



SAANENLAND, WHERE BANKING MATTERS. SINCE 1874.

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## ANNUAL REPORT 2018 – OUR BANK

# AT A GLANCE

|  | 2018<br>CHF   | Prior year<br>CHF | Change<br>+/- in % |
|--|---------------|-------------------|--------------------|
| Balance sheet total  | 1,366,017,009 | 1,283,763,459     | 6.4%               |
| Client loans (after offsetting against value adjustment)     | 1,110,141,374 | 1,074,812,795     | 3.3%               |
| Client funds   | 1,075,410,825 | 1,023,050,375     | 5.1%               |
| Capital and disclosed reserves after appropriation of profit | 94,591,016    | 90,439,984        | 4.6%               |
| Gross income   | 19,187,815    | 18,538,637        | 3.5%               |
| Gross profit   | 8,828,280     | 8,561,201         | 3.1%               |
| Operating result   | 6,835,621     | 6,620,888         | 3.2%               |
| Net income   | 2,504,049     | 2,427,507         | 3.2%               |
| Cost/income ratio  | 54.0%         | 53.8%             | 0.4%               |
| Tax value of an equity share in the Bank                     | 2,850         | 2,750             | 3.6%               |
| Proposed dividend  | 29%           | 26%               | 11.5%              |
| Employees, converted to full-time positions                  | 37.9          | 31.5              | 20.3%              |
| Apprentices and interns                                      | 5             | 4                 | 25.0%              |

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

## AUDIT

Auditors in conformity with the Swiss Code of Obligations

PricewaterhouseCoopers AG, Bern

Auditors in conformity with federal banking law

PricewaterhouseCoopers AG, Bern

Internal audit

Aunexis AG, Bern

## SERVICE PARTNERS

Partners of Saanen Bank

**Entris**  
Banking

  
swisscom

**R|&BANQUIERS**  
Rahn & Bodmer Zürich

 **esprit**  
netzwerk

**EQUILAS**

# EDITORIAL

## DEAR SHAREHOLDERS

Following an extremely successful first half of the year and a turbulent phase shortly before the conclusion of 2018, we are able to present a very pleasing annual result to you. The Bank has once again been able to significantly strengthen its equity capital, meaning you as a shareholder will benefit from a dividend increase. In the current low-interest-rate environment, holders of the Saanen Bank share will thus achieve a respectable return that is coupled with the security offered by the Bank's considerable net asset value. The continuous growth of the Bank will, of course, also necessitate more equity capital – and we will be able to add to this further thanks to the result presented here. We are proud of the achieved results and key figures.

The significant volatility throughout 2018 and the considerable price losses suffered on the stock markets towards the end of the year demanded a great deal from our employees in the area of private banking. The eruption of the international trade war and conflicts at a national level in some economically important nations meant there were no clear trends on the stock markets. The ongoing uncertainty in Europe with respect to the Brexit process and the lack of clarity for us in Switzerland relating to our agreements with the EU certainly did little to boost the financial markets. Following the successes in the previous year, it once again became clear to us in 2018 that the stock markets do not invariably move upwards.

What does the future hold? When faced with questions like "Are banks even still needed?", it is not unusual for our response to be shaped by palpable reflection. I am convinced of the need for banks, but am aware that great changes are coming our way. To keep pace with developments, a considered approach is essential. Changed lifestyles, new forms of working and further increasing levels of anonymity will all lead to a new world.

Nevertheless, it would be wrong to always only talk about change. The requirements for a healthy and long-term relationship, for example between you as a shareholder/client and us, have always



been the same and are of great significance. If we think about expertise, reliability or mutual respect, these are factors that create trust and allow for a long-lasting personal relationship. Betting solely on digital channels will not help here. It becomes apparent to us once more just how significant our employees are for the Bank. I am convinced that personal contact will in future once again gain in importance. For peripheral regions such as Saanenland with its clear structures, this represents a major opportunity for the future.

On behalf of the Board of Directors, I would like to thank the entire Saanen Bank team, from our apprentices to the Executive Board, for their great commitment and you, our shareholders and clients, for the trust you place in us.

I look forward to continuing our pleasant personal relationship.

Yours faithfully

Victor Steimle  
Chairman of the Board of Directors

## BALANCE SHEET AS OF 31 DECEMBER 2018

|   | CHF in 1,000 | 2018             | Prior year       | Change<br>+/- in % |
|---|--------------|------------------|------------------|--------------------|
| <b>Assets</b>   |              |                  |                  |                    |
| Liquid assets   |              | 190,846          | 166,016          | 15.0%              |
| Receivables from banks  |              | 20,729           | 12,288           | 68.7%              |
| Receivables from clients  |              | 67,056           | 67,894           | -1.2%              |
| Receivables from mortgages                                      |              | 1,043,085        | 1,006,919        | 3.6%               |
| Trading activities  |              | 0                | 0                | 0.0%               |
| Positive replacement values of derivative financial instruments |              | 1,039            | 3,209            | -67.6%             |
| Financial investments   |              | 25,589           | 14,146           | 80.9%              |
| Accrued income and prepaid expenses                             |              | 246              | 126              | 95.2%              |
| Participations  |              | 6,798            | 4,721            | 44.0%              |
| Tangible fixed assets   |              | 8,839            | 6,530            | 35.4%              |
| Intangible assets   |              | 0                | 0                | 0.0%               |
| Other assets  |              | 1,790            | 1,914            | -6.5%              |
| <b>Total assets</b>   |              | <b>1,366,017</b> | <b>1,283,763</b> | <b>6.4%</b>        |
| Total subordinate receivables                                   |              | 0                | 928              | 100%               |
| of which with conversion obligation and/or debt waiver          |              | 0                | 0                | 0.0%               |

|   | CHF in 1,000 | 2018             | Prior year       | Change<br>+/- in % |
|---|--------------|------------------|------------------|--------------------|
| <b>Liabilities</b>  |              |                  |                  |                    |
| Liabilities to banks  |              | 8,701            | 800              | 987.6%             |
| Liabilities to clients (client deposits)                        |              | 1,069,844        | 1,016,588        | 5.2%               |
| Negative replacement values of derivative financial instruments |              | 2,765            | 2,339            | -18.2%             |
| Medium-term notes   |              | 5,567            | 6,462            | -13.9%             |
| Bonds and mortgage-backed loans                                 |              | 162,900          | 145,100          | 12.3%              |
| Accrued expenses and deferred income                            |              | 2,937            | 3,571            | -17.8%             |
| Other liabilities   |              | 331              | 383              | -13.6%             |
| Provisions  |              | 17,685           | 17,456           | 1.3%               |
| Reserves for general banking risks                              |              | 42,240           | 39,360           | 7.3%               |
| 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                                     |              | 8,933            | 8,829            | 1.2%               |
| Voluntary retained earnings                                     |              | 40,290           | 38,584           | 4.4%               |
| Own equity capital (short position)                             |              | -1,091           | -550             | 98.4%              |
| Profit carried forward  |              | 11               | 13               | -15.4%             |
| Profit  |              | 2,504            | 2,428            | 3.1%               |
| <b>Total liabilities</b>  |              | <b>1,366,017</b> | <b>1,283,763</b> | <b>6.4%</b>        |

|   | CHF in 1,000 | 2018   | Prior year | Change<br>+/- in % |
|---|--------------|--------|------------|--------------------|
| <b>Off-balance-sheet transactions</b>               |              |        |            |                    |
| Contingent liabilities                              |              | 7,354  | 8,294      | -11.0%             |
| Irrevocable commitments                             |              | 16,154 | 28,937     | -44.2%             |
| Call commitments and additional payment obligations |              | 865    | 865        | 0.0%               |

## INCOME STATEMENT 2018

|   | CHF in 1,000 | 2018           | Prior year    | Change<br>+/- in % |
|---|--------------|----------------|---------------|--------------------|
| <b>Income from interest activities</b>  |              |                |               |                    |
| Interest and discount income  |              | 18,533         | 18,355        | 1.0%               |
| Interest and dividend income from trading activities  |              | 0              | 0             | 0.0%               |
| Interest and dividend income from financial investments   |              | 281            | 176           | 59.8%              |
| Interest expenses   |              | -3,767         | -3,935        | -4.3%              |
| <b>Gross profit from interest activities</b>  |              | <b>15,047</b>  | <b>14,596</b> | <b>3.1%</b>        |
| Changes in value adjustments related to default risk and losses incurred in interest activities     |              | -4             | -245          | -98.5%             |
| <b>Subtotal for net income from interest activities</b>   |              | <b>15,043</b>  | <b>14,351</b> | <b>4.8%</b>        |
| <b>Income from commission business and services</b>   |              |                |               |                    |
| Commission income on securities and investment transactions   |              | 1,866          | 1,550         | 20.4%              |
| Commission income on lending activities   |              | 20             | 38            | -47.8%             |
| Commission income on other services   |              | 1,060          | 1,050         | 1.0%               |
| Commission expenses   |              | -191           | -180          | 6.0%               |
| <b>Subtotal for income from commission business and services</b>                                    |              | <b>2,755</b>   | <b>2,458</b>  | <b>12.1%</b>       |
| <b>Income from trading activities and fair-value option</b>   |              | <b>1,154</b>   | <b>1,079</b>  | <b>6.9%</b>        |
| <b>Other ordinary income</b>  |              |                |               |                    |
| Income from the sale of financial investments   |              | 36             | 14            | 152.7%             |
| Income from participations  |              | 305            | 248           | 22.8%              |
| Income from real estate   |              | 59             | 119           | -50.4%             |
| Other ordinary income   |              | 19             | 29            | -33.4%             |
| Other ordinary expenses   |              | -186           | -5            | 3910.8%            |
| <b>Subtotal for other ordinary income</b>   |              | <b>233</b>     | <b>405</b>    | <b>-42.7%</b>      |
| <b>Operating expenses</b>   |              |                |               |                    |
| Personnel expenses  |              | -5,310         | -5,129        | 3.5%               |
| Other general and administrative expenses   |              | -5,050         | -4,848        | 4.1%               |
| <b>Subtotal for operating expenses</b>  |              | <b>-10,360</b> | <b>-9,977</b> | <b>3.8%</b>        |
| Value adjustments on participations and depreciation of tangible fixed assets and intangible assets |              | -1,337         | -1,142        | 17.1%              |
| Changes in provisions and other value adjustments and losses  |              | -652           | -553          | 17.7%              |
| <b>Business profit/loss</b>   |              | <b>6,836</b>   | <b>6,621</b>  | <b>3.2%</b>        |
| Extraordinary income  |              | 2              | 691           | -99.7%             |
| Extraordinary expenses  |              | 0              | 0             | 0.0%               |
| Changes in reserves for general banking risks   |              | -2,880         | -3,340        | -13.8%             |
| Taxes   |              | -1,454         | -1,544        | -5.9%              |
| <b>Profit</b>   |              | <b>2,504</b>   | <b>2,428</b>  | <b>3.1%</b>        |
| <b>Appropriation of profit</b>  |              |                |               |                    |
| Profit  |              | 2,504          | 2,428         | 3.1%               |
| Profit carried forward  |              | 11             | 13            | -18.5%             |
| <b>Net profit</b>   |              | <b>2,515</b>   | <b>2,441</b>  | <b>3.0%</b>        |
| <b>Proposal for the appropriation of profit</b>   |              |                |               |                    |
| Allocation to general statutory retained earnings   |              | 0              | -100          | -100.0%            |
| Allocation to voluntary retained earnings   |              | -1,810         | -1,706        | 6.1%               |
| Distribution on share capital   |              | -696           | -624          | 11.5%              |
| <b>Profit carried forward (new)</b>   |              | <b>9</b>       | <b>11</b>     | <b>-17.7%</b>      |

# SIX SHAREHOLDER QUESTIONS

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

The world of banking is in a state of transition: New and, in some cases, global institutions such as Google and Apple are trying to gain a foothold in the financial services sector with their offerings while at the same time domestic banks are consolidating and merging in order to save costs and become more efficient. Where does Saanen Bank stand in the midst of these developments?

### WHERE DO YOU SEE SAANEN BANK IN 10 TO 20 YEARS?

*Victor Steimle (VSt): The world of banking will undergo further dramatic change in the coming years. Not all banks will survive. As Saanen Bank, we want to clearly stand out in our region and continue to focus on the Saanenland market niche, something that will be almost impossible for other banks to do in this form. In future, clients will still want – and value – personal contact and advisory services delivered “on site”. In combination with our digital options, which we want to expand even further, and self-service zones, which we are still to implement, we are well positioned to meet precisely these needs. In 10 to 20 years’ time, we therefore still see ourselves as a modern regional bank with a digital offering that also attaches great importance to personal contact and the provision of individual advisory services to clients.*

### HAVE BRANCH CLOSURES ALSO BEEN DISCUSSED AT SAANEN BANK?

*Jürg von Allmen (JvA): We are, of course, discussing the further development of our branches. Closures have never been on the agenda for us, and this will also remain the case in the near future. Client behaviour is evolving. We want to optimally gear our branch services towards the needs of our clients and retain our branch offices. We are also discussing expanding our services on a selective basis, for example with an ATM. The conversion and thus the modernisation of our branches will certainly be an important topic over the coming years.*

*“We want to optimally gear our branch services towards the needs of our clients and retain our branch offices.”*

### SAANEN BANK WILL TAKE ON THE PROPERTY OF SWISS POST IN SAANEN. WHAT PLANS ARE IN PLACE?

*JvA: As soon as we are able to take on the premises, we will convert them together with our existing counter hall. In addition to a classic bank counter, we are planning to set up a comprehensive self-service zone that will be accessible around the clock every day of the year. This is also especially aimed at our valued corporate clients, who will therefore be able to exchange money and independently deposit their daily takings at any time of the day or night. This fulfils a great need, especially during the season.*

**WHAT SIGNIFICANCE DO THE SHAREHOLDERS HAVE FOR SAANEN BANK?**

*VSt: Saanen Bank largely belongs to the population of Saanenland, i.e. its clients. This should also remain the case in future. We want long-term shareholders who do not wish to hold our share for speculative purposes. Over the long term, our share should generate a return of around 5%. During hectic periods on the stock markets, in particular, this is also certainly an interesting prospect for investors, as our share fluctuates much less than comparable securities of listed companies. Long-term investors often say that they should have purchased more equities in our Bank at the time they acquired their holding. This should also be the case in future.*

**WHY DOES SAANEN BANK WANT TO INVEST FURTHER IN THE REGION WHILE OTHER BANKS ARE DOING THE OPPOSITE?**

*JvA: As a local bank, we want to create added value for Saanenland. As all of our decisions are made locally, we are able – within the realms of our possibilities – to address the real needs of the region. In addition to our shareholders, clients and employees, the entire Saanenland region should benefit from the good business performance of our Bank. Our profits remain in the region and are reinvested here. We believe in the successful further development of Saanenland.*

**IS A MERGER WITH ANOTHER BANK ALSO A TOPIC OF DISCUSSION?**

*VSt: We want to remain the bank for Saanenland and see no need to jump on the merger bandwagon. The scope of a regional bank's business should really focus on a specific region. The bank's management should know the "regional management", and the local circumstances should be taken into account in all facets during decision-making processes. This is possible for us in Saanenland, meaning we can set ourselves apart from the other banks that each only have a single branch in our business area.*

*"We want to remain a bank for our region and see no need to jump on the merger bandwagon."*



# THE PEOPLE BEHIND THE BANK

## BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT



### BOARD OF DIRECTORS

Peter Weissen  
Construction  
Engineer HTL  
Lauenen

Daniel Matti\*  
lic. oec. HSG  
  
Schönried  
Vice-Chairman

Regula van der Velde\*  
Certified Accountant  
  
Spiez

Victor Steimle  
Business  
Administrator FH  
Saanen  
Chairman

Michael Teuscher\*  
Government Official  
  
Saanen

Marianne Kropf  
Pharmacist FPH  
  
Gstaad

Erich von Siebenthal  
Agriculturalist and member  
of the National Council  
Gstaad

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 2008/24, margin numbers 20 to 24.

\* Members of the Audit Committee (chairman: Daniel Matti).





## EXECUTIVE MANAGEMENT AND BUSINESS UNIT MANAGEMENT

Bernd Makasy  
Business Unit  
Manager  
Authorised representative  
Finance  
Personnel and Services

Simon Graa  
Vice Executive  
Officer  
Private Banking  
Provisions

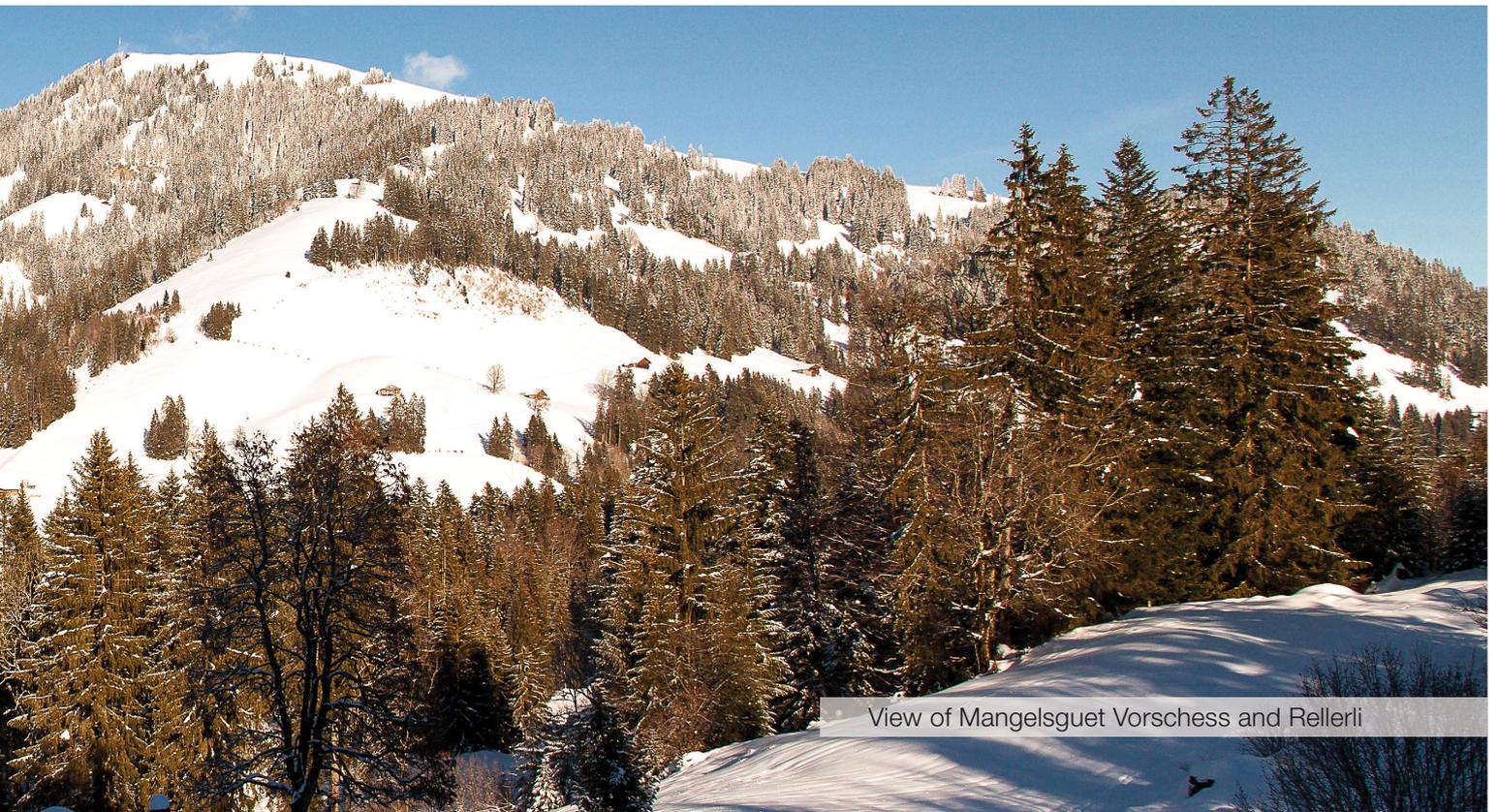
Urs Zumbrunnen  
Deputy Chief  
Executive Officer  
Corporate Clients  
Credit

Andrea Messerli  
Business Unit  
Manager  
Authorised representative  
Compliance  
Logistics

Jürg von Allmen  
Chief Executive  
Officer

Dominique Huwiler  
Vice Executive  
Officer  
Private Banking

Adrian Friedli  
Business Unit  
Manager  
Authorised representative  
Private Clients  
Branches



View of Mangelsguet Vorschess and Rellerli

# IN FOCUS

## THE PAYMENT TRANSACTIONS TEAM



### THE PAYMENT TRANSACTIONS TEAM

Ariane Jungi | Rolf Schmid | Martina Perreten

Unspectacular in the background – but decisive for ensuring that business runs smoothly.

500,000, 143,000, 50,000 are all figures for transactions that originate from our Payment Transactions team.

More than half a million outgoing payments are processed via our Bank every year. Each month, this equates to 2,200 quick orders, 12,000 payments, 3,000 standing orders and 26,000 e-banking payments. Furthermore, around 1,000 additional payment orders are manually entered or processed on a monthly basis by the Payment Transactions team.

The Payment Transactions team is an important hub of our Bank. Although the bulk business is handled by Swisscom in Olten, individual and urgent client wishes are taken care of by us on site each and every day. The expert answering of client questions on e-banking, standing orders, direct debits and much more is also important.

Flexibility is one of our major strengths as a regional bank. As a partner, we are here to address our clients' concerns. Non-automated services are executed for corresponding fees. As a client, you can reduce your fees by selecting the right means of payment and in doing so also save valuable time. We would be delighted to work with you to find the right solution for your concerns.

Rolf Schmid and Martina Perreten also take care of all IT matters at Saanen Bank. Together with 26 other banks, we renewed the entire IT system in 2018 and prepared the migration of the bank application. A big compliment and great thanks go to the project managers Rolf Schmid and Martina Perreten as well as to all the employees who have perfectly prepared this complex migration with their great commitment. There have been many long and stressful days of work during the preparatory process, with around 6,300 tests being conducted.

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On the weekend of 12/13 January 2019, the successful changeover took place without the Bank having to remain closed for even an hour. A system optimisation milestone has been reached. And we are proud of this.

#### Daily challenges

Cyber risks represent a global phenomenon that also affects Saanenland. Online crime is rising steadily, and security requirements are increasing accordingly.

The Bank operates an IT-supported monitoring system for international payment transactions and its client base in order to ensure compliance with the sanctions and embargoes issued by the Swiss Federal Council.

As a regional bank, we endeavour to keep international payments to a minimum. Our focus is placed on local transactions of our clients in Saanenland.

Our e-banking has been switched to a new, revised version. Taking care of banking transactions online has therefore become even more convenient and user-friendly.

The most important new functions:

- Revised home page: everything clearly visible at a glance
- Simplified payment entry process
- Quicker and easier to find executed and pending orders
- Graphic presentation of asset statements and overview of income and spending
- E-billing

#### **NEW E-BANKING**

With our Mobile Banking app, you can make payments on the go, check your account balance or make use of the practical currency converter.

#### **MOBILE BANKING APP**

The new “QR invoice” is to be introduced as a replacement for the payment slip. “QR” stands for “quick response”. The adjustment of the modernised payment facility to digital processing is scheduled for 30 June 2020. We will inform you about the changes in good time.

#### **NEW PAYMENT SLIP**

Computer, e-banking, Mobile Banking app, Internet, tablet, smartphone? Not for you? You would rather use paper, a pen and an envelope?

If so, you can also make your payments in Swiss francs within Switzerland simply and conveniently without using a computer. We would be happy to show you how simple it is.

#### **QUICK ORDER**

Further information on our payment options can be found directly on our website.

# THE PEOPLE BEHIND THE BANK

## YOU CAN COUNT ON US



### THE CORPORATE CLIENTS/CREDIT TEAM

Urs Zumbrunnen | Janine Romang | Bernhard Baumann | Erika Habegger | Simon Rösti | Belinda König

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### THE PRIVATE BANKING CLIENT ADVISER TEAM

Dominique Huwiler | Simon Graa | Yves Staub | Jean-François Linder

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### THE PRIVATE BANKING SERVICES TEAM

Thomas Stöckli | Andrey Chernov | Kimberly Reichenbach | Daniel Perreten | Martin von Känel

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**THE GSTAAD BRANCH TEAM**

Adrian Friedli | Ursula van den Elshout | Noémie Schwizgebel | Marc Abegglen

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**THE SAANEN PRIVATE CLIENTS TEAM**

Ursula Baumer | Dora Moser | Christine Tschanz | Claudia Heimberg | Brigitte Brand

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**THE SCHÖNRIED BRANCH TEAM**

Sibylle Fahrer | Madeleine Zahler



**THE GSTEIG AND LAUENEN BRANCHES**

Kathrin Hauswirth | Elisabeth Brand

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# THE PEOPLE BEHIND THE BANK

## YOU CAN COUNT ON US



### THE DISPATCH AND BASIC FORMALITIES TEAM

Elina Buchs | Ingrid Reichenbach | Corinne Bürki | Linda Teuscher

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### THE MARKETING, MANAGEMENT SUPPORT AND REAL ESTATE TEAM

Katrin Haldi | Corinna Müller | Heidi Reichen | Heinz Bula

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### THE APPRENTICES AND TRAINEES

Tim Staub | Jana von Grünigen | Leandro Frei | Rahel Rösti | Manuel Waldmann

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**OUR MANAGEMENT STAFF AT A GLANCE** (excluding executive management)

|                             |   |                           |
|-----------------------------|---|---------------------------|
| <b>Ursula Baumer</b>        | Head Counters/Branches                  | Authorised representative |
| <b>Bernhard Baumann</b>     | Client Adviser Corporate Clients/Credit | Authorised representative |
| <b>Adrian Friedli</b>       | Head Private Clients/Branches           | Authorised representative |
| <b>Jean-François Linder</b> | Client Adviser Private Banking          | Authorised representative |
| <b>Bernd Makasy</b>         | Head Finance/Personnel/Services         | Authorised representative |
| <b>Andrea Messerli</b>      | Head Compliance/Logistics               | Authorised representative |
| <b>Heidi Reichen</b>        | Head Management Support                 | Authorised representative |
| <b>Simon Rösti</b>          | Head Credit Management                  | Authorised representative |
| <b>Rolf Schmid</b>          | Head Payment Transactions               | Authorised representative |
| <b>Yves Staub</b>           | Client Adviser Private Banking          | Authorised representative |
| <b>Thomas Stöckli</b>       | Senior Portfolio Manager                | Authorised representative |
| <b>Marc Abegglen</b>        | Client Adviser Private Clients          | Officer                   |
| <b>Andrey Chernov</b>       | Head Financial Administration           | Officer                   |
| <b>Corinna Müller</b>       | Head Marketing                          | Officer                   |

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## **LEGAL NOTICE**

### **Printing**

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### **Photos**

Corinna Müller, Saanen (pages 1, 8/9)

Mark Nolan, Maxomedia AG, Bern (employee photos)

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