

Annual Report 2023 / 2024 Swiss Bankers Association



August 2024

Dear Readers

The financial world and in particular the Swiss financial centre were dominated by one event above all others last year, namely the demise of Credit Suisse (CS). At the same time, however, war in Europe, the simmering crises in the Middle East, rapid growth in public debt in countries such as the US and terrorist attacks on global transport routes and supply chains caused great human suffering and economic instability. The world has become more fragile, more complex and thus above all more unpredictable. Switzerland – especially its financial centre – is feeling the effects.



Dr Marcel Rohner
Chairman

Amid all this, the takeover of CS by UBS and the swift response from the Swiss authorities were directly responsible for maintaining stability on the financial markets and enabled Switzerland to avert the risk of an international financial crisis by its own efforts. The financial centre also weathered market volatility and geopolitical challenges impressively last year.

A majority of banks posted strong annual results, once again underscoring their resilience. The banking industry's reputation held up well overall, as an opinion poll conducted by gfs.bern last autumn confirmed. In spite of the CS crisis, the Swiss population's positive view of the country's banks remained stable.



Dr Roman Studer
CEO

A competitive economy needs strong banks operating within a regulatory framework that promotes stability, innovation and growth and enables healthy competition. It is therefore vital to learn the right lessons from the downfall of CS.

In the midst of all the debate over what requirements should be in place, we should not forget that CS did not collapse due to a systemic failure. The real problem was clients' lack of confidence in CS management's ability to return the bank back to long-term profitability.

While the Swiss banking industry as a whole proved robust, CS's downfall took shape over many years. A broad wave of regulation would therefore be the wrong response to what happened in 2023. It would needlessly punish many banks that have done outstanding work year after year to shape the strong financial centre we have today. Whatever measures may be under discussion, therefore, the principle of proportionality that is enshrined in the Federal Constitution must always be borne in mind. For the banks in particular, this means that different requirements must apply depending their size, complexity and risk profile.

Switzerland is a major economic power, and our financial centre is an important part of that, which is why we need to take care of it by remaining competitive internationally with a view to preserving our country's prosperity. This is not something that can be taken for granted. Supporting it is in Switzerland's interest. What benefits the financial centre also benefits industry and thus the country as a whole, helping to ensure that Switzerland remains an important and economically powerful nation that is perceived as such.

We would like to take this opportunity to thank all staff at the Swiss Bankers Association's (SBA) offices as well as all representatives of the banks who participate in our various committees and working groups for their tireless dedication to this common cause. Their work is essential to the future of our financial centre and thus to our country's continued prosperity.



Dr Marcel Rohner
Chairman



Dr Roman Studer
CEO

The Association's strategic priorities and important developments for Swiss banking

The SBA aims to ensure attractive operating conditions for the banking industry. Its Board of Directors signs off strategic priorities every autumn that set the agenda for the following year. Work on these subjects carries over from year to year in line with the processes of politics and the authorities.

1. Sustainable Finance

The Swiss financial centre wants to be a leading international hub for sustainable finance. The SBA has taken various measures to this end and is working to prevent greenwashing. Its focus is on ensuring that the legislative framework takes account of the industry's needs and offers planning and legal certainty. It sees self-regulation on investment advice and portfolio management as vital to achieving this. The SBA first published its self-regulation "Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks and the prevention of greenwashing in investment advice and portfolio management" in June 2022. After the Federal Council set out its expectations on greenwashing prevention in a position paper published in December 2022, this self-regulation was updated in dialogue with the authorities and by agreement with the Asset Management Association Switzerland (AMAS) and the Swiss Insurance Association (SIA). The Federal Council [acknowledged](#) the updated self-regulation on 19 June 2024. For now, it is holding back on state regulation to combat greenwashing in the financial sector. The SBA welcomes this decision, since it believes that, given the currently fast pace of international developments in sustainable finance oversight, self-regulation is the right way to go.

The SBA's self-regulation is aimed at recording clients' ESG preferences and aligning the products and services offered with these. Clients should express their preferences, understand the relevant products and services on offer and be in a position to make informed decisions. It is essential to define the criteria for labelling investment products and services as sustainable. This will give clients greater clarity with regard to what is on offer and how it matches their preferences, thus effectively avoiding greenwashing.

→ [More on sustainable finance](#)

2. Combating money laundering

A robust and comprehensive framework to prevent money laundering and financial crime is vital to a stable financial centre. The SBA welcomed the proposals to combat money laundering put forward by the Federal Council in May 2024. They target two areas where the Association has been calling for action: closing gaps in Switzerland's existing anti-money laundering framework, and aligning the Swiss legal requirements for beneficial owners with international standards. By introducing a central register of beneficial owners of companies and bringing advisors within the scope of the Anti-Money Laundering Act, Switzerland would close significant gaps in its anti-money laundering legislation and create a level playing field for all participants in the financial centre. With the Federal Council's proposals, Switzerland is taking a further major step to secure the integrity of its financial centre. The SBA will play an active role in formulating the specifics of implementation.

→ [More on combating money laundering](#)

3. Sanctions and neutrality

The SBA plays its part in the consistent implementation of sanctions and works to position the Swiss financial centre clearly in the international context while taking account of Switzerland's enduring neutrality, which is fundamental to Swiss foreign policy. In doing so, it focuses on clarifying operational implementation and interpretation issues on an ongoing basis as well as on proactively monitoring international developments. This includes, among other things, its established, regular dialogue with the State Secretariat for Economic Affairs (SECO).

The SBA is currently working with external partners on a study to gauge the strategic impact of future risks to the Swiss banking market from geopolitical developments and potential measures to deal with them. The results will be published in autumn 2024.

→ [More on sanctions](#)

4. Market access

The Swiss financial centre is one of the country's biggest export sectors, along with the pharmaceutical and watch industries, and the global leader in cross-border wealth management. Access to various markets is thus vital for it to remain internationally competitive. The SBA is committed to improving Swiss banks' access to core export markets.

On 21 December 2023, the United Kingdom (UK) and Switzerland signed a comprehensive agreement on financial services that is based largely on mutual recognition of regulations. It lays the foundation for measures to open up markets in the areas of banking, securities services, asset management, insurance and stock exchanges. The SBA was actively involved in initiating and drafting the agreement, which brings significant improvements for the banking industry and above all legal certainty in relation to the cross-border services for high-net-worth individuals that are so important to Swiss banks. The agreement also shows that it is possible to create robust and practicable market access solutions that go beyond conventional approaches.

The SBA has been working hard for years to improve access to the EU market, which is vital to the Swiss financial centre's export business. The [mandate](#) for negotiations between Switzerland and the EU that was approved on 8 March 2024 signals a new start for dialogue on financial sector regulation. In the first round of discussions on 4 July, topics included the institution-specific market access approach developed by the SBA. This is aimed at allowing interested Swiss financial institutions to deliver cross-border banking and securities services to the EU by registering with the EU supervisory authorities.

Looking beyond Europe, the SBA is committed to opening up strategically important markets and is playing a part in financial dialogue with China and Saudi Arabia, among others.

→ [More on market access](#)

5. Regulatory response to the Credit Suisse case

When it comes to defining future regulatory requirements, the SBA will engage in constructive dialogue with the Federal Department of Finance, the Swiss National Bank (SNB) and Swiss Financial Market Regulatory Authority FINMA. Its aims here are to concentrate on adequate and targeted measures in banking regulation and supervision; ensure a sufficiently risk-based, proportionate approach; and promote international compatibility and competitiveness. Among other things, the SBA intends to create effective options for liquidity management and prevent the scope of application of future regulatory requirements from becoming unnecessarily broad.

In March 2024, the SBA presented its position on possible changes to the regulatory framework. It is focused in particular on further expanding the supply of liquidity to the banking system from the SNB, introducing the public liquidity backstop, targeted amendments with regard to remuneration and responsibility, and improvements to supervision by FINMA. Meanwhile, the SBA believes that the existing capital requirements for systemically important banks are sufficient and sees no need for stricter measures across the board. The Swiss requirements are in line with international standards and already strict compared with other financial centres, and the introduction of Basel III Final in 2025 will make them even stricter.

On 10 April 2024, the Federal Council published its comprehensive report on banking stability. In the SBA's view, the report – which proposes more than 20 measures – lacks focus. A wave of regulation is threatened that would weaken the Swiss economy over the long term. In its assessment of the report, the SBA notes that, while some of the measures promote stability and competitiveness, others do not or are even detrimental to them. In addition, some go against fundamental principles. Careful analysis shows that, overall, a set of possible measures remains that are worth considering for targeted and measured implementation from a holistic perspective. A conclusive opinion can only be formed once the parliamentary investigation committee publishes its report at the end of 2024. The SBA supports targeted measures that can demonstrably enhance system stability and have a clear link to the CS crisis. These must respect fundamental principles of regulatory policy and the rule of law as well as the principle of proportionality.

→ [More on the takeover of CS by UBS](#)

6. Digital currencies

The SBA endeavours to position Switzerland as an innovation leader in digital currencies. The potential of tokenised assets in particular can only be harnessed once tokenised money is available on the same technical infrastructure. The SBA, aided by its members, has presented various approaches to implementing a digital currency. It believes, for example, that tokenising existing deposits is a sensible way to provide the central functionality of a digital currency without disrupting the tried-and-tested financial market architecture of our two-tier banking system. As part of its work on the future of payments, the SBA is looking into the benefits and design of other forms of tokenised money besides the deposit token, all against the backdrop of fast-moving developments in this area.

→ [More on digital currencies and payment systems](#)

Events, studies and surveys

In addition to actively addressing the strategic focus topics, the SBA held a number of themed and financial centre-related [events](#). It also commissioned [studies and surveys](#) that supplied key figures and important findings about the financial centre.

Key events and other important projects

Changes in the Executive Board

[Roman Studer](#) took up his position as the SBA's new CEO on 1 August 2023 after being unanimously elected by the Board of Directors. Other new members appointed to the Executive Board are [Dagmar Laub](#) as Head of Communications and Public Affairs with effect from 1 October 2023 and [Anita Diensthuber](#) as Head of Operations & Services with effect from 1 February 2024. Oliver Buschan, Head of Financial Markets & Regulation, decided to step down from the Executive Board in July 2024. He is succeeded on an interim basis by Jan Weissbrodt, Head of Tax, who thus temporarily becomes a member of the Executive Board.

Member survey

A survey of members was conducted in autumn 2023. It found that they are happy with the work the Association does and appreciate it, but it also highlighted some areas with room for improvement. For example, there were calls for the SBA to raise its profile in French-speaking Switzerland. Geneva plays a key role in the Swiss financial centre. A project led by the SBA and supported by member banks was launched there to identify various measures for increasing the Association's presence. These will be implemented progressively.

Sharper focus at individual office locations

At the same time, the SBA sharpened the focus of its offices in the various locations to further enhance personal contact with members, bank representatives in specialist committees and the media. Specifically, the Basel office remains the SBA's headquarters, primarily housing Operations & Services. Bern, meanwhile, is focused on actively lobbying authorities and politicians, whereas Zurich is home to the Communications and Public Affairs teams as well as various specialists.

New member institutions

The SBA welcomed three new member institutions in the last business year: the Raiffeisen Group, WIR Bank Genossenschaft and BG (Suisse) Private Bank SA.

→ [More on membership](#)

New communication and public affairs strategy signed off

In March 2024, the Board of Directors signed off a new communications and public affairs strategy to better reflect the growing expectations of the various stakeholder groups in political circles, authorities and the general public both at home and abroad and help to raise awareness of the Association and the interests it represents.

Promotional trip to the US

The SBA was accompanied by a delegation of representatives from member banks on a promotional trip to the US in June 2024. The delegation met with various figures from the world of politics and from the authorities to present the Swiss financial centre and its concerns and strengthen dialogue with political opinion leaders in the US even further.

Refurbishment of Basel head office completed

Following the successful sale of the offices on Aeschenplatz in Basel, staff moved into temporary premises in autumn 2023 to make way for the refurbishment. The move to the new offices is scheduled for autumn 2024.

New CRM system introduced

The rollout of a new and comprehensive customer relationship management (CRM) system in spring 2024 after intensive preparations concludes the work on digital process optimisation for the time being. The SBA hopes that the new system will bring major efficiency gains and create scope to offer members more sophisticated services.

Swiss FS-CSC Crisis Coordination Cell

The Swiss Financial Sector Cyber Security Centre (Swiss FS-CSC) was set up in 2022 as a public/private partnership between the financial institutions, their associations and the federal government. In autumn 2023, it achieved a further milestone with the successful inauguration of its Crisis Coordination Cell (CCC), which brings together key financial sector stakeholders including banks and insurers as well as the SNB and the National Cyber Security Centre (NCSC). In the event of a systemic cyber crisis, the CCC is responsible for coordination and communication. First proposed by the advisory board for the future of the Swiss financial centre in 2016, its creation marks a decisive step in strengthening the sector's cyber resilience.

Balance sheet

in CHF

Assets	31.03.2024	31.03.2023
Cash and short-term cash equivalents	18'632'252	33'219'979
Trade accounts receivable	112'713	52'137
Other short-term receivables	1'981'619	1'380'563
Prepaid expenses/accrued income	379'406	423'546
Total current assets	21'105'990	35'076'225
Financial assets	27'484'931	12'781'700
Property, plant and equipment	1	1
Total non-current assets	27'484'932	12'781'701
Total Assets	48'590'922	47'857'926

Liabilities	31.03.2024	31.03.2023
Trade payables	511'286	231'302
Other short-term liabilities	634'731	358'087
Accrued expenses/deferred income	1'745'309	2'468'401
Short-term provisions	938'125	1'150'125
Total short-term liabilities	3'829'451	4'207'915
Provisions and similar items foreseen in the law	33'588'000	32'518'000
Total long-term liabilities	33'588'000	32'518'000
Total liabilities	37'417'451	36'725'915
Association capital	6'961'000	6'961'000
Reserves	4'212'471	4'171'011
Total equity capital	11'173'471	11'132'011
Total Liabilities	48'590'922	47'857'926

Income statement

in CHF

	01.04.23 – 31.03.24	01.04.22 – 31.03.23
Membership fees	19'579'078	19'765'005
Revenue from sale of goods and services	758'510	953'675
Total operating income	20'337'588	20'718'680
Goods and services expenses	-7'075'131	-8'916'335
Personnel expenses	-10'993'574	-11'392'039
Other operating expenses	-2'088'385	-2'080'996
Total operating expenses	-20'157'090	-22'389'370
Operating result	180'498	- 1'670'690
Financial expenses	-54'287	-812'636
Financial income (including unrealised gains)	1'076'428	184'146
Non-operating income	0	0
Extraordinary, non-recurring or prior-period expenses	-2'173'180	-12'099'832
Extraordinary, non-recurring or prior-period income	1'053'514	14'479'342
Direct taxes	-41'513	-38'988
Profit for the year	41'460	41'342

Cash flow statement

in CHF

	01.04.23 – 31.03.24	01.04.22 – 31.03.23
Net profit for the period	41'460	41'342
Price changes in financial investments	-663'430	751'110
Change in current assets	-617'492	93'110
Change in liabilities	-166'464	1'228'652
Change in provisions	858'000	8'892'425
Cash flow from operating activities	-547'926	11'006'639
Investments in non-current assets	-14'039'801	3'670'399
Cash flow from investing activities	-14'039'801	3'670'399
Total cash flow	-14'587'727	14'677'038
Balance of cash at beginning of period	33'219'979	18'542'941
Balance of cash at end of period	18'632'252	33'219'979
Total cash flow	-14'587'727	14'677'038

Notes

Description of the principles used in the preparation of the financial statements

These financial statements of the Swiss Bankers Association (SBA), headquartered in Basel, have been drawn up in accordance with the Swiss law, in particular with the articles in the Code of Obligations relating to commercial accounting and financial reporting (Art. 957 to 961).

In preparing the financial statements, the management is required to provide estimates and assessments that could affect the reported amounts of assets, liabilities, income and expenses for the reporting period. The management decides at its own discretion how to apply the legal scope for valuation and reporting practices. Pursuant to the principle of prudence, depreciation, value adjustments and reserves that exceed the economically necessary level can be created in the interests of the Association.

In principle, tangible fixed assets are valued at acquisition cost less depreciation and value adjustments.

Disclosures, breakdown and explanations of balance sheet and income statement items

in CHF

	31.03.2024	31.03.2023
a) Cash and short-term cash equivalents		
Cash deposits	13'144	8'732
Bank deposits	18'619'108	33'211'247
	18'632'252	33'219'979
b) Financial assets		
Securities at market price	27'280'431	12'577'200
Securities at acquisition cost	204'500	204'500
	27'484'931	12'781'700
c) Property, plant and equipment		
Premises / furniture / IT systems	1	1
Office premises in Basel	0	0
	1	1
d) Provisions (short- and long-term)		
for general risks arising from business operations and to ensure continuity of the Association	34'526'125	33'668'125

Explanations of extraordinary, non-recurring or prior-period items included in the income statement

in CHF

a) Extraordinary, non-recurring or prior-period expenses	01.04.23 – 31.03.24	01.04.22 – 31.03.23
Short-term provisions	380'000	533'125
Long-term provisions	1'530'000	11'178'000
Other	263'180	388'707
	2'173'180	12'099'832

Additional provisions were formed for general risks arising from business activities and to ensure the continued existence of the association.

b) Extraordinary, non-recurring or prior-period income	01.04.23 – 31.03.24	01.04.22 – 31.03.23
Income from sale of condominium property, net of transaction costs	0	11'178'000
Release of provisions	1'052'000	3'018'700
Other	1'515	282'642
	1'053'515	14'479'342

Provisions were released to finance various expenses in 2023 / 24.

Additional information

in CHF

a) Full-time equivalents

The average number of full-time equivalents for the year was over 50 in both the year under review and the previous year.

b) Assets pledged to secure own commitments

The assets pledged (financial investments) as collateral for own liabilities total CHF 745'480 (previous year: CHF 846'000).

c) Fees paid to the auditors	01.04.23 – 31.03.24	01.04.22 – 31.03.23
For audit-related services	22'701	22'617
For other services	24'879	0

Significant events after the balance sheet date

No material events occurred between the balance sheet date and the approval of the financial statements by the Board of Directors on 13.06.2023 that could affect the information contained in the 2023 / 24 financial statements or that would have to be disclosed herein.

Report of the statutory auditor



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To the General Meeting of
Swiss Bankers Association (SwissBanking), Basel

Basle, 16 August 2024

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of Swiss Bankers Association (SwissBanking) (the Association), which comprise the statement of financial position as at 31 March 2024, the statement of income and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Association's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Association in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Executive Committee is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Executive Committee's responsibilities for the financial statements

The Executive Committee is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Association's articles of incorporation, and for such internal control as the Executive Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTSuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 69b CC in conjunction with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Executive Committee.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

EY Andreas Blumer
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

EY Bruno Vomsattel
(Qualified Signature)

Licensed audit expert

Enclosures

- ▶ Financial statements (statement of financial position, statement of income, statement of cash flows, notes)

The Swiss Bankers Association (SBA) is the Swiss financial sector's leading industry organisation. Its main objective is to create the best possible operating conditions for banks in Switzerland. As the umbrella association of Switzerland's banks, the SBA brings together some 270 member institutions from the various bank categories as well as other financial service providers. It represents the financial centre's interests vis-à-vis politicians, authorities and the general public.

Swiss Bankers Association (SBA)

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