

Bank Sarasin's net profit triples to CHF 305 million

Basel, 25 February 2008

Net profit of CHF 305 million sets a new record

Driven by very strong overall earnings momentum, net profit surged by 201% to CHF 305 million (2006: CHF 101 million) to reach a new record. Net profit 2007 adjusted by one-off proceeds comes to CHF 174 million (2006: CHF 141 million), an increase of 23%. The cost income ratio improves to 51.1%, or an adjusted figure of 63.0%.

Outstandingly strong acquisition brings net new money growth of CHF 11.1 billion

Net new money inflow soared to CHF 11.1 billion. Despite the difficult market conditions in the second half of the year, new money acquisition was still strong, at CHF 5.1 billion (1H 2007: CHF 6.0 billion). Assets under Management grew by CHF 9.7 billion to CHF 83.0 billion (+13%).

Dividend increase by 50% to CHF 135 – Share split of 1 : 100 proposed

On the strength of the excellent operating result and the favourable prospects for the business, the Board of Directors will be submitting a proposal to the Annual General Meeting of shareholders on 23 April 2008 to increase the dividend payable on each class B registered share by 50%, to CHF 135. With regard to the current share price this corresponds to a yield of 2.7%. The Board of Directors would also like to improve the tradability of the share and will therefore submit a proposal to the Annual General Meeting requesting a 1 : 100 share split. At this year's AGM, Christoph Ammann, a member of the Board of Directors since 2002, will take over from Georg F. Kraye as Chairman of the Board. A proposal will be made to the AGM of 23 April 2008 to make Georg F. Kraye Honorary Chairman of the Bank. A motion will also be submitted to elect Peter Derendinger to the Board of Directors.

Georg F. Kraye, Chairman of the Board of Bank Sarasin & Co. Ltd:

“2007 was another excellent year for the Bank. Our net profit of CHF 305 million and net new money growth of CHF 11.1 billion show that Bank Sarasin is more than capable of maintaining its strong track record. We can rely on an extremely competent management team who understands how to successfully exploit the global growth in private banking.”

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

“We have achieved an impressive performance in 2007 and demonstrated our determination to consistently pursue our growth strategy. Our clear positioning as an international Swiss private bank is paying off. We will not let up in 2008, but continue to work hard at delivering our success story. We will prove that we are capable of sustaining this pace and achieving our goals.”

No losses as a result of the subprime crisis

Bank Sarasin & Co. Ltd has successfully forged ahead with the implementation of its expansion strategy in the 2007 financial year. Although the US subprime crisis in the summer of 2007 did affect Bank Sarasin indirectly through its impact on the general market environment, it did not have a direct

effect on Sarasin as a company. The Bank's growth initiatives are built around an inherently low-risk business model. The Bank still has a very low risk profile. The equity ratio improved slightly to 10.8%. The BIS Tier-1 ratio is currently at 17.0% (2006: 18.8%). This is still clearly above the target corridor of 12 to 14% and confirms Sarasin's solid capital base.

Record operating result

In 2007 the operating result was positively affected by one-off extraordinary proceeds, especially the sale of parts of the brokerage business and the Luxembourg subsidiary. Without any adjustment, operating income rose almost by 50% to CHF 837.5 million (2006: CHF 565.7 million). Adjusting the result by these one-off proceeds, the growth rate came to 17%, or CHF 662.4 million, which was still very satisfying. Revenues rose across the board: net interest income amounted to CHF 104.6 million (+36%), income from commissions CHF 438.6 million (+13%) and income from trading operations CHF 95.9 million (+6%). Other income also rose to CHF 23.3 million, after adjustment, mainly thanks to income from financial investments (CHF 13.3 million) and income from participations (CHF 7.0 million). The difference of CHF 175.1 million between the adjusted and unadjusted figure results from the sales of the brokerage business and the former Luxembourg subsidiary.

The adjusted figure for operating expenses came to CHF 417.1 million, 15% higher than in 2006 (CHF 363.0 million). This rise can be explained by higher personnel costs as a result of a net increase in headcount to 1,170 (adjusted for part-time working), as well as individual performance-based bonus increases. The adjusted cost income ratio improved again, easing to 63% (2006: 64%). This performance is in line with the goal of gradually cutting the cost income ratio to 60% by 2010.

Acquisition success achieved through continuity and quality

As of 31 December 2007, assets under management came to CHF 83.0 billion, an increase of CHF 9.7 billion, or 13%. Net new money acquired in the second half of 2007 amounted to CHF 5.1 billion, not far off the CHF 6.0 billion already acquired in the first six months. Total net new money for the year 2007 ascended to CHF 11.1 billion (2006: CHF 4.2 billion). The successful accrual of net new assets indorses the continuity and quality of the Bank's organic growth. The result was additionally supported by a strong performance contribution of CHF 3.8 billion. Currency exchange rate effects reduced the market performance in Swiss franc terms by CHF 1.4 billion to CHF 2.4 billion. The purchase of client assets from DWS Investments Schweiz added another CHF 191 million to the assets under management. Ultimately gross growth – taking into consideration the outflow of CHF 4.0 billion in client assets following the sale of the Luxembourg subsidiary – amounted to CHF 13.7 billion, or 19%.

Internationalisation marches onward

In absolute terms, the bulk of Sarasin's assets, CHF 38.3 billion, are managed in the private client business by relationship managers based at the Bank's Swiss locations. In the past year, relationship managers at the Swiss locations acquired new money of CHF 4.6 billion, three times as much as in 2006. The other European subsidiaries also improved their acquisition performance, with inflows of CHF 3.3 billion, up by 50%. But the Bank's subsidiaries in Asia and the Middle East were particularly

successful: their net new money inflow of CHF 3.2 billion was seven times higher than in 2006. This excellent result is shining proof of the broad success of Sarasin's international growth initiatives. The fact that the bulk of new money inflows came from clients with domiciles outside Europe confirms the unbroken trend towards cross-border management of assets.

Client advisors crucial to success

To be able to offer custom-made and individualised investment advice that meets the high standards expected of a leading Swiss private bank, Sarasin relies on highly experienced client relationship managers (CRMs) who are familiar with its international clientele and develop personalised solutions for them. In 2007 the Bank continued to recruit highly experienced CRMs. After adjustment for the sale of the Luxembourg subsidiary, the number of relationship managers of the Sarasin Group rose by 21% to a total of 294. CRM growth was strongest in absolute terms at Sarasin's locations in the Middle East and Asia, as reflected in the excellent rate of new money growth. When averaged out across the entire Sarasin Group, the acquisition performance of each CRM in the private clients segment improved from CHF 13 million in 2006 to CHF 34 million in 2007, while the figure in the institutional clients business improved from CHF 41 million to CHF 90 million.

The three cornerstones of Sarasin's growth strategy

In 2007 Bank Sarasin continued to push ahead with its growth strategy as planned. The long-term success of the strategy is built on three cornerstones. Firstly, Sarasin is positioned as an authentic private bank. Secondly, it offers customised services and products and is committed to consistently improving its client-focused and solution-based product offering. Thirdly, the Bank places its emphasis on organic growth in selected markets. The selective expansion of the branch network went ahead, with new offices opened in Frankfurt, Bahrain (subject to regulatory approval) and Qatar. At the same time Bank Sarasin is concentrating on its core skills: The sale of part of its brokerage services to NZB Neue Zürcher Bank, the divestment of the Luxembourg subsidiary to the Crédit Agricole Group and the planned foundation of bank zweiplus Ltd. as a joint venture with AIG Private Bank are the logical consequence of its tighter focus. Rabobank, majority shareholder since April 2007, offers a high degree of security to clients thanks to its strong capital base and triple-A rating.

Outlook for 2008: on course to meet 2010 targets

"Our long-term goals for 2010 still stand", says Sarasin's Chairman Georg F. Kray. "By continuing to strengthen our presence and our offering in our existing locations, we aim to earn a net profit of CHF 200 million, equivalent to growth of 15%." Bank Sarasin has also set itself a net new money growth target of 10%. To achieve these goals, the Bank will continue to improve the quality of its services as it expands its CRM teams. Sarasin plans to recruit an additional 50 to 60 advisors in 2008.



Christoph Ammann

Born in 1950; Swiss citizen; lives in Kilchberg, Switzerland.

After completing a banking apprenticeship, Christoph Ammann worked in various areas of the Credit Suisse Group from 1969 until the end of 2000. He was the head of Accounting/Controlling and had overall responsibility for a number of major integration projects implemented by Credit Suisse. In 1996 he was appointed Chief Information Officer of the Credit Suisse Group and in the autumn of 1997 he became a member of the management of Credit Suisse Private Banking. Christoph Ammann has been an independent consultant since the end of 2000. He was a member of the Swiss Federal Banking Commission from mid-2001 to mid-2007. He is also a member of the board of the VIA MAT group of companies and ifb International AG in Pfaeffikon.



Peter Derendinger

Born in 1959; Swiss citizen; lives in Wilen, Switzerland

Doctorate in law from the University of Fribourg, Switzerland, and LL.M. from the Northwestern School of Law, Chicago, USA

After starting his career working in the courts and various law firms, Peter Derendinger joined Credit Suisse Group in 1989, where he held a number of management functions such as Head of Legal Services, CFO and Member of the Executive Board of the Private Banking Division. Since 2002 he has been an independent financial and legal consultant. Peter Derendinger is member of the board of directors of EGL and various other companies in the financial services industry. Since 2004 he has also been Chairman of the Board and CEO of Alpha Associates AG.

For more information please contact:

Benedikt Gratzl, Head of Corporate Communications, Media Relations

Telephone +41 (0)61 277 70 88 e-mail: benedikt.gratzl@sarasin.ch

Matthias Hassels, CFO, Investor Relations

Telephone +41 (0)61 277 77 28 e-mail: matthias.hassels@sarasin.ch

Bank Sarasin & Co. Ltd – Responsibly yours – www.sarasin.com

Founded in 1841, Bank Sarasin is today one of Switzerland's leading private banking institutions. Its sustainable success is based on trust, confidentiality, expertise and dedication. Bank Sarasin's core activities include investment advisory and asset management services for private and institutional clients, as well as an investment funds business. Its complementary services extend to corporate finance and financial analysis. The Sarasin Group - headquartered in Basel, Switzerland - employs over 1,100 staff. In addition to its headquarters in Basel, the Bank has offices in Zurich, Geneva and Lugano in Switzerland. Internationally, the Sarasin Group has offices in Bahrain, Dubai, Frankfurt, Guernsey, Hong Kong, London, Munich, Paris, Qatar and Singapore. Bank Sarasin is a limited company. Its shares are listed on the Swiss Stock Exchange, SWX. Its majority shareholder, Rabobank, enjoys the highest qualification of credit status (triple-A rating) from prominent international rating agencies. Measured by its core capital, Rabobank is one of the world's top twenty financial institutions.

Key data

	adjusted 2007	2007	adjusted 2006	2006	Change*	
					CHF	%
Group income statement (1,000 CHF)						
Operating income	662,385	837,505	565,681	565,681	96,704	17.1
Operating profit	245,273	409,893	202,720	161,600	42,553	21.0
Cash flow	209,340	373,690	188,924	140,794	20,416	10.8
Group result including minority interests	173,544	304,597	140,811	101,008	32,733	23.2
Ratios (%)						
Return on equity (ROE)	14.2	26.3	13.5	9.9	0.7	5.2
Cost income ratio I	63.0	51.1	64.2	71.4	-1.2	-1.9
Cost income ratio II	65.9	53.4	67.7	75.0	-1.8	-2.7
Equity ratio		10.8		10.5		
BIS Tier 1 ratio		17.0		18.8		
Results by segments (1,000 CHF)						
Private & Institutional Clients Switzerland	141,497	141,497	125,279	125,279	16,218	12.9
International	41,339	41,339	31,150	31,150	10,189	32.7
Asset Management, Products & Sales	57,666	57,666	33,231	33,231	24,435	73.5
Corporate Center	-18,010	146,610	-9,133	-57,263	-8,877	97.2
Total results by segments	222,492	387,112	180,527	132,397	41,965	23.2
Selected key data per class B registered share						
Operating profit	401.1	670.2	331.5	264.2	69.6	21.0
Cash flow	342.3	611.1	308.9	230.2	33.4	10.8
Stock market price on 31 December 2007	5,350	5,350	3,844	3,844	1,506	39.2
Market capitalisation (million CHF)	3,272	3,272	2,351	2,351	3,021	39.2
	adjusted 31.12.2007	31.12.2007	adjusted 31.12.2006	31.12.2006	Change*	
					CHF	%
Total assets under management	83,002	83,002	73,267	73,267	9,735	13.3
Net new money	11,112	11,112	4,165	4,165	4,165	166.8
Headcount (adjusted for part-time working)	1,170.4	1,170.4	1,123.7	1,123.7	46.7	4.2

* Change based on a comparison of 2007 "adjusted" figures and 2006 "adjusted".

Consolidated balance sheet

Assets			Change*	
	1,000 CHF	31.12.2007	31.12.2006	CHF %
Cash and cash equivalents	71,822	88,303	-16,481	-18.7
Money market papers	52,964	157,100	-104,136	-66.3
Due from banks	5,682,350	5,511,437	170,913	3.1
Due from customers	3,850,586	2,423,159	1,427,427	58.9
Trading portfolio assets	654,417	559,794	94,623	16.9
Derivative financial instruments	337,913	141,183	196,730	139.3
Financial investments	582,728	679,416	-96,688	-14.2
Investments in associated companies	51,255	0	51,255	
Property and equipment	111,291	114,929	-3,638	-3.2
Goodwill and other intangible assets	101,068	107,885	-6,817	-6.3
Current tax assets	32	253	-221	-87.4
Deferred tax assets	375	2,925	-2,550	-87.2
Accrued income and prepaid expenses	160,092	109,091	51,001	46.8
Other assets	28,462	36,432	-7,970	-21.9
Total assets	11,685,355	9,931,907	1,753,448	17.7
Liabilities and equity				
			Change*	
1,000 CHF	31.12.2007	31.12.2006	CHF	%
Due to banks	1,067,365	612,368	454,997	74.3
Due to customers	6,681,706	6,597,879	83,827	1.3
Trading portfolios liabilities	121,636	209,920	-88,284	-42.1
Derivative financial instruments	275,359	117,283	158,076	134.8
Financial liabilities designated at fair value	1,925,715	1,082,270	843,445	77.9
Current tax liabilities	65,082	24,823	40,259	162.2
Deferred tax liabilities	8,724	16,830	-8,106	-48.2
Accrued expenses and deferred income	211,572	148,874	62,698	42.1
Other liabilities	53,318	61,429	-8,111	-13.2
Provisions	9,315	13,489	-4,174	-30.9
Total liabilities	10,419,792	8,885,165	1,534,627	17.3
Share capital	61,155	61,155	0	0.0
less treasury shares	-48,019	-23,980	-24,039	-100.2
Capital reserve	608,871	598,883	9,988	1.7
Retained earnings	363,930	293,069	70,861	24.2
Reserves IAS 39 (net of tax)	-11,412	7,696	-19,108	-248.3
Translation differences	-35,184	-11,672	-23,512	-201.4
Net profit (excluding minority interest)	293,630	95,904	197,726	206.2
Shareholders' equity of shareholders of Bank Sarasin & Co. Ltd	1,232,971	1,021,055	211,916	20.8
Minority interest in shareholders' equity (including share in profits)	32,592	25,687	6,905	26.9
Total shareholders' equity (including minority interest)	1,265,563	1 046 742	218,821	20.9
Total liabilities and shareholders' equity	11,685,355	9 931 907	1,753,448	17.7

* Change based on a comparison of 2007 "adjusted" figures and 2006 "adjusted".

Consolidated income statement

1,000 CHF	adjusted		adjusted		Change*	
	2007	2007	2006	2006	CHF	%
Interest and discount income	385,517	385,517	258,168	258,168	127,349	49.3
Interest and dividend income from financial investments	16,566	16,566	14,000	14,000	2,566	18.3
Interest expenses	297,486	297,486	195,278	195,278	102,208	52.3
Net interest income	104,597	104,597	76,890	76,890	27,707	36.0
Commission income on lending activities	4,414	4,414	4,128	4,128	286	6.9
Commission income on securities and investment transactions	495,367	495,367	438,142	438,142	57,225	13.1
Commission income on other services	6,221	6,221	6,021	6,021	200	3.3
Commission expenses	67,380	67,380	59,317	59,317	8,063	13.6
Results from commission and service fee activities	438,622	438,622	388,974	388,974	49,648	12.8
Results from trading operations	95,905	95,905	90,539	90,539	5,366	5.9
Other ordinary results	23,261	198,381	9,278	9,278	13,983	150.7
Operating income	662,385	837,505	565,681	565,681	96,704	17.1
Personnel expenses	307,278	315,278	259,511	297,631	47,767	18.4
General administrative expenses	109,834	112,334	103,450	106,450	6,384	6.2
Operating expenses	417,112	427,612	362,961	404,081	54,151	14.9
Operating profit	245,273	409,893	202,720	161,600	42,553	21.0
Depreciation and write-offs on property and equipment	11,822	11,822	13,160	13,160	-1,338	-10.2
Amortisation of intangible assets	7,467	7,467	6,740	6,740	727	10.8
Value adjustments, provisions and losses	3,492	3,492	2,293	2,293	1,119	52.3
Provisions for restructuring	0	0	0	7,010	0	
Profit before taxes	222,492	387,112	180,527	132,397	41,965	23.2
Taxes	48,948	82,515	39,716	31,389	9,232	23.2
Net profit	173,544	304,597	140,811	101,008	32,733	23.2

* Change based on a comparison of 2007 "adjusted" figures and 2006 "adjusted".

Business segment reporting

	adjusted		adjusted	
Private & Institutional Clients Switzerland				
1,000 CHF	2007	2007	2006	2006
Operating income	327,961	327,961	276,734	276,734
Operating expenses	182,010	182,010	147,066	147,066
Operating profit	145,951	145,951	129,668	129,668
Depreciation and amortisation	4,407	4,407	4,290	4,290
Value adjustments, provisions and losses	47	47	99	99
Net profit before taxes per segment	141,497	141,497	125,279	125,279
	31.12.2007	31.12.2007	31.12.2006	31.12.2006
Assets under management (million CHF)	45,655	45,655	39,552	39,552
Number of employees (adjusted for part-time working)	255.0	255.0	208.4	208.4
International				
1,000 CHF	2007	2007	2006	2006
Operating income	182,493	182,493	115,679	115,679
Operating expenses	135,517	135,517	80,907	80,907
Operating profit	46,976	46,976	34,772	34,772
Depreciation and amortisation	4,555	4,555	3,622	3,622
Value adjustments, provisions and losses	1,082	1,082	0	0
Net profit before taxes per segment	41,339	41,339	31,150	31,150
	31.12.2007	31.12.2007	31.12.2006	31.12.2006
Assets under management (million CHF)	22,187	22,187	17,665	17,665
Number of employees (adjusted for part-time working)	362.7	362.7	276.3	276.3
Asset Management, Products & Sales				
1,000 CHF	2007	2007	2006	2006
Operating income	124,127	124,127	95,817	95,817
Operating expenses	62,621	62,621	57,700	57,700
Operating profit	61,506	61,506	38,117	38,117
Depreciation and amortisation	3,840	3,840	4,059	4,059
Value adjustments, provisions and losses	0	0	827	827
Net profit before taxes per segment	57,666	57,666	33,231	33,231
	31.12.2007	31.12.2007	31.12.2006	31.12.2006
Assets under management (million CHF)	15,143	15,143	12,025	12,025
Number of employees (adjusted for part-time working)	190.7	190.7	191.1	191.1
Corporate Center				
1,000 CHF	2007	2007	2006	2006
Operating income	27,804	202,924	77,451	77,451
Operating expenses	36,964	47,464	77,288	118,406
Operating profit	-9160	155,460	163	-40,955
Depreciation and amortisation	6,487	6,487	7,929	7,930
Value adjustments, provisions and losses	2,363	2,363	1,367	8,377
Net profit before taxes per segment	-18,010	146,610	-9,133	-57,262
	31.12.2007	31.12.2007	31.12.2006	31.12.2006
Assets under management (million CHF)	17	17	4,025	4,025
Number of employees (adjusted for part-time working)	362.0	362.0	447.9	447.9