



SARASIN

Sustainable Swiss Private Banking since 1841.

Media release

Basel, 30 July 2009

1H 2009 results of Bank Sarasin & Co. Ltd:

Growth despite the financial crisis

Impressive net new asset growth of almost CHF 5 billion (+14% p.a.) – Steep increase in assets under management to CHF 80 billion – Net profit on target, at CHF 54 million (38% higher than the adjusted figure for H2 2008)

Assets under management up 15% to CHF 79.9 billion – Net new assets confirm growth dynamic

Since 31 December 2008 the assets managed by the Sarasin Group have risen from CHF 69.7 billion to CHF 79.9 billion as of 30 June 2009. This was the result of dynamic net new asset growth of CHF 4.8 billion, reflecting the high quality of the bank's CRM team that was substantially expanded over the course of last year as well as the attractive range of Sarasin fund products. Sarasin investment funds attracted net inflows of CHF 604 million in the first six months of 2009, bucking the general sector trend. The market performance of CHF 3.2 billion, coupled with the currency translation effect of CHF 2.6 billion, also made a positive contribution to the assets under management.

Tight management helps to keep costs under control at CHF 230.3 million

Operating expenses were cut from CHF 254.8 million by 10% and stood at CHF 230.3 million in 2H 2009 (1H 2008: CHF 210.0 million). This was despite further investments in selective growth initiatives such as the opening of representative offices in Switzerland (Bern), in central and eastern Europe (Vienna and Warsaw), as well as in India (Delhi and Mumbai). Careful review of business cases and the deferral of various projects since the start of the year are showing their effect. General administrative expenses fell sharply to CHF 61.8 million, 22% lower than the second half of 2008. Despite the significant expansion of Sarasin's CRM team in 2008, personnel costs were trimmed by 4% to CHF 168.5 million, mainly due to lower bonus accruals. The headcount remained virtually unchanged at 1,540 employees and is not expected to rise significantly over the course of the current financial year.

Income solid, at CHF 315.1 million

The performance on the revenue front was solid: operating income for the first half of 2009 was 2.5% higher, at CHF 315.1 million (1H 2008: CHF 307.5 million). The drive to diversify the bank's sources of earnings, undertaken as part of the group's growth strategy, had a positive impact here: Sarasin managed to once again improve not just the net interest income by 5% to CHF 67.8 million, but also achieved a 51% rise in income from trading operations, to CHF 62.8 million. Despite this, the bank's risk profile remains low, as confirmed by the 25% reduction in the average Value at Risk in the trading operations compared with the prior-year period. The income from commission & service fee activities was 16% lower than last year, at CHF 170.5 million, due to the impact of the smaller average asset base due to the poor market performance. The cost income ratio I rose from 68.3% (1H 2008) to 73.1% (1H 2009). Group profit is on target, at CHF 53.9 million. This represents a 38% increase on the 2H 2008 adjusted result of CHF 39.1 million (1H 2008: CHF 75.3 million).

Capital strength bolstered by issuing COTOs

The resolution approved by shareholders at the bank's AGM 2009 to issue Cash or Title Options (COTO) in place of normal dividends has created additional capital: By the end of July 58% of all

shareholders (measured by share capital), including Sarasin's majority shareholder Rabobank, have already decided to exercise their COTOs and subscribe to new shares. By taking up this offer, Rabobank, along with the other shareholders, confirms its confidence in the Sarasin Group. At the same time this helps to bolster Bank Sarasin's capital base, which not only gives Sarasin an important competitive advantage in the current market environment but also provides greater room for manoeuvre.

Christoph Ammann, Chairman of the Board of Bank Sarasin & Co. Ltd

"The Board's decision to consistently push ahead with our growth strategy, while at the same time moderating its pace to accommodate the challenging market conditions in the current year, is paying off. I am delighted that so many shareholders have already decided to exercise their COTOs. The subsequent strengthening of our capital base reflects the trust and confidence they place in our bank. It is vital that we preserve this trust as it is a fundamental prerequisite for the long-term success of the Sarasin Group."

Joachim H. Straehle, CEO of Bank Sarasin & Co. Ltd

"After very challenging conditions during the first three months of 2009, we are particularly pleased with the strong result achieved in the first half of 2009. The excellent net new assets growth is running at the same level as in the first half of 2008, confirming the high quality of our CRM team which we invested in last year as a platform for future growth. We are also selectively exploiting available growth opportunities: the opening of new representative offices in Switzerland, central and eastern Europe and India show that we are moving forward while taking on board regulatory requirements, and breaking into attractive markets that hold excellent potential for us."

Assets managed according to sustainable principles exceed CHF 10 billion for the first time

The assets managed according to sustainable principles by the Sarasin Group rose by 68% in the first half of the year to reach CHF 10.1 billion on 30 June 2009. This figure takes into consideration the decision taken last year to switch the portfolio management mandates of private clients in Switzerland to a sustainable investment style. The number of mandates managed purely according to sustainable principles rose by 44% during the first half of the year, while the associated volumes climbed by as much as 65%. The positive development of Sarasin's sustainability investment funds also shows that investors are particularly comfortable with this investment approach: net new asset growth in the first six months came to CHF 117 million, bucking the general sector trend. The volume of assets managed by third parties using Sarasin Sustainability Research rose by 7% in the first half of 2009 to CHF 23.4 billion.

Outlook for 2H 2009: targets and strategy still the same

Bank Sarasin's goals for the financial year 2009 are unchanged. Sarasin is confident of reaching and probably even exceeding its net new asset growth target of CHF 7.0 billion set in the budget. With market conditions remaining challenging, it is still difficult to provide an accurate earnings forecast. Based on the half-year figures presented here and assuming that markets will improve in the second half of the year, the bank expects its full-year operating profit to be more or less in line with the previous financial year 2008, which means it is still on track to meet its profit target as well.

Tight cost management remains a vital competitive factor here. This means that Sarasin also will be selective when further expanding the network of its locations: in the second half of 2009 the bank plans to open a third branch in the German market. Sarasin is also considering opening a representative office in China, which, along with India, is one of the two main growth drivers of the global economy. The bank will exploit opportunities to recruit more client advisors at a moderated pace. Sarasin plans to keep its headcount at roughly the current level over the course of this

financial year. In the long term, the goal is to further increase the ratio of client advisors as a percentage of the total workforce.

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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 more than 20 locations in Europe, the Middle East, and Asia. By end of June 2009 it managed total client assets of CHF 79.9 billion and employed around 1,500 staff. Its majority shareholder is the AAA-rated Dutch Rabobank.

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Bank Sarasin is a leading Swiss private bank whose many years of banking experience has made it consciously opt for sustainability as a key component of its corporate philosophy. It provides a high level of service and expertise when acting as investment advisor and asset manager for private and institutional clients. Within Switzerland, Sarasin has offices in Basel (head office), Berne, Geneva, Lugano, and Zurich. Bank Sarasin & Co. Ltd is listed on the SIX Swiss Exchange.

Key data

	1H 2009	1H 2008	2H 2008 adjusted	2H 2008
Group income statement (1,000 CHF)				
Operating income	315,148	307,469	319,013	369,675
Operating profit	84,870	97,505	64,228	114,890
Group result including minority interests	53,883	75,330	39,088	31,501
Ratios (%)				
Return on equity (ROE)	8,7	12,2	6,4	5,2
Cost income ratio I	73,1	68,3	79,9	68,9
Cost income ratio II	77,5	71,4	84,3	72,7
Equity ratio	9,4	9,9		9,4
BIS Tier 1 ratio	15,4	15,1		14,5
Results by segments (1,000 CHF)				
Private Banking	4,267	47,985	8,214	8,214
Trading & Family Offices	31,963	21,991	24,856	24,856
Asset Management, Products & Sales	15,320	36,385	8,226	8,226
Bank Zweiplus	4,103	0	6,974	6 974
Corporate Center	10,823	-19,622	-3,800	-26,871
Total results by segments	66,476	86,739	44,470	21,399
Assets under management (million CHF)				
Total assets under management	79,926	81,370		69,679
Net new money	4,792	7,228		7,248
Stock market price (CHF)				
	30.06.2009	30.06.2008		31.12.2008
End of period date	33,80	45,95		31,50
Market capitalisation (million CHF)	2,067	2,810		1,926
Number of employees (adjusted for part-time working)				
Total	1,540,3	1,312,1		1,537,0
Whereof client relationship managers (incl. assistance)	416,7	335,9		416,0



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Consolidated balance sheet

Assets					
	30.06.2009	30.06.2008	31.12.2008	Change to 31.12.2008	
1,000 CHF				CHF	%
Cash and cash equivalents	595,276	47,697	435,236	160,040	36,8
Money market papers	825,078	40,528	358,542	466,536	130,1
Due from banks	2,729,524	5,373,145	4 082 097	-1,352,573	-33,1
Due from customers	5,928,486	4,462,773	5 203 474	725,012	13,9
Trading portfolio assets	513,753	493,830	352,209	161,544	45,9
Derivative financial instruments	415,142	368,859	423,784	-8,642	-2,0
Financial investments	2,010,574	894,761	1 269 819	740,755	58,3
Investments in associated companies	110,758	105,376	107,241	3,517	3,3
Property and equipment	124,374	113,791	129,447	-5,073	-3,9
Goodwill and other intangible assets	153,237	96,695	152,810	427	0,3
Current tax assets	172	40	46	126	273,9
Deferred tax assets	6,510	2,681	15,879	-9,369	-59,0
Accrued income and prepaid expenses	159,204	201,836	152,464	6,740	4,4
Other assets	31,851	33,077	23,838	8,013	33,6
Total assets	13,603,939	12,235,089	12 706 886	897,053	7,1
Liabilities and equity					
	30.06.2009	30.06.2008	31.12.2008	Change to 31.12.2008	
1,000 CHF				CHF	%
Due to banks	1,793,784	1,545,743	1,335,982	457,802	34,3
Due to customers	9,351,514	7,269,105	8 483 257	868,257	10,2
Trading portfolios liabilities	69,141	76,126	92,022	-22,881	-24,9
Derivative financial instruments	240,219	317,099	397,568	-157,349	-39,6
Financial liabilities designated at fair value	631,770	1,535,357	927,144	-295,374	-31,9
Current tax liabilities	5,419	20,251	9,058	-3,639	-40,2
Deferred tax liabilities	10,303	8,661	9,553	750	7,9
Accrued expenses and deferred income	143,679	191,343	199,450	-55,771	-28,0
Other liabilities	74,844	55,099	54,196	20,648	38,1
Provisions	4,190	4,090	5,453	-1,263	-23,2
Total liabilities	12,324,863	11,022,874	11,513,683	811,180	7,0
Share capital	61,155	61,155	61,155	0	0,0
less treasury shares	-26,510	-35,402	-43,435	-16,925	-39,0
Capital reserve	599,139	606,309	602,340	-3,201	-0,5
Retained earnings	649,404	573,163	573,327	76,077	13,3
Reserves IAS 39 (net of tax)	-25,317	-24,071	-36,601	11,284	30,8
Currency translation differences	-80,111	-67,650	-104 662	24,551	23,5
Net profit (excluding minority interest)	50,784	68,636	94,716	-43,932	-46,4
Shareholders' equity of shareholders of Bank Sarasin & Co. Ltd	1,228,544	1,182,140	1,146,840	81,704	7,1
Minority interest in shareholders' equity (including share in profits)	50,532	30,075	46,363	4,169	9,0
Total shareholders' equity (including minority interest)	1,279,076	1,212,215	1,193,203	85,873	7,2
Total liabilities and shareholders' equity	13,603,939	12,235,089	12,706,886	897,053	7,1

Bank Sarasin & Co. Ltd

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Consolidated income statement

	1H 2009	1H 2008	2H 2008
1,000 CHF			
Interest and discount income	115,435	192,285	187,245
Interest and dividend income from financial investments	18,802	12,873	12,983
Interest expenses	66,393	140,812	136,017
Net interest income	67,844	64,346	64,211
Commission income on lending activities	992	2,234	3,315
Commission income on securities and investment transactions	184,894	224,816	214,857
Commission income on other services	9,714	2,707	4,001
Commission expenses	25,114	27,469	25,445
Results from commission and service fee activities	170,486	202,288	196,728
Results from trading operations	62,805	41,602	46,155
Other ordinary results	14,013	-767	62,581
<i>of which income from investments in associates</i>	<i>2,013</i>	<i>2,754</i>	<i>1,864</i>
Operating income	315,148	307,469	369,675
Personnel expenses	168,487	148,686	175,487
General administrative expenses	61,791	61,278	79,298
Operating expenses	230,278	209,964	254,785
Operating profit	84,870	97,505	114,890
Depreciation and write-offs on property and equipment	8,376	5,892	8,530
Amortisation of intangible assets	5,599	3,662	5,490
Value adjustments, provisions and losses	4,419	1,212	79,471
Profit before taxes	66,476	86,739	21,399
Taxes	12,593	11,409	-10,102
Net profit	53,883	75,330	31,501

Business segment reporting

Private Banking

	1H 2009	1H 2008	2H 2008 adjusted
1,000 CHF			
Operating income	138,883	162,674	159,580
Operating expenses	128,870	112,152	146,073
Operating profit	10,013	50,522	13,507
Depreciation and amortisation	2,609	1,368	1,775
Value adjustments, provisions and losses	3,137	1,169	3,518
Net profit before taxes per segment	4,267	47,985	8,214
	30.06.2009	30.06.2008	31.12.2008
Assets under management (million CHF)	36,756	34,519	31,432
Number of employees (adjusted for part-time working)	624,1	497,1	589,2
Whereof client relationship managers (adjusted for part-time working)	317,3	243,6	313,6

Trading & Family Offices

	1H 2009	1H 2008	2H 2008 adjusted
1,000 CHF			
Operating income	49,045	38,676	39,531
Operating expenses	16,179	16,639	14,649
Operating profit	32,866	22,037	24,882
Depreciation and amortisation	30	46	26
Value adjustments, provisions and losses	873	0	0
Net profit before taxes per segment	31,963	21,991	24,856
	30.06.2009	30.06.2008	31.12.2008
Assets under management (million CHF)	7,016	6,520	5,745
Number of employees (adjusted for part-time working)	79,6	72,7	81,3
Whereof client relationship managers (adjusted for part-time working)	33,5	28,9	33,9

Asset Management, Products & Sales

	1H 2009	1H 2008	2H 2008 adjusted
1,000 CHF			
Operating income	68,588	92,484	65,218
Operating expenses	52,284	54,618	55,544
Operating profit	16,304	37,866	9,674
Depreciation and amortisation	951	1,464	1,465
Value adjustments, provisions and losses	33	17	-17
Net profit before taxes per segment	15,320	36,385	8,226
	30.06.2009	30.06.2008	31.12.2008
Assets under management (million CHF)	24,247	26,033	21,295
Number of employees (adjusted for part-time working)	289,7	279,9	300,2
Whereof client relationship managers (adjusted for part-time working)	46,5	44,7	43,8

Business segment reporting (continued)

Bank Zweiplus

	1H 2009	1H 2008	2H 2008 adjusted
1,000 CHF			
Operating income	29,342	0	44,181
Operating expenses	24,081	0	35,324
Operating profit	5,261	0	8,857
Depreciation and amortisation	792	0	629
Value adjustments, provisions and losses	366	0	1,254
Net profit before taxes per segment	4,103	0	6,974
	30.06.2009	30.06.2008	31.12.2008
Assets under management (million CHF)	6,009	0	5,810
Number of employees (adjusted for part-time working)	137,0	0	136,6
Whereof client relationship managers (adjusted for part-time working)	19,4	0	22,7

Corporate Center

	1H 2009	1H 2008	2H 2008 adjusted
1,000 CHF			
Operating income	29,290	13,635	10,503
Operating expenses	8,864	26,555	3,195
Operating profit	20,426	-12,920	7,308
Depreciation and amortisation	9,593	6,676	10,125
Value adjustments, provisions and losses	10	26	983
Net profit before taxes per segment	10,823	-19,622	-3,800
	30.06.2009	30.06.2008	31.12.2008
Assets under management (million CHF)	5,898	14,298	5,397
Number of employees (adjusted for part-time working)	409,9	462,4	429,7
Whereof client relationship managers (adjusted for part-time working)	0	18,7	2,0