



Shareholders' Information

Basel, 24 February 2011

2010 results of Bank Sarasin & Co. Ltd:

Assets under management pass the CHF 100 billion mark

Assets under management climb to CHF 103.4 billion – Strong net new money growth of CHF 13.4 billion (+14%) – Dynamic growth and improved quality of earnings in the core business Private Banking – Group result reaches CHF 124.5 million – Dividend unchanged at CHF 0.90

Dear Shareholder

Bank Sarasin formulated its international growth strategy back in 2006, setting ambitious goals to be reached by the end of 2010. Over the last five years we have consistently implemented these plans, making selective investments in our client relationship manager teams and opening new locations. We have also continued to broaden our geographical footprint, while at the same time focusing above all on our core business of private banking and expanding our asset base. This strategy has paid off and we are delighted now to be able to enjoy the fruits of the seed that we have sown and that has flourished so much under our attentive care.

One of our primary goals has been to increase the client assets that we manage to CHF 100 billion by 2010. With assets under management of CHF 103.4 billion on 31 December 2010, we have not only reached, but comfortably exceeded, our target. This fills us with a sense of pride and satisfaction. It also gives us confidence to set and subsequently meet ambitious targets in the future, particularly since we managed to achieve this result during a period of unpredictable turbulence worldwide. Although Bank Sarasin was not as heavily affected directly by the financial crisis as other market players, the indirect consequences – such as investor nervousness, a preference for cash and significant market volatility – were just as noticeable and equally challenging for us.

Our success, which is reflected in the very respectable annual result for 2010, is based on the excellent market position we have carved out for ourselves in recent years. In every area where we are active, Sarasin has a strong public profile and first-class reputation. The name Sarasin, which was previously only widely known in Switzerland, now has resonance at an international level. Our sustainable solutions tailored to individual clients' needs and our high quality standards make us a trustworthy and attractive partner. The successful placement of our first bond denominated in Swiss francs worth a total of CHF 350 million confirms the excellent reputation that our bank and our adopted strategy enjoy among private and institutional investors. The bond was launched successfully in a very challenging market environment and was an important step in allowing the Bank to diversify its financing activities.

The strong foundation of trust and the excellent reputation we have built are also reflected in the consistently high net new money growth achieved once again in 2010 of CHF 13.4 billion. This is equivalent to a growth rate of 14% and represents the second best result reported by Sarasin during the last five years. Only 2008 was a better year, when net new money growth came to CHF 14.5 billion. This dynamic rate of new money inflows is the driver of the increase in assets under management from CHF 93.7 billion in 2009 to CHF 103.4 billion in 2010. Thanks to a surprisingly stable environment in the second half of



the year, the full-year performance was positive at CHF 4.7 billion but unfortunately the very strong performance of the Swiss franc during the same period produced negative currency translation effects of CHF 7.7 billion.

The quality of earnings in the core business has considerably improved: net interest income was 12% higher at CHF 146.9 million, reflecting the positive influence of the expanding mortgage and collateralised loan business. Following the significant expansion of the asset base in our core business, income from commission and service fee activities improved by 15% to CHF 457.5 million. By contrast, income from trading operations fell back by 42% to CHF 59.8 million. This result was heavily affected by the transactions carried out during the first half of the year in a move to hedge against rising interest rates. Other ordinary income came to CHF 26.3 million, a decline of 36% on the previous year, due to the unexpectedly high contribution made in 2009 by share price gains realised on financial investments.

Operating expenses experienced a moderate increase to CHF 505.2 million as the Group is financing its own growth path and any necessary investments. Costs remain under control. Regular review of our business cases – as a form of consistent income, risk and cost management – and implementation of high quality standards all have a positive impact. In response to the reviews of our business cases and the shift in centres of regional growth, not to mention changes in regulation, we closed down two offices in Spain during 2010 and sold our Lugano-based subsidiary, Sarasin Colombo Gestioni Patrimoniali SA, back to the founding Colombo family.

Following an increase in the headcount from 1,557 to 1,642, personnel costs were slightly higher at CHF 368.4 million. The percentage of client relationship managers (CRMs) as a proportion of the total workforce fell slightly. The

target figure of around 50 additional CRMs per year was achieved in gross terms in 2010. We have once again focused on optimising the quality of our client advisors during the reporting year. The positive effect of this strategy is illustrated by the high average new money inflows for each CRM.

The expansion of our international marketing activities, as well as investments in new locations and the further refinement of our systems and processes, pushed up general administrative expenses by 7% to CHF 136.8 million. Two new locations in the Middle East – in Bahrain and Abu Dhabi – have rounded up our international network of offices since the second half of 2010. At the end of January 2011, after several months of intensive project work, the Avaloq banking system was successfully rolled out at our two Asian locations in Hong Kong and Singapore. This system lays a cost-effective foundation for future growth and enables us to exploit economies of scale. This type of investment not only provides stronger positioning in our core markets but also in the high-growth regions that are so important for private banking.

Although bank zweiplus has had a very successful start as an independent product and settlement platform over the past two years, its 2010 results did not live up to expectations. An extraordinary impairment loss of CHF 8.0 million in connection with fraudulent conduct by one distribution partner in Germany was a significant drain on the company's profit. Legal proceedings have been initiated for suspected fraud. bank zweiplus has been under new management since autumn 2010 and we are confident that the new management team will succeed in further improving the efficiency of this unique product and settlement platform and launch new initiatives which will bring bank zweiplus back onto the path to growth.

As expected, the group result showed a modest increase of 2%, reaching CHF 124.5 million



SARASIN

Sustainable Swiss Private Banking since 1841.

(2009 adjusted: CHF 121.7 million). The Board of Directors therefore intends to submit a proposal to the Annual General Meeting of Shareholders of 5 April 2011 to keep the dividend unchanged at CHF 0.90 per class B registered share. The terms of office of the directors Christian Brueckner, Hans-Rudolf Hufschmid and Peter Derendinger are due to end at the AGM of 5 April 2010. While Christian Brueckner is not putting himself forward for re-election on grounds of age, Hans-Rudolf Hufschmid and Peter Derendinger will be proposed for re-election at the AGM.

We are still a long way from achieving our mid-term goals for improving our profitability and cost income ratio. Over the next few years we will concentrate our efforts on these goals, while at the same time continuing to follow a sustainable approach that is reflected in farsighted decisions and initiatives. During the course of 2010 we took the opportunity to reconsider our business approach and to formulate it more precisely to ensure a holistic approach that embraces economic, social and environmental criteria. For us, sustainability means acting in a way that guarantees the future orientation of our bank at any given point in time. We have consistently implemented our international growth strategy along these lines and concentrated our investments on regions with favourable long-term growth prospects. Focusing on individual national markets in Europe, the Middle East and Asia, where the Bank focuses on its onshore offering and cross-border business, is a consequence of this sustainable business philosophy. Compliance with the relevant regulations and overall conditions specific to a national market is fundamental to this approach. We see the rapidly changing regulatory environment and the substantial differences from one market to the next as an interesting challenge but at the same time they force us to focus our attention increasingly on individual markets. We will therefore concentrate on markets offering potential of at

least between CHF 3 and 5 billion over the coming years.

The Bank also strives to be farsighted in adapting regulations early on for the benefit of its own clients: in 2010 Sarasin was one of the first Swiss banks to introduce the EU directive MiFID (Markets in Financial Instruments Directive) for all its private clients in Switzerland. The "Know your clients" principle, as well as establishing the client's tolerance and appetite for risk, is an integral part of our high-quality advisory session with the client. This allows the Bank to enhance its risk disclosure and gives clients greater transparency concerning the risks and opportunities that are associated with their investments. In view of these risk considerations, Bank Sarasin has also decided to withdraw from direct investments in US securities in its asset management mandates, with effect from 31 December 2010, and to recommend that its advisory clients in Switzerland should avoid or sell such direct investments. When it comes to handling undeclared client assets, Bank Sarasin also acts consistently in the interests of its customers. It was quick to adopt a respective strategy, announcing last summer that it would be avoiding undeclared client assets. The Bank is implementing selective measures in order to achieve this goal by the end of 2012.

In addition to securing the future orientation of our business model, our top priority is to consistently improve the quality of our products and services – a task that we are driving forward with the help of appropriate measures to encourage innovation and precision. The high standard that we have already achieved is borne out by a number of industry awards. For example, we have already received two awards as the best sustainable wealth manager – one from the leading British trade magazines *The Banker* and *Professional Wealth Management*, and one from the German financial publisher *Fuchs Report*. In Dubai we received the "Mohammed Bin Rashid Al Maktoum Business Award" in the Finance



SARASIN

Sustainable Swiss Private Banking since 1841.

category and (for the third consecutive year) the "Best Private Bank in the Middle East". We intend to repeat these successes in future years by consistently delivering solid, first-class products and services.

We are still cautiously optimistic about the outlook for 2011. Despite global uncertainties on the political stage and macroeconomic imbalances, we expect economic growth to pick up again and 2011 to be a good year for investments. Given this background, we plan to slightly reduce our pace of growth over the next five years so as to be able to reach our assets under management target of CHF 150 billion (performance-adjusted) in 2015. Careful management of our pace of growth will allow us to substantially boost our operating performance. Improving our profitability will be top of the agenda in the years ahead: we want to increase our gross margin considerably and cut the cost-income ratio by making further improvements in efficiency. Here it is important to achieve the right balance between geographical diversification and clearly focused marketing activities. In the medium term we are not interested in breaking into new national markets but in fully exploiting the potential available in existing markets. After our Hong Kong office received a banking licence in 2010 to become our first international branch, we expect the Singapore office to upgrade to the same branch status over the next few months. We have already announced plans to open a new office in Lucerne in the summer of 2011. To summarise, we are striving for a type of growth that is oriented towards sustainable criteria, is built upon quality, and generates attractive returns.

On behalf of the Board of Directors and Executive Committee, I would like to thank our clients and shareholders for the trust they have once again placed in us during the 2010 financial year and that we hope to count on for the future. We would like to extend our sincere thanks to all our employees for their hard work and dedica-

tion that they show every single day in the service of our bank to the great satisfaction of our clients, partners and shareholders. We are confident that we will continue to offer first-class products and services to our clients in 2011 and, thanks to your support, to reach the next milestones on our journey towards sustainable and profitable growth. We look forward to another successful year.

Yours sincerely

Christoph Ammann
Chairman of the Board
of Directors

Joachim H. Straehle
Chief Executive Officer

Key data

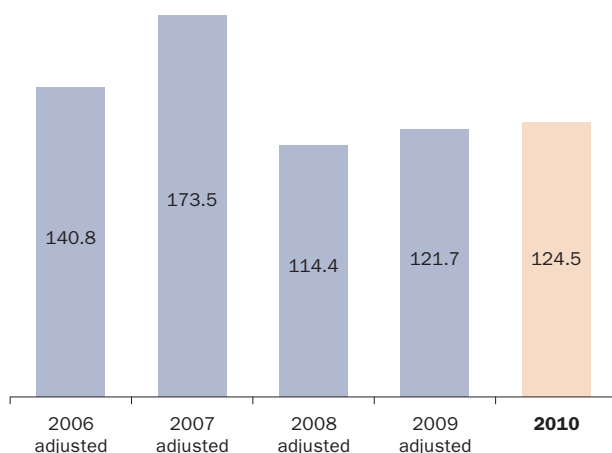
(on a consolidated basis)

Group income statement

	2010	2009 adjusted ¹	2009	Change to 2009 adjusted %
1,000 CHF				
Net interest income	146,921	130,676	130,676	12.4
Results from commission and service fee activities	457,496	398,511	398,511	14.8
Results from trading operations	59,817	103,504	103,504	-42.2
Other ordinary results	26,337	41,237	41,237	-36.1
Operating income	690,571	673,928	673,928	2.5
Personnel expenses	368,400	358,841	358,841	2.7
General administrative expenses	136,820	128,001	128,001	6.9
Operating expenses	505,220	486,842	486,842	3.8
Operating profit	185,351	187,086	187,086	-0.9
Depreciation and amortisation	30,804	33,020	33,020	-6.7
Value adjustments, provisions and losses	11,332	7,487	77,670	51.4
Profit before taxes	143,215	146,579	76,396	-2.3
Taxes	18,679	24,868	24,868	-24.9
Group result including minority interests	124,536	121,711	51,528	2.3
Group result excluding minority interests	107,794	107,990	37,807	-0.2

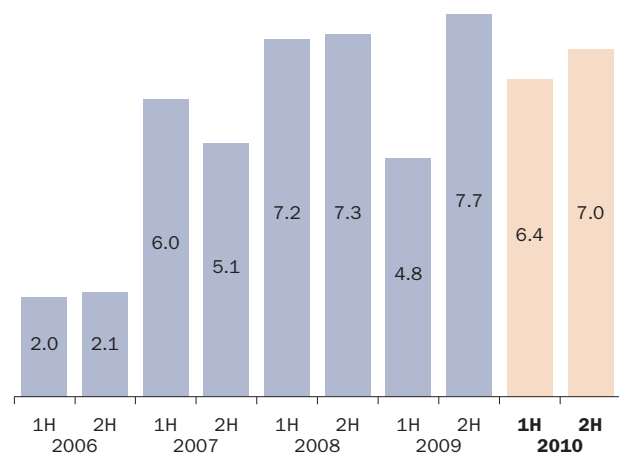
Group result

(million CHF)



Net new money growth over half-year periods

(billion CHF)



Result by segments

	2010	2009 adjusted	2009
1,000 CHF			
Private Banking	94,462	30,229	30,229
Trading & Family Offices	40,001	57,997	57,997
Asset Management, Products & Sales	59,984	49,907	49,907
bank zweiplus	1,361	10,122	10,122
Corporate Center	-52,593	-1,676	-71,859
Total	143,215	146,579	76,396

Gross margin on assets under management²

	2010	2009 adjusted	2009
%			
Private Banking, business unit Switzerland & Europe	0.85	0.82	0.82
Private Banking, business unit Middle East & Asia	0.83	0.94	0.94
Total segment Private Banking	0.84	0.86	0.86
Trading & Family Offices, business unit Institutional Advisory & Sales	0.58	0.68	0.68
Asset Management, Products & Sales, business unit Institutional Clients	0.47	0.52	0.52
bank zweiplus	1.04	1.07	1.07
Total Sarasin group	0.70	0.84	0.84

Assets under management³

million CHF	2010	2009
Total assets under management (period-end)	103,363	93,697
Acquisitions	0	0
Divestments	-683	-442
Net new money	13,419	12,474
Performance	-3,070	11,986
Increase/decrease in assets under management (%)	10.3	34.4

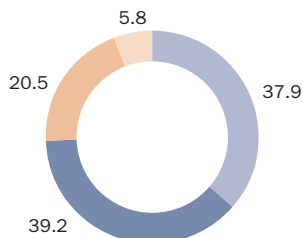
Assets under management and net new money growth by client domicile⁴

(billion CHF)

AuM

31.12.2010

Total 103.4

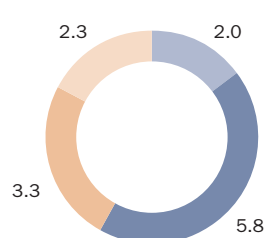


■ Switzerland
■ Europe (excluding Switzerland)

NNM

2010

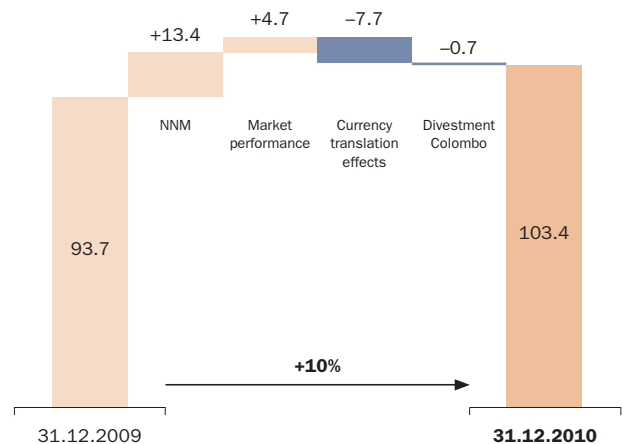
Total 13.4



■ Asia and Middle East
■ Rest of the world

Development of assets under management

(billion CHF)



Group balance sheet

1,000 CHF	31.12.2010	31.12.2009
Total assets	17,505,471	15,300,818
Due from customers	9,457,417	7,320,077
Due to customers	11,850,096	10,236,512
Shareholders' equity including minority interests	1,271,894	1,291,738
Shareholders' equity excluding minority interests	1,229,423	1,240,789

Ratios

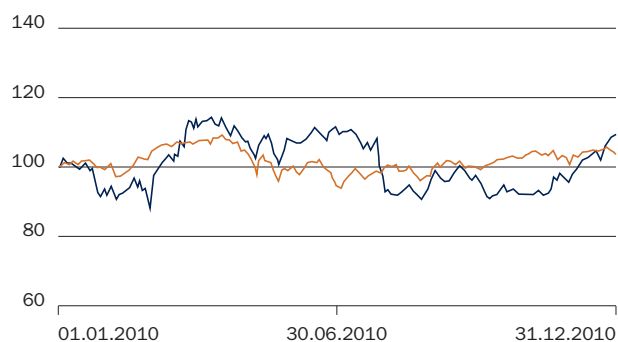
	2010	2009 adjusted	2009
%			
Return on assets (ROA)			
– Operating income as a percentage of total assets ⁵	4.2	4.8	4.8
– Group result as a percentage of total assets ⁵	0.8	0.9	0.4
Cost income ratio ⁶	77.6	77.1	77.1
Return on equity (ROE) ⁷	9.7	9.5	4.1
%	31.12.2010		31.12.2009
Equity ratio ⁸	7.3		8.4
BIS Tier 1 ratio ⁹	15.3		16.3

Key data per employee¹⁰

CHF	2010	2009 adjusted	2009
Operating income	435,307	437,247	437,247
Operating expenses	318,470	315,865	315,865
Operating profit	116,837	121,382	121,382
Group result including minority interests	78,502	78,966	33,432

Development of share price

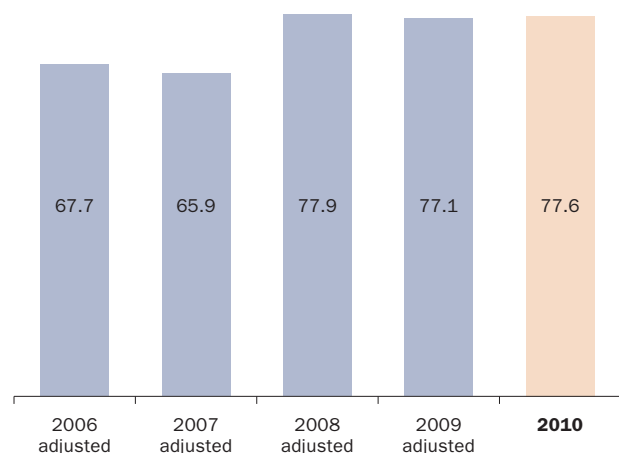
(index 01.01.2010 = 100)



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

Cost income ratio⁶

(in percent)



Key data per class B registered share with a nominal value of CHF 0.35

CHF	2010	2009 adjusted	2009
Operating profit	2.9	3.0	3.0
Group result	1.7	1.7	0.6

Stock market price¹¹

CHF	31.12.2010	31.12.2009
End of period date	42.60	39.10
High	44.60	45.20
Low	34.70	21.50
Market capitalisation (period-end, million CHF)	2,680	2,459
Registered shareholders (period-end)	2,163	2,161

Headcount (full-time equivalents)

	31.12.2010	31.12.2009
Group	1,642.4	1,556.8
Of which Switzerland	1,096.1	1,043.0
Of which abroad	546.3	513.8

Client relationship managers (full-time equivalents)

Including assistance	31.12.2010	31.12.2009
Group	433.6	426.0
Of which Switzerland	250.4	242.2
Of which abroad	183.2	183.8

¹ Bank Sarasin has adjusted the value of its 40% financial interest in NZB Holding and written down its value by CHF 70.2 million in 2009.

² The gross margin on assets under management is presented on the basis of average assets calculated from month-end amounts.

³ 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.

⁴ Trusts and foundations are now also allocated on the basis of the domicile of the beneficial owner. The prior-year figures reported here have been adjusted accordingly.

⁵ Total assets: average of two period end figures.

⁶ Operating expenses including depreciation and amortisation in relation to operating income.

⁷ Shareholders' equity before distribution of profit: average of two period end figures including minority interests.

⁸ Shareholders' equity including minority interests as a percentage of total assets.

⁹ The calculation is based on the Swiss Standardised Approach (SA-CH).

¹⁰ Headcount: Average headcount (full-time equivalents).

¹¹ Closing price.