5% thanks to tight cost control.

Bank Sarasin no longer plans to increase its shareholding in NZB to a majority stake as announced last November. As part of its restructur-

ing and reorientation, NZB Holding intends to continue to pursue the existing entrepreneurial model with a 60% shareholder pool made up of new shareholders from the circle of both existing and new employees and members of its Board of Directors. Bank Sarasin will retain its 40% financial investment in NZB Holding. Both banks will continue to operate totally independent of one another. In accordance with the principle of prudence, Bank Sarasin has adjusted the value of its 40% financial interest in NZB Holding and written down its value by CHF 70.2 million. To facilitate a comparison of Bank Sarasin's operating performance, the annual figures have been adjusted to allow for this non-recurring effect.

Our solid net profit of CHF 121.7 million (adjusted) for 2009 reflects the continuation and successful execution of our growth strategy, as well as the benefits of our investments in the business. As a result, we exceeded our target of equalling last year's adjusted result. Taking into account the one-off write-down, Sarasin's group result comes to CHF 51.5 million.

During the financial year 2009, we reduced the rate at which we are implementing our growth strategy in line with the more challenging market environment, as planned. There was a net increase of ten new CRMs. The mid-term planning figure is around 50 new CRMs every year. The network of Swiss locations was strengthened with the opening of a fifth office in Berne. The Bank has also opened new offices in Warsaw (Poland) and Vienna (Austria), which will provide a platform for serving new growth markets in Central and Eastern Europe. In Germany, Sarasin opened a third office in Nuremberg to complement its locations in Frankfurt and Munich. Last but not least, Sarasin gained a foothold in the Indian market in 2009 with new locations in Mumbai and Delhi. On the other hand, the joint venture announced at the end of 2007 with the El-Khereiji Group in Bahrain was terminated. In 2010 Sarasin will be entering into a new joint venture with Alpen Capital in Manama, Bahrain. The application for a licence has already been submitted to the local authorities. Two key elements of our strategy are our commitment to investing in the future growth of the



business and our focus on sustainability. We strive to work according to our claim “Sustainable Swiss Private Banking since 1841.” both in terms of corporate culture and in the area of asset management across all markets in which we operate. In 2009, Sarasin celebrated 20 years of sustainable investing. There is strong demand for investment products and for portfolio management mandates based on sustainable criteria. The financial crisis has clearly demonstrated not only to us, but to all our private and institutional clients, the added value that sustainability can produce. The capital market is sending out a clear signal that companies which operate according to these principles are considered to be more creditworthy. Around one eighth of our assets under management are currently invested according to sustainable criteria. In the space of just a year they have doubled to CHF 11.9 billion (2008: CHF 6.0 billion). This growth is mainly attributable to changes in the asset management mandates of private clients in Switzerland, which were changed to a sustainable investment style last summer. It also reflects newly acquired mandates and inflows into our sustainable investment funds. Having already established ourselves as market leader in sustainable asset management in Switzerland, we are now well on the way to achieving this position in Europe. The fact that Bank Sarasin was singled out as providing “Germany’s Most Sustainable Financial Services” in the “German Sustainability Award 2009” shows the direction we are heading in.

In 2009, the asset management business of the Sarasin Group reached a new peak in terms of performance. This powerful momentum reflects our very good competitive position, which is confirmed by three aspects of our results: our strong net new asset inflows; our superior investment performance; and the international recognition we have gained in the form of a series of coveted industry awards such as “Best Private Bank for Portfolio Management” and “Best Private Bank for Innovation” according to the trade publications “The Banker” and “Professional Wealth Management”. Sarasin’s flagship investment funds and discretionary mandates returned impressive absolute and relative

performances. 99% of Sarasin’s investment products delivered positive returns and more than half of them generated double-digit returns.

The capital increase in the form of Cash or Title Options (COTOs) was successfully concluded in September 2009: You, our valued shareholders including the Bank’s majority shareholder Rabobank, exercised 99.9% of the total COTOs issued in order to subscribe to the new registered shares. We would like to take this opportunity to thank you for your confidence in Sarasin. This has enabled the Bank to successfully strengthen its capital base, as demonstrated by the impressive BIS Tier 1 ratio of 16.3%. For clients, this is a clear display of our financial stability.

The general political and legal conditions under which the Bank does business have been extremely challenging. The G-20 countries have exerted enormous pressure on Swiss bank client confidentiality in the last 18 months. The protection of financial privacy was never absolute and, in particular, never provided any form of protection for criminal activities. We think it is time for the inalienable right to privacy to be redefined in a way that safeguards the individual’s private sphere. We have been following the public debate very closely and, where appropriate, making our position clear. The decisions that are due to be taken on these issues are extremely important for the future of the Swiss financial centre and for banks based in Switzerland. Bank Sarasin considers itself to be in an excellent position in this respect: our operations are well diversified internationally and we believe that any outflows of client assets that we might experience will be very limited.

The terms of office of the members of the Board of Directors Christoph Ammann, Hubertus Heemskerk and Sipko N. Schat are due to end at the Annual General Meeting (AGM) of 27 April 2010. Christoph Ammann and the two members delegated by our majority shareholder Rabobank, Hubertus Heemskerk and Sipko N. Schat, will be nominated for re-election to the Board of Directors at the forthcoming AGM. The Board of Directors is proposing a dividend of CHF 0.90 per class B registered share.



We are cautiously positive in our outlook for 2010. The markets are likely to move sideways. It remains to be seen whether the upturn initiated in the second half of 2009 will provide a sustainable foundation for consistently strong growth going forward. Having sharply curbed investments in future growth during 2009, we now think conditions look right to slightly loosen our belt again in 2010: in continuing the expansion of our CRM team, we plan to move back towards the mid-term growth path.

We also intend to strengthen the infrastructure of our Asian locations over the next 18 months. Our Hong Kong office has recently received a banking licence and will be upgraded to Bank Sarasin's first international branch. We will also be rolling out our IT banking system Avaloq, which has been successfully used in Switzerland since July 2003, in our Hong Kong and Singapore locations. The project will make an important contribution towards reducing the IT running costs of the Sarasin Group and will also provide a low-cost platform for further growth in Asia.

In the financial year 2010 we want to maintain our current pace of growth, with net new money inflows of 10%. If we achieve this goal and markets remain stable, we should be able to report assets under management in excess of CHF 100 billion in the second half of 2010. We also expect a slight improvement in the operating result thanks to the revenue boost provided by an increase in the average level of client assets. As already mentioned, our main priority in 2010 will be to further improve our profitability.

We have set ourselves the following mid-term goals: to increase assets under management to CHF 150 billion (performance-adjusted) by 2015; to significantly improve our gross margin despite the tougher competition – and the higher margin pressure that comes with it; to cut the cost income ratio substantially by means of further efficiency improvements. In geographical terms, our growth initiatives will be concentrated on our three main target markets of Europe, the Middle East and Asia. We are aiming for long-term profitable growth which is built on quality and can be achieved without running up excessive costs.

We are especially grateful to our clients and shareholders for their faith in us and the loyalty they have displayed over the past financial year. This is incredibly important to us, and we will do everything in our power to ensure that we continue to deserve your trust. Our special thanks also go to our employees. Once again they have shown an impressive level of commitment towards Bank Sarasin. Their positive and motivated attitude to their work allows us to seize the opportunities that are emerging even in this difficult operating environment. Thanks to our competent and motivated employees, the high quality of our products and services and the excellent positioning of our Bank we are confident that we can work in partnership with our clients and shareholders to achieve long-term growth.

Yours sincerely

Christoph Ammann  
Chairman of the Board  
of Directors

Joachim H. Straehle  
Chief Executive Officer

# Key data

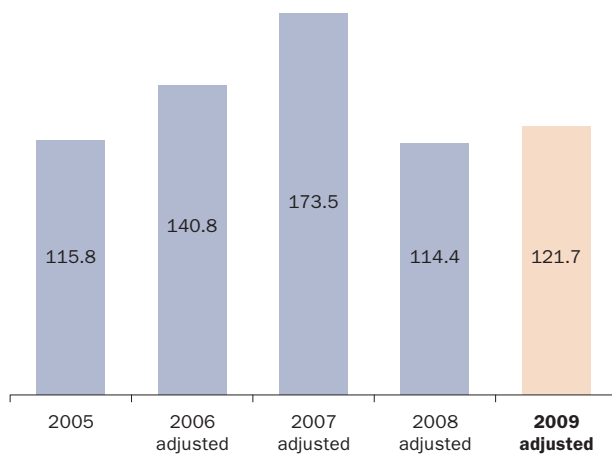
(on a consolidated basis)

## Group income statement

	2009 adjusted <sup>1</sup>	2009	2008 adjusted <sup>2</sup>	2008	Change 2009 (adjusted) to 2008 (adjusted) %
1,000 CHF					
Net interest income	130,676	130,676	128,557	128,557	1.6
Results from commission and service fee activities	398,511	398,511	399,016	399,016	-0.1
Results from trading operations	103,504	103,504	87,757	87,757	17.9
Other ordinary results	41,237	41,237	11,152	61,814	269.8
<b>Operating income</b>	<b>673,928</b>	<b>673,928</b>	<b>626,482</b>	<b>677,144</b>	<b>7.6</b>
Personnel expenses	358,841	358,841	324,173	324,173	10.7
General administrative expenses	128,001	128,001	140,576	140,576	-8.9
<b>Operating expenses</b>	<b>486,842</b>	<b>486,842</b>	<b>464,749</b>	<b>464,749</b>	<b>4.8</b>
<b>Operating profit</b>	<b>187,086</b>	<b>187,086</b>	<b>161,733</b>	<b>212,395</b>	<b>15.7</b>
Depreciation and amortisation	33,020	33,020	23,574	23,574	40.1
Value adjustments, provisions and losses	7,487	77,670	6,950	80,683	7.7
<b>Profit before taxes</b>	<b>146,579</b>	<b>76,396</b>	<b>131,209</b>	<b>108,138</b>	<b>11.7</b>
Taxes	24,868	24,868	16,791	1,307	48.1
<b>Group result including minority interests</b>	<b>121,711</b>	<b>51,528</b>	<b>114,418</b>	<b>106,831</b>	<b>6.4</b>
Group result excluding minority interests	107,991	37,808	102,303	94,716	5.6

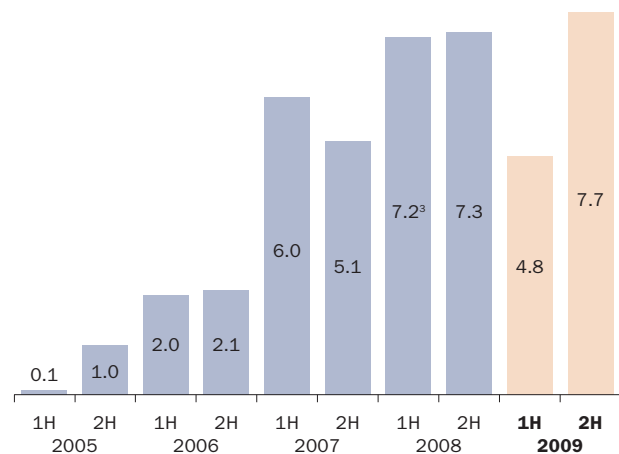
## Group result

(million CHF)



## Net new money growth over half-year periods

(billion CHF)



### Results by segments (before taxes)

1,000 CHF	2009 adjusted	2009	2008 adjusted	2008
Private Banking	30,229	30,229	53,741	53,741
Trading & Family Offices	57,997	57,997	46,847	46,847
Asset Management, Products & Sales	49,907	49,907	44,611	44,611
bank zweiplus	10,122	10,122	6,974	6,974
Corporate Center	-1,676	-71,859	-20,964	-44,035
<b>Total</b>	<b>146,579</b>	<b>76,396</b>	<b>131,209</b>	<b>108,138</b>

### Group balance sheet

1,000 CHF	31.12.2009	31.12.2008
Total assets	15,300,819	12,706,886
Due from customers	7,320,077	5,203,474
Due to customers	10,236,512	8,483,257
Shareholders' equity including minority interests	1,291,739	1,193,203
Shareholders' equity excluding minority interests	1,240,790	1,146,840

### Assets under management<sup>4</sup>

million CHF	2009	2008
Total assets under management	93,697	69,679
New money through acquisitions	0	0
Change through divestment	-442	0
Net new money	12,474	14,476
Performance	11,986	-27,799
Increase / decrease in assets under management (%)	34.4	-16.1

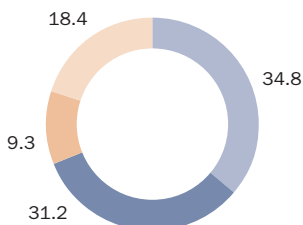
### Assets under management and net new money growth by client domicile

(billion CHF)

AuM

31.12.2009

Total 93.7

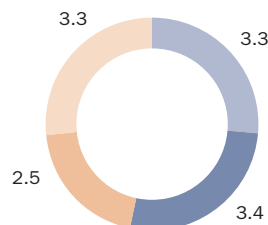


Switzerland  
Europe (excluding Switzerland)

NNM

2009

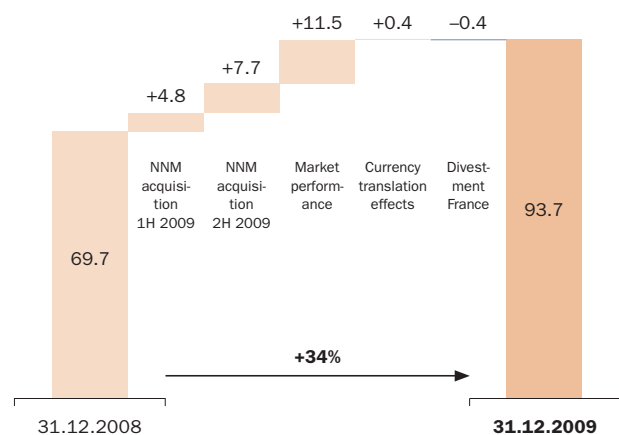
Total 12.5



Asia and Middle East  
Rest of the world

### Development of assets under management

(billion CHF)



## Ratios

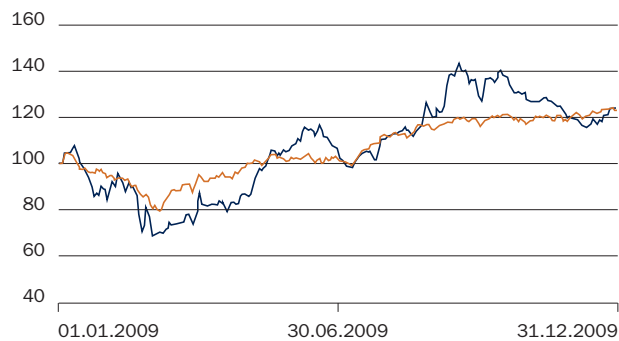
	2009 adjusted	2009	2008 adjusted	2008
%				
Gross margin on assets under management <sup>5</sup>	0.84	0.84	0.80	0.86
Return on assets (ROA)				
– Operating income as a percentage of total assets <sup>6</sup>	4.8	4.8	5.1	5.6
– Group result as a percentage of total assets <sup>6</sup>	0.9	0.4	0.9	0.9
Cost income ratio <sup>7</sup>	77.1	77.1	77.9	72.1
Return on equity (ROE) <sup>8</sup>	9.5	4.1	9.3	8.7
%		31.12.2009		31.12.2008
Equity ratio <sup>9</sup>		8.4		9.4
BIS Tier 1 ratio <sup>10</sup>		16.3		15.2

## Selected key data per employee<sup>11</sup>

	2009 adjusted	2009	2008 adjusted	2008
CHF				
Operating income	437,247	437,247	465,409	503,045
Operating expenses <sup>12</sup>	337,288	337,288	362,772	362,772
Operating profit	121,382	121,382	120,150	157,787
Group result including minority interests	78,966	33,432	85,000	79,364

## Development of share price

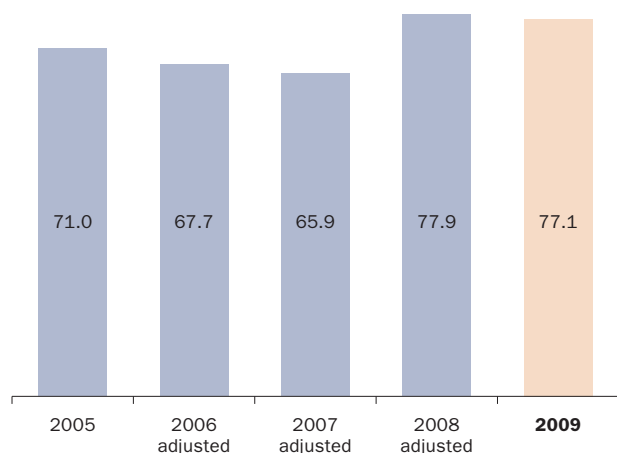
(index 01.01.2009 = 100)



— Bank Sarasin & Co. Ltd class B registered share  
— Swiss Performance Index (SPI)

## Cost income ratio<sup>7</sup>

(%)



**Selected key data per class B registered share with a nominal value of CHF 0.35<sup>13</sup>**

CHF	2009 adjusted	2009	2008 adjusted	2008
Operating profit	3.0	3.0	2.6	3.5
Group result	1.7	0.6	1.7	1.5

**Stock market price**

CHF	31.12.2009	31.12.2008
End of period date	39.10	31.50
High <sup>14</sup>	45.20	54.05
Low <sup>14</sup>	21.50	24.80
Market capitalisation (million CHF)	2,459	1,926
<b>Registered shareholders</b>	<b>2,161</b>	<b>2,117</b>

**Headcount (full-time equivalents)**

	31.12.2009	31.12.2008
Group	1,556.8	1,537.0
Of which Switzerland	1,043.0	1,045.0
Of which abroad	513.8	492.0

**Client relationship managers (full-time equivalents)**

	31.12.2009	31.12.2008
Including assistance		
Group	426.0	416.0
Of which Switzerland	242.2	250.1
Of which abroad	183.8	165.9

<sup>1</sup> In accordance with the principle of prudence, Bank Sarasin has adjusted the value of its 40% financial interest in NZB Holding and written down its value by CHF 70.2 million.

<sup>2</sup> The outsourcing of Sarasin's business with direct clients in the retail and affluent segment and with clients of IFAs to the newly established bank zweiplus Ltd, Zurich, produced a one-off gain of CHF 50.7 million in 2008. Secondly, the financial crisis resulted in losses in the amounts due from banks totalling CHF 58.2 million after tax.

<sup>3</sup> CHF 2.0 billion net new money came from the client assets transferred by AIG Private Bank, now Falcon Private Bank Ltd., into bank zweiplus.

<sup>4</sup> Securities, rights, precious metals and fiduciary assets are valued at market. The total includes deposits with companies in the group as well as with third parties for which those companies have management authority. The assets of publicly traded Sarasin investment funds are reported under investment fund assets.

<sup>5</sup> The reporting of the gross margin on client assets is now based on the average assets held at the end of the month (as opposed to values at the end of the half-year).

<sup>6</sup> Total assets: average of two period end figures.

<sup>7</sup> Operating expenses including depreciation and amortisation / operating profit.

<sup>8</sup> Shareholders' equity before distribution of profit: average of two period end figures including minority interests.

<sup>9</sup> Shareholders' equity including minority interests as a percentage of total assets.

<sup>10</sup> The calculation is based on the Swiss Standardised Approach (SA-CH).

<sup>11</sup> Headcount: Average headcount over the year (full-time equivalents).

<sup>12</sup> Operating expenses including depreciation on fixed assets.

<sup>13</sup> Until 2008 with a nominal value of CHF 1.

<sup>14</sup> Closing price.