



SAANENLAND, WHERE BANKING MATTERS. SINCE 1874.

ANNUAL REPORT 2020 – OUR BANK

AT A GLANCE

	2020 CHF	Prior year CHF	Change +/- in %
Balance sheet total	1,561,783,347	1,398,627,137	11.7%
Client loans (after offsetting against value adjustment)	1,238,149,255	1,162,596,192	6.5%
Client funds	1,226,557,364	1,093,910,616	12.1%
Securities account volume	459,071,994	418,607,988	9.7%
Eligible capital	121,828,453	113,140,537	7.7%
Gross income	19,982,179	20,147,724	-0.8%
Operating result	7,117,444	7,045,508	1.0%
Net income	2,628,777	2,601,842	1.0%
Cost/income ratio	50.4%	50.0%	0.8%
Tax value of an equity share in the Bank	3,000	2,860	4.9%
Proposed dividend	33%	32%	3.1%
Employees, converted to full-time positions (excluding apprentices)	38.8	39.7	-2.3%
Apprentices, interns	5	6	-16.7%

In order to facilitate reading, all personal designations are listed exclusively in the masculine form.

AUDIT

Auditor in accordance with the Swiss Code of Obligations
PricewaterhouseCoopers AG, Bern

Auditors in conformity with federal banking law
PricewaterhouseCoopers AG, Bern

Internal audit
Mazars AG, Bern

SERVICE PARTNERS

Partners of Saanen Bank

Entris
Banking



Rahn & Bodmer Zürich

R&B BANQUIERS

esprit netzwerk

EQUILAS

EDITORIAL

DEAR SHAREHOLDERS

2020 – as bad as it seemed?

Last year was dominated early on by the coronavirus pandemic, which proceeded to completely overshadow all other events. Our life was turned upside down, and uncertainty was the order of the day. While many companies were able to survive thanks only to emergency measures implemented by the federal government, various sectors have benefited from this exceptional situation. The differences are extreme, and even within individual areas of the economy, significant regional contrasts can be observed.

Luckily, the spring lockdown reached our region at the end of the high season. A trend towards increasing use of second homes soon began to develop, and this trend is continuing today. Our region's role as a valuable place of retreat has a positive effect on the business of Saanen Bank. Despite the difficult circumstances and the many hours spent by our employees working from home, we can look back at a very good financial year on the whole. The healthy financial basis enjoyed by Saanen Bank and the above-average reserves on loans are especially reassuring in such uncertain times.

The Executive Board and the Board of Directors began tackling the new situation at a very early stage last year, and the decisions made, the unanticipated positive environment and the dedication of our staff secured a highly encouraging business result for the Bank. This made it possible to build up extensive reserves, and significantly reinforce the Bank's equity capital.

Due to various recent and upcoming retirements, Saanen Bank is currently undergoing a period of change in terms of personnel, and this process is going extremely well. New appointments to key positions, combined with the targeted promotion of existing members of staff, are helping us to stay on course. You can rest assured that a full team will remain at your disposal to continue to provide you with advice and support. With this in mind I would like to thank the entire workforce for their outstanding commitment and flexibility during the challenging past financial year.



An annual general meeting was held without the physical presence of shareholders for the first time in the history of Saanen Bank in April 2020, and this year's event will be held in the same form. The positive result and the Bank's strong financial basis have enabled the Board of Directors to propose to the annual general meeting a moderate dividend increase of CHF 1 per share.

To conclude I would like to thank you, dear Shareholders and Clients, on behalf of the Board of Directors and the Executive Board for your trust in our Bank. I look forward to a future in which our vital personal contact with you will once again be possible.

Yours faithfully

Victor Steimle
Chairman of the Board of Directors

BALANCE SHEET AS OF 31 DECEMBER 2020

	CHF in 1,000	2020	Prior year	Change +/- in %
Assets				
Liquid assets		291,811	187,455	55.7%
Receivables from banks		17,149	20,505	-16.4%
Receivables from clients		79,466	62,866	26.4%
Receivables from mortgages		1,141,270	1,082,323	5.4%
Trading activities		16	36	-55.6%
Positive replacement values of derivative financial instruments		846	228	271.1%
Financial investments		18,617	23,573	-21.0%
Accrued income and prepaid expenses		606	188	222.3%
Participations		2,116	9,398	-77.5%
Tangible fixed assets		9,281	9,027	-2.8%
Intangible assets		0	0	0.0%
Other assets		605	3,028	-80.0%
Total assets		1,561,783	1,398,627	11.7%
Total subordinate receivables		27	0	100.0%
of which with conversion obligation and/or debt waiver		0	0	0.0%

	CHF in 1,000	2020	Prior year	Change +/- in %
Liabilities				
Liabilities to banks		7,985	1,187	572.7%
Liabilities to clients (client deposits)		1,223,399	1,089,528	12.3%
Negative replacement values of derivative financial instruments		2,116	1,470	43.9%
Medium-term notes		3,158	4,383	-27.9%
Bonds and mortgage-backed loans		190,200	176,700	7.6%
Accrued expenses and deferred income		5,223	4,402	18.7%
Other liabilities		665	839	-20.7%
Provisions		2,600	2,579	0.8%
Reserves for general banking risks		69,256	62,440	10.9%
Share capital		2,400	2,400	0.0%
Statutory capital reserves		0	0	0.0%
of which reserves from tax-exempt capital contributions		0	0	0.0%
Statutory retained earnings		8,954	8,944	0.1%
Voluntary retained earnings		43,930	42,100	4.3%
Own equity capital (short position)		-745	-956	-22.1%
Profit carried forward		13	9	44.4%
Profit		2,629	2,602	1.0%
Total liabilities		1,561,783	1,398,627	11.7%

	CHF in 1,000	2020	Prior year	Change +/- in %
Off-balance-sheet transactions				
Contingent liabilities		7,903	7,131	10.8%
Irrevocable commitments		22,400	18,010	24.4%
Call commitments and additional payment obligations		960	865	11.0%

INCOME STATEMENT 2020

	CHF in 1,000	2020	Prior year	Change +/- in %
Income from interest activities				
Interest and discount income		17,482	18,138	-3.6%
Interest and dividend income from trading activities		0	0	0.0%
Interest and dividend income from financial investments		237	264	-10.2%
Interest expenses		-2,529	-3,185	-20.6%
Gross profit from interest activities		15,190	15,217	-0.2%
Changes in value adjustments related to default risk and losses incurred in interest activities		-61	299	-120.4%
Subtotal for net income from interest activities		15,129	15,516	-2.5%
Income from commission business and services				
Commission income on securities and investment transactions		2,207	1,794	23.0%
Commission income on lending activities		28	25	12.0%
Commission income on other services		1,107	1,087	1.8%
Commission expenses		-141	-154	-8.4%
Subtotal for income from commission business and services		3,201	2,752	16.3%
Income from trading activities and fair-value option		1,163	1,078	7.9%
Other ordinary income				
Income from the sale of financial investments		24	216	-88.9%
Income from participations		300	641	-53.2%
Income from real estate		134	126	6.3%
Other ordinary income		17	118	-85.6%
Other ordinary expenses		-48	0	100.0%
Subtotal for other ordinary income		427	1,101	-61.2%
Operating expenses				
Personnel expenses		-5,647	-5,969	-5.4%
Other general and administrative expenses		-4,398	-4,246	3.6%
Subtotal for operating expenses		-10,045	-10,215	-1.7%
Value adjustments on participations and depreciation of tangible fixed assets and intangible assets		-1,624	-1,879	-13.6%
Changes in provisions and other value adjustments and losses		-1,134	-1,308	-13.3%
Business profit/loss		7,117	7,045	1.0%
Extraordinary income		3,405	3	113,400.0%
Extraordinary expenses		-7	0	100.0%
Changes in reserves for general banking risks		-5,710	-3,070	86.0%
Taxes		-2,176	-1,376	58.1%
Profit		2,629	2,602	1.0%
Appropriation of profit				
Profit		2,629	2,602	1.0%
Profit carried forward		13	9	44.4%
Net profit		2,642	2,611	1.2%
Proposal for the appropriation of profit				
Allocation to voluntary retained earnings		-1,840	-1,830	0.5%
Distribution on share capital		-792	-768	3.1%
Profit carried forward (new)		10	13	-23.1%

SIX SHAREHOLDER QUESTIONS

INTERVIEW WITH VICTOR STEIMLE (CHAIRMAN OF THE BOARD OF DIRECTORS) AND JÜRG VON ALLMEN (CHIEF EXECUTIVE OFFICER)

Shareholders can now benefit from additional discounts on five shares or more. Together with other shareholder gifts and the dividend, shares in Saanen Bank are attractive for small and larger-scale shareholders alike.

WHAT DOES THE BANK AIM TO ACHIEVE WITH THE NEW SHARE- HOLDER PACKAGES?

Victor Steimle (VSt): Die Saanen Bank fühlt sich ihren Aktionären gegenüber verpflichtet. Sie sollen als unsere Mitbesitzer von ihrem Investment in unsere Bank profitieren und hoffentlich auch als Kunde mit ihrer Bank zusammenarbeiten. Ca. 50% unserer Aktionäre besitzen 1 bis 4 Aktien. Mit dem attraktiven Aktionärskonto, dem traditionellen GV-Essen, dem GV-Geschenk und der Dividende haben diese Aktionäre eine sehr interessante Rendite. Weitere 35% der Aktionäre verfügen über 5 bis 15 Aktien – dieses Engagement und Vertrauen in unsere Bank soll zusätzlich honoriert werden. Deshalb wollen wir diesen Aktionären mit Aktionärspaketen weitergehende attraktive Konditionen gewähren.

THE SAANEN BANK SHARE WAS ALREADY ATTRACTIVE FOR LONG-TERM INVESTORS

Jürg von Allmen (JvA): Yes, that's right of course, and it's how it should be. "We want our shareholders in particular to also benefit from the appreciation in the share price over the long term." This tax-free return is only possible following the sale of the share, however – and selling the share should of course not be the aim. Our Bank's shareholder base is very long-term oriented. We have 24,000 shares, and only 500 to 600 of them are traded on an annual basis. Some 2% of the total.

„We want our shareholders in particular to also benefit from the appreciation in the share price over the long term.“

HOW IS THE SHARE PRICE CALCULATED?

VSt: In principle, the share price is based on supply and demand – due to this small volume of trade, the Bank itself quotes a bid and offer price on the OTC platform. Our aim is to ensure that both buyers and sellers receive a fair price at all times for a reasonable quantity of shares.

WHY IS THE FAIR SHARE PRICE BELOW ITS INTRINSIC VALUE?

JvA: As a share's market liquidity – i.e. the number traded on an annual basis – is low for a regional bank, a fair share price according to external expert opinion is within the range of 60% to 70% of its intrinsic value. Significant fluctuations in either direction should subsequently come to rest within this range. We saw this 10 years ago, when a small number of shareholders drove the share price up to over CHF 3,000, which at the time was not sustainable. Today, the share is attractively valued at approximately 60% of its intrinsic value, and certainly has further potential.

“It's worth being a shareholder of our Bank. And that's how it should be.”

WHAT FURTHER PRICE INCREASES CAN SHAREHOLDERS EXPECT?

JvA: If we continue to assume that a fair valuation of the share lies within the range of 60% to 70% of its intrinsic value, then it's realistic to believe that the share price will rise further with continued retention of earnings around this rate. If the Bank's average annual retention of capital of approximately CHF 5 million is converted into shares, therefore, this results in some CHF 200 per share. In this case, the share price – without other influencing factors – should increase sustainably by between CHF 100 and CHF 150 per year, corresponding to a current rate of 4% to 5%.

SO WHAT IS THE TOTAL RETURN?

VSt: So the annual price increase and dividend result in an annual return of 5% to 6%, which is certainly attractive. Added to this are the various benefits for shareholders and the gifts they receive. It's worth being a shareholder of our Bank. And that's how it should be.



THE PEOPLE BEHIND THE BANK

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT



BOARD OF DIRECTORS

Louis Lanz Electrician with Federal Diploma Saanenmöser	Daniel Matti ^{1,2} lic. oec. HSG Schönried Vice-Chairman	Regula van der Velde ¹ Certified Accountant Spiez	Victor Steimle ² Business Administrator FH Schönried Chairman	Michael Teuscher ¹ Government Official Saanen	Marianne Kropf ² Pharmacist FPH Gstaad	Erich von Siebenthal Agriculturalist and member of the National Council Gstaad
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¹ Members of the Audit Committee (chairman: Daniel Matti).

² Members of the Compensation Committee (chairman: Victor Steimle)

None of the members of the Board of Directors exercised or exercises executive functions at SB Saanen Bank AG. None of the members of the Board of Directors has any substantial business relationships with SB Saanen Bank AG.

All members of the Board of Directors meet the criteria for independence as per FINMA Circular 17/1.





EXECUTIVE BOARD AND EXECUTIVE MANAGEMENT

Oliver Waser Member of the Executive Management	Urs Zumbrunnen Deputy Chief Executive Officer	Ezio Giudici Member of the Executive Management	Jürg von Allmen Chairman of the Executive Board	Dominique Huwiler Member of the Executive Board	Adrian Friedli Member of the Executive Management	Thomas Stöckli Member of the Executive Management (as of 01.01.2021)
Head Private Clients and Branches (excluding Gstaad)	Head Private and Corporate Clients/Credit	Compliance Officer	CEO	Head Private Banking	Head Gstaad Branch	Senior portfolio manager



View from Col de la Videman

IN FOCUS

TEAM SERVICES & VORSORGE SAANEN

The Services & Provisions team is responsible for ensuring that many of the important processes run smoothly in the background at Saanen Bank. The team's area of responsibility includes the provision of direct advisory services at the counter, as well as information and support by phone or e-mail. Issues relating to pensions are also handled by this team. Below you will find a brief presentation of the three main areas of the Services & Provisions team.

TELEPHONE SWITCHBOARD, COUNTER RELIEF AND PRODUCT ADMINISTRATION

The team is mainly responsible for running the Bank's telephone switchboard, and advises clients at the Saanen counter, additionally providing holiday cover for the Lauenen, Gsteig and Gstaad branches. In addition to this, the team is responsible for Saanen Bank's Maestro and credit cards, processing all applications, handling any problems with cards, implementing limit adjustments and responding to card-related questions from clients. Particularly in the past year with the coronavirus pandemic, card-based cashless payments became increasingly important for many clients,

"The new ATMs in Ebnit and Saanenmöser are frequently used."

and the volume of goods purchases made using the Saanen Bank card was especially high last year. Following the first wave of the pandemic in spring, however, more cash was again being withdrawn during the summer months. Evaluations revealed that the new ATMs in Ebnit and Saanenmöser are highly popular and frequently used. One of the key goals of Saanen Bank is to continue to enable the population of Saanenland to withdraw cash from all five Saanen Bank locations in the future.



Claudia
Heimberg



Brigitte
Brand



Marisa
Fernandes



Christine
Tschanz

25 years ago, a client could open an account if they were considered to be “personally known” to the bank’s employee. This has changed dramatically in recent years, and today various forms need to be signed at the beginning of a new client relationship. The new client’s identity must be closely checked, and all matters relating to their tax status must be processed and clarified. This area of responsibility also encompasses a wide range of tasks involving automatic exchange of information with foreign tax authorities, often a highly complicated and time-consuming process. While barely visible to the client, the work involved with basic formalities is extremely important and valuable for Saanen Bank as a financial institution. Dispatch work is also essential to the functioning of the Bank: post needs to be distributed, mail sent and the branches supplied with the material they need. Managing and archiving documents is another area that comes under the responsibility of the Dispatch team.

BASISFORMALITÄTEN & SPEDITION



Ingrid
Reichenbach



Elina
Buchs



Linda
Teuscher

“As the population ages, private pensions are becoming increasingly important.”

The population is getting older, and the importance of financial security following retirement is increasing. Experience has shown that old-age and survivors’ insurance (OASI) and pension fund benefits are often not enough to maintain a person’s usual standard

of living during their well-earned retirement. Private pensions are therefore becoming increasingly important, and it’s never too early to start. Martin von Känel is your point of contact at Saanen Bank for all pension matters, and he also heads the Services & Provisions team presented here. In partnership with the REVOR collective foundation, Saanen Bank also offers all local businesses an attractive, cost-effective pension fund solution.



Martin
von Känel

PROVISIONS

THE PEOPLE BEHIND THE BANK

YOU CAN COUNT ON US



Bernhard
Baumann



Brigitte
Brand



Elisabeth
Brand



Elina
Buchs



Heinz
Bula



Andrey
Chernov



Adrian
Di Camillo



Sibylle
Fahrer



Luna
Femia



Marisa
Fernandes



Valérie
Fetscherin



Adrian
Friedli



Ezio
Giudici



Erika
Habegger



Katrin
Haldi



Melisa
Hasanica



Kathrin
Hauswirth



Claudia
Heimberg



Dominique
Huwiler



Ariane
Jungi



Belinda
König



Jean-François
Linder



Dora
Moser



Corinna
Müller



Sara
Nava



Elija
Nydegger



Daniel
Perreten



Martina
Perreten



Pascal
Portmann



Heidi
Reichen



Ingrid
Reichenbach



Janine
Romang



Rahel
Rösti



Simon
Rösti



Rolf
Schmid



Noémie
Schwizgebel



Tim
Staub



Yves
Staub



Thomas
Stöckli



Linda
Teuscher



Christine
Tschanz



Ursula
van den Elshout



Jürg
von Allmen



Jana
von Grünigen



Martin
von Känel



Manuel
Waldmann



Oliver
Waser



Madeleine
Zahler



Urs
Zumbrunnen

THE PEOPLE BEHIND THE BANK

YOU CAN COUNT ON US

OUR EXECUTIVE BOARD

Jürg von Allmen	CEO	Chairman of the Executive Board
Urs Zumbrennen	Head Private and Corporate Clients/Credit	Deputy Chief Executive Officer
Dominique Huwiler	Head Private Banking	Member of the Executive Board

OUR MEMBERS OF EXECUTIVE MANAGEMENT

Adrian Friedli	Head Gstaad Branch	Member of the Executive Management
Ezio Giudici	Compliance Officer	Member of the Executive Management
Thomas Stöckli	Senior portfolio manager	Member of the Executive Management (as of 01.01.2021)
Oliver Waser	Head Private Clients/Branches (excluding Gstaad)	Member of the Executive Management

UNSER KADER

Bernhard Baumann	Client Adviser Corporate Clients/Credit	Authorised representative
Andrey Chernov	Head Financial Administration	Authorised representative
Adrian Di Camillo	Head Finance/HR/Real Estate	Authorised representative
Jean-François Linder	Client Adviser Private Banking	Authorised representative
Corinna Müller	Head Marketing	Authorised representative
Heidi Reichen	Head Management Support	Authorised representative
Simon Rösti	Head Credit Management	Authorised representative
Rolf Schmid	Head Payment Transactions	Authorised representative
Yves Staub	Client Adviser Private Banking	Authorised representative
Martin von Känel	Head Provisions & Services	Authorised representative
Pascal Portmann	Client Adviser Private Clients	Officer



Spring mood at Löuweli

LEGAL NOTICE

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