



SARASIN

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# Facts and figures

**Annual Report 2008**

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**Record net new money growth of CHF 14.5 billion**

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**Intensified growth initiatives bear fruit – another 122 highly qualified advisors join the CRM team**

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**Market performance and exchange rate movements reduce the value of assets under management by 16%, to CHF 69.7 billion**

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**Adjusted net profit decreases to CHF 114.4 million (2007: CHF 173.5 million)**

# Wealth brings with it responsibility

**Sarasin likes to have well-informed clients who are able to judge the Bank's recommendations from a position of knowledge rather than blind faith. "Competence on the side of the Bank and its clients is the best way of preserving and growing assets over the long run," says Joachim H. Straehle, CEO of Bank Sarasin. So it is vital not only to advise clients, but also to provide them with more detailed information about financial investments.**

**Mr Straehle, sustainability is a key strength of Sarasin and very much a buzzword. What's it all about?**

Sustainability has different aspects. On the one hand it means working steadily and consistently to create something that will last a long time, something that will be handed down to future generations. On the other hand, sustainability means investing according to particular criteria. For us, sustainable companies are those which are socially responsible, environmentally aware and at the same time profitable. These three aspects are analysed before making any investment decision.

Sarasin was the first bank to focus consistently on sustainability. This is connected with the fact that our head office is based in Basel. In November 1986 the city suffered a major chemical catastrophe, and the Chernobyl disaster took place in April of the same year. Both of these events prompted us to find ways of investing responsibly. We started advising on sustainable investment in 1989 and in 1994 we launched the world's first sustainable investment fund, so in 2009 we shall be celebrating its twentieth anniversary. Since 2005, Sarasin's investments in environmentally friendly and socially responsible companies have grown tenfold.

**Have clients benefited from this?**

Yes indeed. After all, sustainable investments have performed significantly better than 'classical' investments over the last few years. This has been demonstrated by a study produced by EuroPerformance and the HEC Paris



Joachim H. Straehle, CEO

School of Management. Sustainable investment is not an ideology pursued for its own sake. Sarasin practises responsibility in such a way that the client makes money out of it.

The reason why sustainable investments have been so successful is that they back new and innovative technologies which are now in use, such as solar energy or methods of water treatment and supply. The prospects over the medium and long term are very encouraging.

**Is sustainability an important issue in all markets?**

We notice that sustainability has assumed great importance particularly in Europe. It is a densely populated continent that has to contend with a range of social and environmental problems, so that people here are especially sensitive to the subject. The Middle East is now becoming more aware of the issues, since it is clear that oil reserves are finite and alternatives are needed. In Asia too, such awareness is starting to grow. An important factor there, though, is the rising level of environmental pollution, which calls for sustainable production methods.

**How has demand for sustainable products changed during the financial crisis?**

Clients react very positively to our offer of sustainable asset management. In the past it was mainly institutional investors who were keen on sustainable investments. Today, more and more private clients and family offices are becoming interested in this approach. Women are particularly keen on sustainable investment. They seem more open to new ideas and think it is important to invest responsibly. But in the financial crisis the number one priority is not sustainability, but security.

**Why should a client put his faith in Sarasin, a Swiss private bank?**

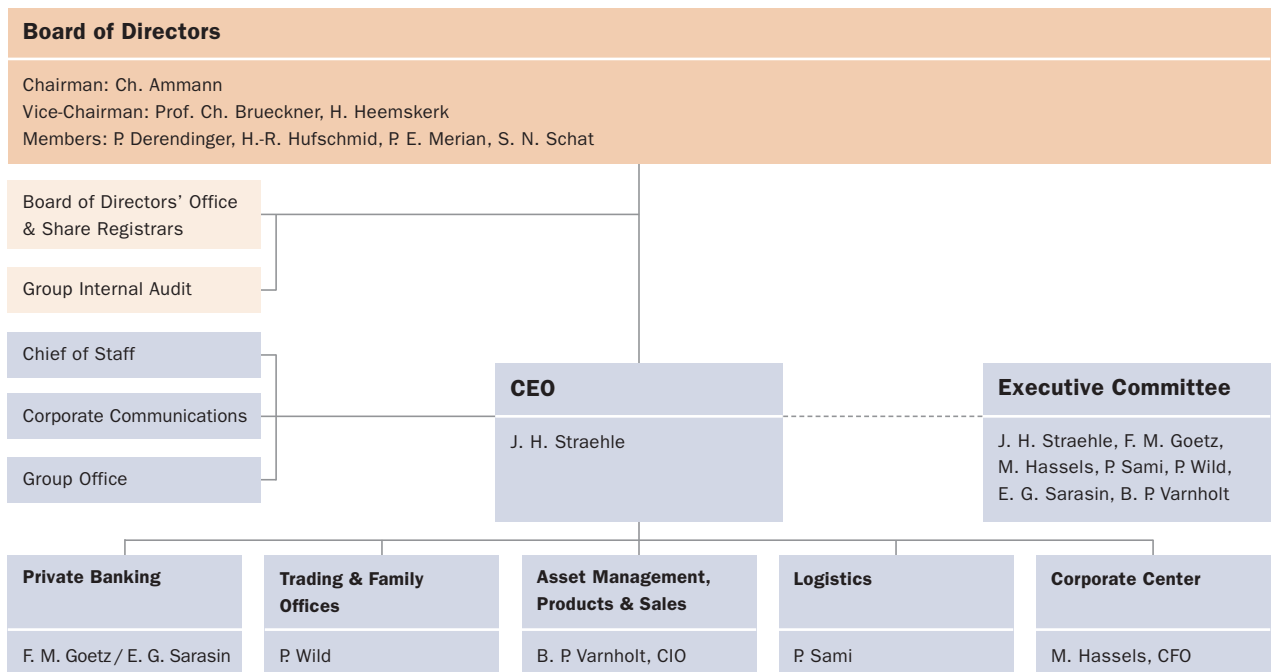
Because we stand for quality and reliability. We provide an international mentality, a first-class service and a stable environment. In turbulent times, Switzerland is a peace-

ful refuge and Sarasin a safe haven. Another important point is that we have a strong partner in the Dutch financial stalwart Rabobank, which carries a triple-A rating.

Interview: Oliver Klaffke

**Operational presentation of our Group's structure (as at 1 January 2009)**

Honorary Chairman: G. F. Krayer



**Sarasin – Sustainable Swiss Private Banking since 1841 – [www.sarasin.com](http://www.sarasin.com)**

The Sarasin Group has its roots as a leading Swiss private bank. As an international financial service provider committed to sustainability, the Group is now represented in 19 locations in Europe, the Middle East,

and Asia. By end of December 2008 it managed total client assets of CHF 69.7 billion and employed around 1,500 staff. Its majority shareholder is the AAA-rated Dutch Rabobank.

# Key data

(on a consolidated basis)

The 2008 financial year has once again been dominated by a number of special factors, as in the previous year. In 2008 the outsourcing of Sarasin's business with direct clients in the retail and affluent business and with IFA clients to the newly formed Bank Zweiplus Ltd, Zurich, resulted in one-off proceeds of CHF 50.7 million. Secondly, the financial crisis resulted in defaults in the amounts due from banks totalling CHF 58.2 million

after tax. The 2007 financial year was also influenced by special factors. In 2007 the main feature was one-off proceeds from the sale of the Bank's Luxembourg subsidiary and parts of the brokerage business in Switzerland, which were stripped out when presenting the adjusted income statement.

## Group income statement

	2008 adjusted	2008	2007 adjusted	2007	Change to 2007 adjusted %
1,000 CHF					
Net interest income	128,557	128,557	104,597	104,597	22.9
Results from commission and service fee activities	399,016	399,016	438,622	438,622	-0.9
Results from trading operations	87,757	87,757	95,905	95,905	-8.5
Other ordinary results	11,152	61,814	23,261	198,381	-52.1
<b>Operating income</b>	<b>626,482</b>	<b>677,144</b>	<b>662,385</b>	<b>837,505</b>	<b>-5.4</b>
Personnel expenses	324,173	324,173	307,278	315,278	5.5
General administrative expenses	140,576	140,576	109,834	112,334	28.0
<b>Operating expenses</b>	<b>464,749</b>	<b>464,749</b>	<b>417,112</b>	<b>427,612</b>	<b>11.4</b>
<b>Operating profit</b>	<b>161,733</b>	<b>212,395</b>	<b>245,273</b>	<b>409,893</b>	<b>-34.1</b>
Depreciation and amortisation	23,574	23,574	19,289	19,289	22.2
Value adjustments, provisions and losses	6,950	80,683	3,492	3,492	99.0
<b>Profit before taxes</b>	<b>131,209</b>	<b>108,138</b>	<b>222,492</b>	<b>387,112</b>	<b>-41.0</b>
Taxes	16,791	1,307	48,948	82,515	-65.7
<b>Group result including minority interests</b>	<b>114,418</b>	<b>106,831</b>	<b>173,544</b>	<b>304,597</b>	<b>-34.1</b>
Group result excluding minority interests	102,303	94,716	162,577	293,630	-37.1

## Group balance sheet

1,000 CHF	31.12.2008	31.12.2007	31.12.2006
Total assets	12,706,886	11,666,015	9,931,907
Due from customers	5,203,474	3,850,586	2,423,159
Due to customers	8,483,257	6,681,706	6,597,879
Shareholders' equity including minority interests	1,193,203,	1,260,422	1,046,742
Shareholders' equity excluding	1,146,840	1,227,830	1,021,055

## Assets under management<sup>1</sup>

million CHF	2008	2007	2006
Total assets under management	69,679	83,002	73,267
New money through acquisitions	0	191	0
Change through divestment	0	-4,017	0
Net new money	14,476	11,112	4,165
Performance	-27,799	2,449	5,570
Year-on-year increase / decrease (%)	-16.1	13.3	15.3

<sup>1</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.

# Key data

(on a consolidated basis)

## Ratios

	2008	2008	2007	2007	2006
%	adjusted		adjusted		
Gross margin on assets under management	0.82	0.89	0.85	1.07	0.83
Return on assets (ROA)					
– Operating income as a percentage of total assets <sup>1</sup>	5.1	5.6	6.1	7.8	6.2
– Group result as a percentage of total assets <sup>1</sup>	0.9	0.9	1.6	2.8	1.1
Cost income ratio I (operating expenses / operating income)	74.2	68.6	63.0	51.1	71.4
Cost income ratio II (operating expenses incl. depreciation and amortisation / operating income)	77.9	72.1	65.9	53.4	75.0
Return on equity (ROE) <sup>2</sup>	9.3	8.7	16.0	26.5	9.9
%	31.12.2008		31.12.2007	31.12.2006	
Equity ratio <sup>3</sup>	9.4		10.8	10.5	
BIS Tier 1 ratio	14.5		17.0	18.8	

## Stock market price

	31.12.2008	31.12.2007	31.12.2006
CHF			
End of period date	31.50	53.50	38.44
High	54.05	55.00	39.50
Low	24.80	37.50	27.00
Market capitalisation (million CHF)	1,926	3,272	2,351
<b>Registered shareholders</b>	<b>2,117</b>	<b>1,879</b>	<b>2,113</b>

## Headcount (adjusted for part-time working)

	31.12.2008	31.12.2007	31.12.2006 <sup>4</sup>
Group	1,537.0	1,170.4	1,123.7
Of which Switzerland	1,045.0	803.6	750.0
Of which abroad	492.0	366.8	373.7

## Client relationship managers (headcount – adjusted for part-time working)

	31.12.2008	31.12.2007	31.12.2006 <sup>5</sup>
Incl. assistance			
Group	416.0	294.1	269.0
Of which Switzerland	250.1	181.2	154.0
Of which abroad	165.9	112.9	115.0

<sup>1</sup> Total assets: average of two period end figures.

<sup>2</sup> Shareholders' equity before distribution of profit: average of two period end figures including minority interests.

<sup>3</sup> Shareholders' equity including minority interests as a percentage of total assets.

<sup>4</sup> The figures reported as of 31 December 2006 include 89.4 employees of the Luxembourg subsidiary sold in 2007.

<sup>5</sup> The figures reported as of 31 December 2006 include 26.0 CRMs (incl. assistants) of the Luxembourg subsidiary sold in 2007.

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