Media release
Basel, 23 February 2012

2011 annual results for Bank Sarasin & Co. Ltd

Sarasin Group comes to a temporary halt on its growth path

Assets under management decline to CHF 96.4 billion owing to negative market performance – CHF 1.5 billion of net new money received – Solid earnings from core business – Adjusted Group profit comes to CHF 111.7 million – Shareholder realignment progresses as planned

Growth slows: negative market performance reduces client assets
The Sarasin Group saw the growth of net new money slow significantly in 2011, which meant this growth did not compensate for the negative effect of the market environment, which totalled CHF 8.5 billion. While CHF 3.9 billion flowed into the Group in the first half of 2011, the second half brought a decline (CHF –2.4 billion) that can be attributed to several factors. As predicted, the Sarasin Group experienced outflows in response to its rigorously implemented strategy focusing on tax-compliant assets. Furthermore, the popular initiative for a national inheritance tax has already started to have an effect due to a retroactive clause – even before it has come into force. In addition, a number of large institutional investors decided not to renew their fixed-term deposits due to the adverse market situation, and withdrew their money towards the end of the year as part of their cash flow planning. Conversely, new clients showed a great reluctance to commit funds in the second half of 2011 because of media speculation about the change in Bank Sarasin's shareholder structure. Total net new money growth for the full year under review amounted to CHF 1.5 billion, equivalent to a growth rate of 1.4%. Assets under management at the Sarasin Group at the end of 2011 stood at CHF 96.4 billion.

40 percent of clients domiciled in Switzerland
Around 40% of the Sarasin Group's clients come from its home market of Switzerland. The percentage of clients domiciled in Europe (excluding Switzerland) is only slightly lower, at 37%. There has been a slight increase in the proportion of clients based in the high-growth regions of the Middle East and Asia. They now account for 18% of the total. As a result of the Group's focus on the regions of Europe, the Middle East and Asia, the percentage of clients from other parts of the world has continued to shrink and now lies at 5%.

Christoph Ammann, Chairman of the Board of Directors of Bank Sarasin & Co. Ltd
“The transaction between Rabobank and the new majority shareholder Safra is an important milestone for our bank. As a majority shareholder with a long-term view and ample capital funding, Safra creates stability and confidence for our clients as well. The wave of consolidation that has gripped Swiss Private Banking is expected to continue apace. As far as we are concerned, however, Safra's decision already gives us the security we need.”

Joachim H. Straehle, CEO of Bank Sarasin & Co. Ltd
“Despite an environment characterized by ongoing uncertainty, we do not plan any fundamental change of direction. We are convinced that our focus on sustainability and tax-compliant assets will pay off in the long run and that with the backing of Safra as a well-capitalised majority shareholder we can look forward to exciting prospects. We are systematically pursuing our existing strategy. Our mid-term targets remain unchanged.”

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Solid earnings quality in the core business

Considering the smaller business base and the reluctance of clients to engage in any activity due to market turbulence in the second half of the year, the operating result is satisfactory. Net interest income was 1% higher at CHF 148.9 million. Income from commission and service fee activities shrank by 4% to CHF 440.7 million. Income from trading operations rose sharply by 57% to CHF 93.8 million. This was because there was no longer any negative impact in treasury business or proprietary trading created by hedging transactions against rising interest rates. Nor was there a negative currency translation effect. Income generated by subsidiaries from trading in foreign currency and currency options was higher as well. The Sarasin Group's operating income during the year under review was practically unchanged at CHF 686.2 million (2010: CHF 690.6 million).

Comparability of operating performance requires adjustment for one-off effects

Internal and external expenses incurred in connection with the intended sale of Rabobank's majority stake came to around CHF 10 million. A restructuring in Private Banking created one-off costs of CHF 2.5 million. In addition, Bank Sarasin decided, in accordance with the principle of prudence, to completely write off the remaining intangible assets (originally to be amortised over time) for the stake in bank zweiplus ltd. This corresponds to an extraordinary impairment charge of CHF 11.5 million, which will allow ordinary write-downs to be reduced by CHF 1.3 million per year in future. There was no change to the bank zweiplus goodwill carried on the balance sheet.

Results-neutral sale of financial stake in Neue Zürcher Bank

Bank Sarasin sold its stake in Neue Zürcher Bank (NZB) back to NZB in December 2011. At the end of 2009 Bank Sarasin had already revalued its 40% financial stake in NZB Holding in accordance with the principle of prudence, and impaired the value of the stake by CHF 70.2 million. The sale had no influence on the Bank's 2011 business results.

Performance-oriented HR policy

There was a further expansion in the workforce during the year under review. While in Switzerland mid-office and back-office operations were strengthened, the CRM team outside Switzerland was significantly expanded with the recruitment of 20 new advisors. The planned recruitment of around 50 new CRMs (gross figure) and the consistently applied performance-oriented HR policy led to the desired further improvement in the quality of the CRM team. Professionalism, quality and an awareness of the needs of an expanding international clientele are the hallmarks of the bank's client advisors. These characteristics should facilitate the acquisition of new business over the next few years. The total number of CRMs across all of the Sarasin Group's locations showed a net increase of 3% during the reporting period, from 434 to 446.

Moderate cost increase despite continuing investment in growth

Personnel expenses increased by 4%, mirroring the increase in headcount, to reach CHF 382.2 million (adjusted) in the period under review. Despite the constant level of international marketing activities, combined with investment in new locations and the further development of systems and processes, general administrative expenses fell by 2% to CHF 133.6 million (adjusted). Depreciation and write-offs increased by 9% to CHF 33.5 million, mainly because of the investments made during the past year in various Group IT systems, as well as the rollout of Avaloq in Asia. Valuation adjustments, provisions and losses remained more or less at the previous year's level. Overall, the Sarasin Group's adjusted operating expenses during the reporting period showed a moderate rise of 2% to CHF 515.8 million (2010: CHF 505.2 million).

The cost-income ratio increased to 80.0%. The adjusted Group result fell 10% to CHF 111.7 million. The adjusted return on equity came to 8.7%. The equity ratio was virtually unchanged at 7.2% as at 31.12.2011. The BIS Tier 1 ratio, defined as core capital as a percentage of risk-weighted assets, came to a solid 15.6% at year-end 2011, meaning that the Group already fulfils the new standards.

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The Sarasin Group has no Greek, Irish or Portuguese government bonds on its books, and only very little Italian or Spanish sovereign debt. Neither does it have any outstanding loans to Greek, Italian, Portuguese or Spanish banks. It has just one outstanding loan, a very small one, to an Irish bank.

Realignment of shareholders proceeds according to plan
Work on the project to complete the sale of Rabobank's majority shareholding in Bank Sarasin to Safra is progressing as planned. The first approvals of the transaction from regulatory bodies have been received. The transaction should be completed by mid 2012.

Annual General Meeting: Motions proposed by the Board of Directors
The Board of Directors will submit a proposal to shareholders at the Annual General Meeting of 26 March 2012 to allocate the entire profit to the general statutory reserve. The Board also intends to submit a proposal for an exceptional payment to be made to shareholders. This proposal will be made at an extraordinary general meeting to be held once the sale of Rabobank's shareholding to Safra has been completed and Safra has made its mandatory tender offer to public shareholders.

Pim W. Mol's term of office as a Board member is scheduled to end at the Annual General Meeting on 26 March 2012. In view of Safra's planned acquisition of Rabobank's majority shareholding, the Board of Directors proposes Pim W. Mol for re-election for a term of office lasting only until the closing of the transaction. Elections of the representatives of the new majority shareholder Safra will be held as part of a general re-election of the Board of Directors at an Extraordinary General Meeting to be convened after the closing of the transaction.

Outlook: return to faster growth – appointment of 75 additional relationship managers
Despite the still subdued market environment, the Group will stick firmly to its growth strategy. This focuses on selected markets in Europe, the Middle East and Asia, with potential assets under management of CHF 3 and 5 billion per country in the mid-term. This volume allows the Bank to comprehensively service the markets while at the same time maintaining cost efficiency.

The Sarasin Group plans to recruit a total of 75 extra CRMs (net) over the financial year 2012 in order to further improve both the quality and quantity of client advisors in our bank. Accordingly the bank expects to return to its planned growth trajectory. It does expect to see some more outflows of money in 2012 owing to the implementation of its strategy focusing on tax-compliant assets. But at the same time Bank Sarasin believes that the acquisition of the majority shareholding by Safra will allow the further development of its already strong position as an independent Swiss private bank, the further strengthening of its CRM team and, therefore, the successful acquisition of new client assets.

Mid-term targets remain unchanged
By 2015 Sarasin Group aims to manage clients assets totalling CHF 150 billion (performance-adjusted). At the same time, operating results should be increased thanks to a significant improvement in the gross margin. Further efficiency gains should lead to a substantial reduction in the cost-income ratio. Overall, the Sarasin Group continues to strive for solid growth while maintaining a strong capital base.

Bank Sarasin & Co. Ltd's 2011 Annual Report is available from today, 23 February 2012, 7.00 a.m., at www.sarasin.com.

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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 the end of December 2011 it managed total client assets of CHF 96.4 billion and employed approximately 1,700 staff. Its majority shareholder is the 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, Lucerne, Lugano, and Zurich. Bank Sarasin & Co. Ltd is listed on the SIX Swiss Exchange.

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SARASIN

Sustainable Swiss Private Banking since 1841.

SARASIN GROUP AT A GLANCE
Consolidated key data

Group income statement

1,000 CHF	2011 adjusted[1]	2011	2010	Change 2011 (adjusted) to 2010 %
Net interest income	**148,882**	**148,882**	146,921	1.3
Results from commission and service fee activities	**440,684**	**440,684**	457,496	–3.7
Results from trading operations	**93,803**	**93,803**	59,817	56.8
Other ordinary results	**2,836**	**2,836**	26,337	–89.2
Operating income	**686,205**	**686,205**	**690,571**	**–0.6**
Personnel expenses	**382,239**	**387,125**	368,400	3.8
General administrative expenses	**133,558**	**140,747**	136,820	–2.4
Operating expenses	**515,797**	**527,872**	**505,220**	**2.1**
Operating profit	**170,408**	**158,333**	**185,351**	**–8.1**
Depreciation and amortisation	**33,488**	**44,942**	30,804	8.7
Value adjustments, provisions and losses	**11,149**	**11,149**	11,332	–1.6
Provisions for restructuring	**0**	**629**	0	
Profit before taxes	**125,771**	**101,613**	**143,215**	**–12.2**
Taxes	**14,064**	**9,144**	18,679	–24.7
Group result including minority interests	**111,707**	**92,469**	**124,536**	**–10.3**
Group result excluding minority interests	**99,263**	**83,864**	107,794	–7.9

Fig. 1_Group result
(million CHF)

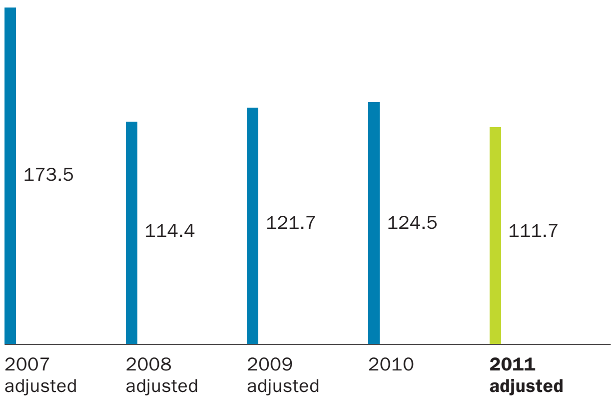
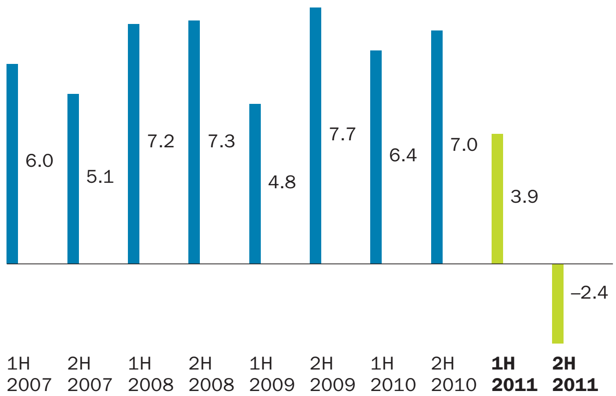


Fig. 2_Net new money growth over half-year periods
(billion CHF)



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Result by segments

1,000 CHF	2011 adjusted	2011	2010
Private Banking	**88,616**	**86,101**	100,942
Trading & Family Offices	**20,454**	**20,454**	29,178
Asset Management, Products & Sales	**58,736**	**58,736**	61,508
bank zweiplus	**2,205**	**2,205**	1,361
Corporate Center	**–44,240**	**–65,883**	–49,774
Total	**125,771**	**101,613**	143,215

Gross margin on assets under management[2]

%	2011 adjusted	2011	2010
Private Banking, business unit Switzerland & Europe	**0.91**	**0.91**	0.87
Private Banking, business unit Middle East & Asia	**0.76**	**0.76**	0.83
Total segment Private Banking	**0.85**	**0.85**	0.86
Trading & Family Offices, business unit Institutional Advisory & Sales	**0.52**	**0.52**	0.58
Asset Management, Products & Sales, business unit Institutional Clients	**0.42**	**0.42**	0.45
bank zweiplus	**1.09**	**1.09**	1.04
Sarasin group	**0.68**	**0.68**	0.70

Assets under management[3]

million CHF	2011	2010
Total assets under management (period-end)	**96,403**	103,363
Net new money	**1,451**	13,419
Acquisitions	**0**	0
Divestments	**0**	–683
Performance	**–8,411**	–3,070
Increase / decrease in assets under management (%)	**–6.7**	10.3

Fig. 3_Assets under management and net new money growth by client domicile[4]

(billion CHF)

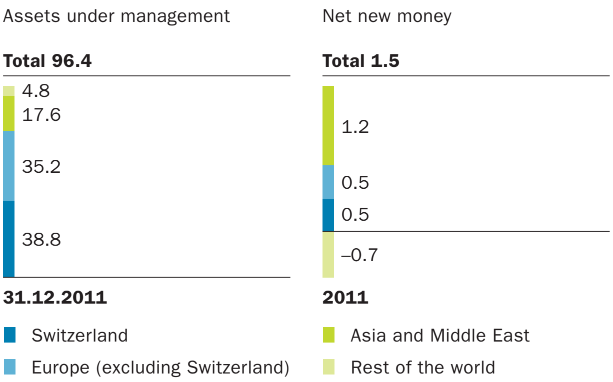
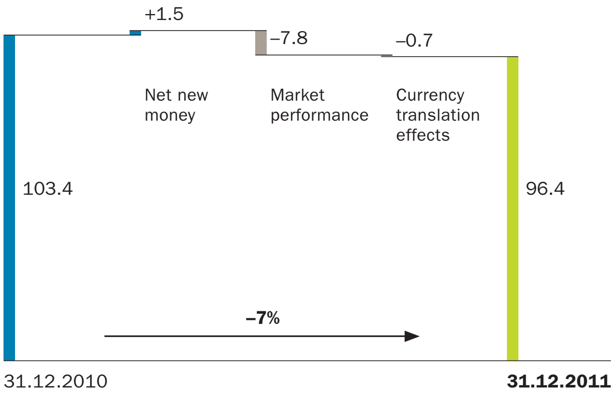


Fig. 4_Development of assets under management

(billion CHF)



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Group balance sheet

1,000 CHF	**31.12.2011**	31.12.2010
Total assets	**17,495,297**	17,505,471
Due from customers	**9,932,036**	9,457,417
Due to customers	**12,618,787**	11,850,096
Shareholders’ equity including minority interests	**1,267,022**	1,271,894
Shareholders’ equity excluding minority interests	**1,229,573**	1,229,423

Ratios

%	**2011 adjusted**	**2011**	2010
Return on assets (ROA)			
– Operating income as a percentage of total assets[5]	**3.9**	**3.9**	4.2
– Group result as a percentage of total assets[5]	**0.6**	**0.5**	0.8
Cost income ratio[6]	**80.0**	**83.5**	77.6
Return on equity (ROE)[7]	**8.7**	**7.3**	9.7

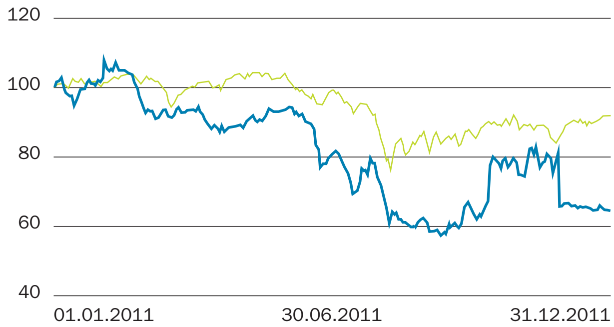
%	**31.12.2011**	31.12.2010
Equity ratio[8]	**7.2**	7.3
BIS Tier 1 ratio[9]	**15.6**	15.3

Selected key data per employee[10]

CHF	**2011 adjusted**	**2011**	2010
Operating income	**406,326**	**406,326**	435,307
Operating expenses	**305,421**	**312,571**	318,470
Operating profit	**100,905**	**93,755**	116,837
Group result including minority interests	**66,146**	**54,754**	78,502

Fig. 5_Development of share price

(index 01.01.2011 = 100)

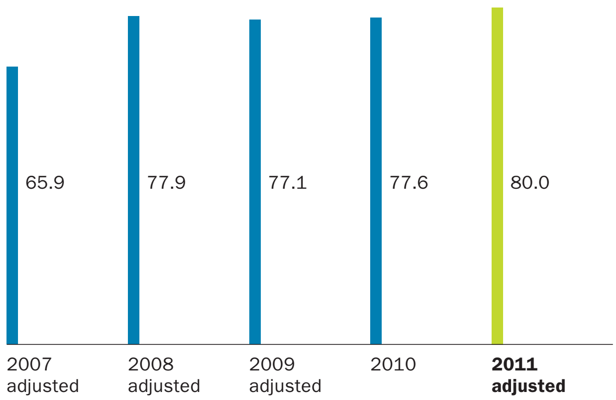


Bank Sarasin & Co. Ltd class B registered share

Swiss Performance Index (SPI)

Fig. 6_Cost income ratio[6]

(in percent)



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

CHF	2011 adjusted	2011	2010
Operating profit	**2.7**	**2.5**	2.9
Group result	**1.6**	**1.3**	1.7

Stock market price[11]

CHF	2011	2010
End of period date	**27.45**	42.60
High	**46.00**	44.60
Low	**24.40**	34.70
Market capitalisation (period-end, million CHF)	**1,727**	2,680
Registered shareholders (period-end)	**2,353**	**2,163**

Headcount (full-time equivalents)

	31.12.2011	31.12.2010
Group	**1,715.2**	1,642.4
Of which Switzerland	**1,119.8**	1,096.1
Of which abroad	**595.4**	546.3

Client relationship managers (full-time equivalents)

Including assistance	31.12.2011	31.12.2010
Group	**445.6**	433.6
Of which Switzerland	**242.0**	250.4
Of which abroad	**203.6**	183.2

1 *To facilitate comparison of the Sarasin Group's operating performance, adjustments were made on the cost side to allow for a number of one-off effects. Internal and external expenses incurred in connection with the intended sale of Rabobank's majority stake in Sarasin came to around CHF 10 million. A restructuring in Private Banking created one-off costs of CHF 2.5 million. In addition, a decision was taken, in accordance with the principle of prudence, to completely write off the remaining intangible assets (originally to be amortised over time) for the stake in bank zweiplus ltd. This corresponds to an extraordinary impairment charge of CHF 11.5 million. This will allow ordinary write-downs to be reduced by CHF 1.3 million per year in future. There was no change to the bank zweiplus goodwill carried on the balance sheet.*

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 *The allocation by client domicile was updated and refined following a detailed analysis of the fundamental data. The prior year's values 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.*

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