

Media release

Basel, 29 July 2010

1H 2010 results of Bank Sarasin & Co. Ltd:

Bank Sarasin sustains dynamic pace of growth

Net new money growth strong at CHF 6.4 billion (+14% p. a.) – Total assets under management CHF 96.2 billion nearing CHF 100 billion target – Net profit up 11% to CHF 60.1 million – Operating income 6% higher at CHF 332.6 million – Targets remain unchanged, focus on ability to generate returns

Successful growth strategy reflected in net new money – assets under management growth on track

Bank Sarasin has succeeded in sustaining its dynamic pace of growth with net new money inflows of CHF 6.4 billion. This corresponds to an annualised growth rate of 14%. Boosted by this strong business performance, clients' assets under management increased to CHF 96.2 billion on 30 June 2010 from CHF 93.7 billion as of 31 December 2009. The assets managed by the Sarasin Group according to sustainable investment criteria were 4% higher than at the end of last year, at CHF 12.4 billion (31.12.2009: CHF 11.9 billion). Based on this strong result, Sarasin is confident of being able to achieve the full-year target for 2010 of net new money growth of 10% or CHF 9.4 billion. The negative impact of market performance and currency translation effects reduced total assets under management by CHF 3.2 billion.

Solid earnings level despite lower income from trading operations

During the reporting period the Sarasin Group generated operating income of CHF 332.6 million, an increase of 6% on the same period last year (1H 2009: CHF 315.1 million). This increase reflects the expansion of the business base as part of Sarasin's continuing growth strategy: income from commission and service fee activities rose by 28% to CHF 218.9 million, while net interest income increased by 10% to CHF 74.5 million due to the expansion of the credit business associated with private banking. Income from trading operations fell sharply by 63% to CHF 23.2 million (1H 2009: CHF 62.8 million). Income from ordinary trading operations – both on behalf of clients and on the Bank's own account – as well as income from the structured products business remained broadly flat on last year, whereas there was a sharp drop in income in the Bank's own financial investments and in the treasury business as a result of hedging transactions against rising interest rates. Other ordinary income increased by 13% to CHF 15.8 million thanks to realised capital gains on the Bank's own financial investments.

Rise in costs remained moderate, despite success in growth initiatives

During the reporting period operating expenses rose 5% from CHF 230.3 million to CHF 242.6 million. Personnel expenses rose 4% to CHF 175.6 million (1H 2009: CHF 168.5 million) due to the increase in headcount and general salary adjustments. General administrative expenses rose 8% to CHF 67.0 million (1H 2009: CHF 61.8 million). The increase in costs was therefore modest taking into account the continuing expansion of Sarasin's team of relationship managers and its investments in the ongoing growth strategy – notably the opening of a third location in Germany (Nuremberg) and offices in Poland (Warsaw), Austria (Vienna) and India (Mumbai and New Delhi) as well as the preparatory work required for the roll-out of the Avaloq banking software in Asia. The decision to close down locations in Spain and to replace unsatisfactory client advisors is

evidence of Sarasin's commitment to continuously review its business cases and adjust accordingly.

Net profit improves – capital base still solid

The cost income ratio was virtually unchanged from last year at 77.3% (1H 2009: 77.5%). Sarasin's net profit of CHF 60.1 million confirms the strong first-half result and represents an increase of 11% on the same period last year (1H 2009: CHF 53.9 million). Shareholders' equity amounted to CHF 1.2 billion, virtually unchanged from the end of 2009. Due to the growth of the business, the Bank's equity ratio at the end of June 2010 dipped to 7.4% (30.12.2009: 8.4%). The BIS Tier 1 ratio, defined as core capital as a percentage of risk-weighted assets, remained stable at 16.3% at the end of June 2010.

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

"The first-half results for 2010 show that our strategy is paying off in the long term and that our management is successfully targeting our growth initiatives towards the most attractive markets. Furthermore, the proportion of undeclared assets deposited with the Bank is negligible, which gives us significant advantages in the mid-term. No matter what happens on the regulatory front, we are striving for being rid of any undeclared client assets by the end of 2012."

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

"The consistently high net new money inflows reflect Sarasin's strong growth dynamic and testify to the quality of our CRM team and the Bank's excellent reputation. By selectively expanding our network of locations and our CRM team, we have steadily strengthened our position in core international markets. The fact that we also managed to boost our revenues – despite the drop in income from trading operations – is very encouraging as well. Despite this improvement in income, we will focus on a further long-term improvement in both our earnings power and gross margin."

Outlook for 2H 2010: Targets unchanged – focus remains on ability to generate returns

Bank Sarasin expects the global economy to slow down in the second half of 2010. Weaker macroeconomic data and the disappearance of fiscal stimulus measures could act as a curb on growth. Even so, Bank Sarasin stands by its quantitative targets up to the end of 2010: net new money growth of 10% and assets under management totalling CHF 100 billion and should achieve the latter goal as long as financial markets remain stable. The Bank's main priority will be to strengthen its ability to generate returns and improve its gross margin. Bank Sarasin also intends to expand further its CRM team as part of its ongoing growth strategy. When implementing all these initiatives, Bank Sarasin will always take a selective, profit-oriented approach.

Bank Sarasin is already well diversified in geographical terms and in the future intends to focus more intensely on core markets that offer good growth potential. The Bank's focus is on selected individual markets in European countries such as Germany, and in the growth markets of the Middle East and Asia. Bank Sarasin is also planning to boost its presence in the Middle East by opening offices in Bahrain and Abu Dhabi. The Bank also expects to reap positive benefits from its recent entry into the Indian market and the banking licence granted to its Hong Kong branch in the first half of 2010 and plans a similar upgrade of its banking licence in Singapore.

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Sarasin – Sustainable Swiss Private Banking since 1841 – 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 more than 20 locations in Europe, the Middle East, and Asia. By end of June 2010 it managed total client assets of CHF 96,2 billion and employed around 1,500 staff. Its majority shareholder is the AAA-rated Dutch Rabobank.

Bank Sarasin & Co. Ltd – Sustainable Swiss Private Banking since 1841 – www.sarasin.ch

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

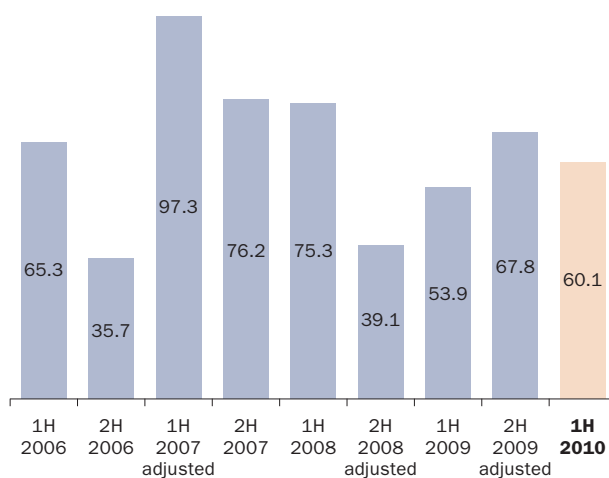
(on a consolidated basis)

Group income statement

	1H 2010	1H 2009	2H 2009 adjusted ¹	2H 2009	Change to 1H 2009
1,000 CHF					%
Net interest income	74,538	67,844	62,832	62,832	9.9
Results from commission and service fee activities	218,929	170,486	228,025	228,025	28.4
Results from trading operations	23,242	62,805	40,699	40,699	-63.0
Other ordinary results	15,847	14,013	27,224	27,224	13.1
Operating income	332,556	315,148	358,780	358,780	5.5
Personnel expenses	175,587	168,487	190,354	190,354	4.2
General administrative expenses	67,030	61,791	66,210	66,210	8.5
Operating expenses	242,617	230,278	256,564	256,564	5.4
Operating profit	89,939	84,870	102,216	102,216	6.0
Depreciation and amortisation	14,395	13,975	19,045	19,045	3.0
Value adjustments, provisions and losses	1,348	4,419	3,068	73,251	-69.5
Profit before taxes	74,196	66,476	80,103	9,920	11.6
Taxes	14,136	12,593	12,275	12,275	12.3
Group result including minority interests	60,060	53,883	67,828	-2,355	11.5
Group result excluding minority interests	51,240	50,784	57,206	-12,977	0.9

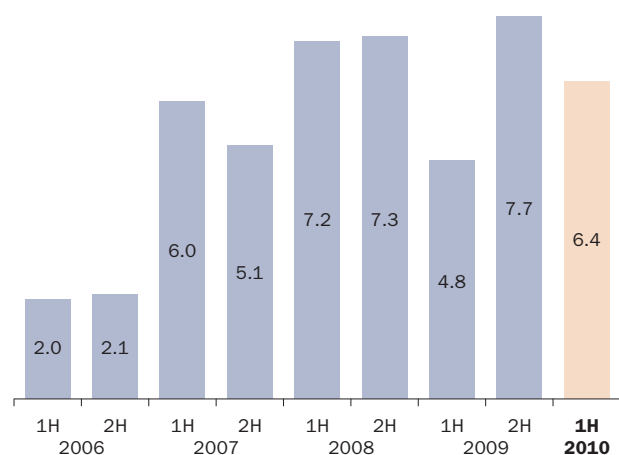
Group result

(million CHF)



Net new money growth over half-year periods

(billion CHF)



Result by segments

1,000 CHF	1H 2010	1H 2009	2H 2009 adjusted	2H 2009
Private Banking	37,436	3,903	26,326	26,326
Trading & Family Offices	23,728	31,963	26,034	26,034
Asset Management, Products & Sales	30,886	15,320	34,587	34,587
bank zweiplus	7,404	4,103	6,019	6,019
Corporate Center	-25,258	11,187	-12,863	-83,046
Total	74,196	66,476	80,103	9,920

Group balance sheet

1,000 CHF	30.06.2010	30.06.2009	31.12.2009
Total assets	17,330,809	13,603,939	15,300,818
Due from customers	9,154,315	5,928,486	7,320,077
Due to customers	11,381,067	9,351,514	10,236,512
Shareholders' equity including minority interests	1,281,654	1,279,076	1,291,738
Shareholders' equity excluding minority interests	1,230,363	1,228,544	1,240,789

Assets under management²

million CHF	1H 2010	1H 2009	2H 2009
Total assets under management (period-end)	96,205	79,926	93,697
Acquisitions	0	0	0
Divestments	-683	-442	0
Net new money	6,405	4,792	7,682
Performance	-3,214	5,897	6,089
Increase / decrease in assets under management (%)	2.7	14.7	17.2

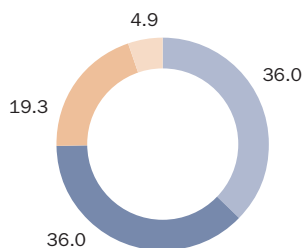
Assets under management and net new money growth by client domicile³

(billion CHF)

AuM

30.06.2010

Total 96.2

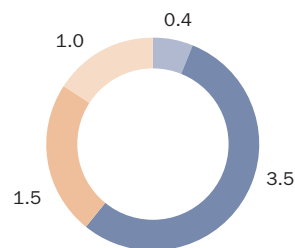


Switzerland
Europe (excluding Switzerland)

NNM

1H 2010

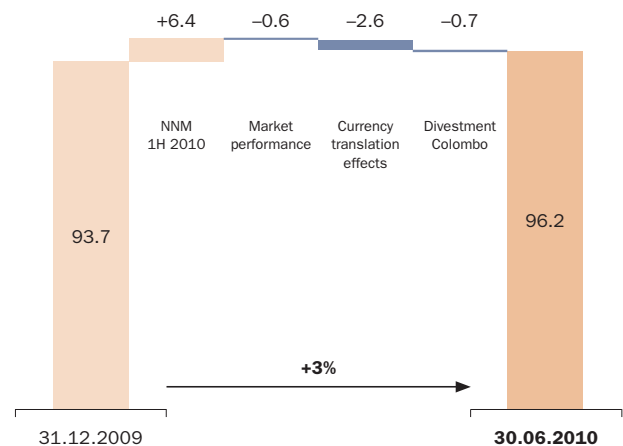
Total 6.4



Asia and Middle East
Rest of the world

Development of assets under management

(billion CHF)



Ratios

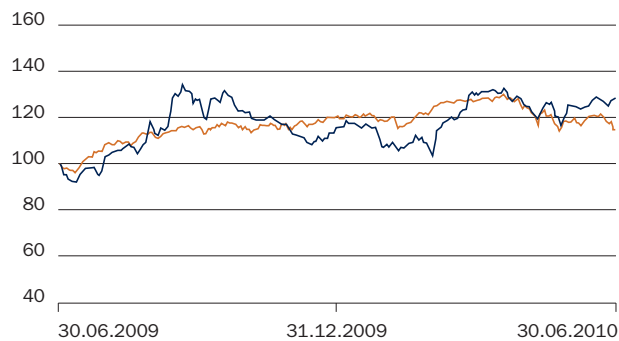
	1H 2010	1H 2009	2H 2009 adjusted	2H 2009
%				
Gross margin on assets under management ⁴	0.69	0.86	0.82	0.82
Return on assets (ROA)				
– Operating income as a percentage of total assets ⁵	4.1	4.8	5.0	5.0
– Group result as a percentage of total assets ⁵	0.7	0.8	0.9	–0.0
Cost income ratio ⁶	77.3	77.5	76.8	76.8
Return on equity (ROE) ⁷	9.3	8.7	10.3	–0.4
%	30.06.2010	30.06.2009		31.12.2009
Equity ratio ⁸	7.4	9.4		8.4
BIS Tier 1 ratio ⁹	16.3	15.4		16.3

Key data per employee¹⁰

	1H 2010	1H 2009	2H 2009 adjusted	2H 2009
CHF				
Operating income	213,753	204,939	232,266	232,266
Operating expenses	155,944	149,748	166,094	166,094
Operating profit	57,809	55,190	66,172	66,172
Group result including minority interests	38,604	35,040	43,910	–1,525

Development of share price

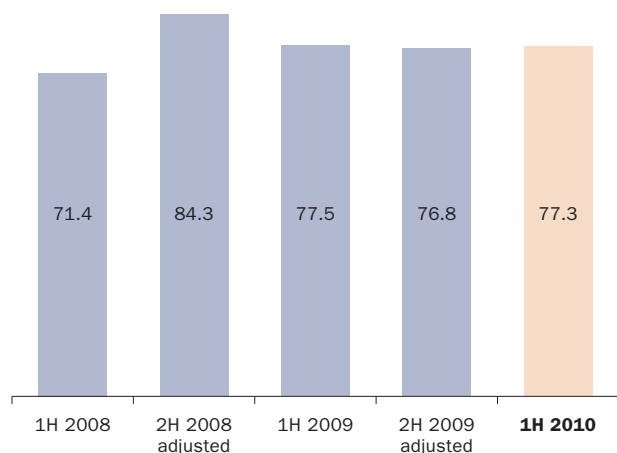
(index 30.06.2009 = 100)



— 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	1H 2010	1H 2009	2H 2009 adjusted	2H 2009
Operating profit	1.4	1.4	1.6	1.6
Group result	0.8	0.8	0.9	-0.2

Stock market price¹¹

CHF	1H 2010	1H 2009	2H 2009
End of period date	43.20	33.80	39.10
High	44.60	36.75	45.20
Low	34.70	21.50	30.90
Market capitalisation (period-end, million CHF)	2,717	2,067	2,459
Registered shareholders (period-end)	2,174	2,188	2,161

Headcount (full-time equivalents)

	30.06.2010	30.06.2009	31.12.2009
Group	1,595.4	1,540.3	1,556.8
Of which Switzerland	1,066.6	1,049.0	1,043.0
Of which abroad	528.8	491.3	513.8

Client relationship managers (full-time equivalents)

Including assistance	30.06.2010	30.06.2009	31.12.2009
Group	430.1	416.7	426.0
Of which Switzerland	251.2	244.7	242.2
Of which abroad	178.9	172.0	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 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.

³ 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.

⁴ 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).

⁵ Total assets: average of two period end figures.

⁶ Operating expenses including depreciation and amortisation / operating profit.

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.