

Annual Report 2022 / 2023 Swiss Bankers Association



August 2023



Foreword	5
1 “Trust in the quality of the Swiss financial centre is unbroken”	6
2 A new bridge-builder	10
3 Working together to move the banking centre forward	12
4 The year 2022 / 2023 in figures	20
5 The Swiss Bankers Association: working for the banks	22
6 SBA management report	26
7 Balance sheet	28
8 Income statement	30
9 Cash flow statement	31
10 Notes	32
11 Report of the statutory auditor	36



Marcel Rohner
Chairman



August Benz
Deputy CEO

Foreword

Dear Readers

A financial crisis was narrowly averted recently when an emergency law was passed allowing UBS to take over Credit Suisse. This poses many questions. We at the SBA welcomed the swift and purposeful action taken to ensure the stability of the financial centre and maintain trust. Looking back reveals some questions about the future. Marcel Rohner answers the most pressing ones in the interview that begins on page 6, but it is clear that the question of the lessons learned and the consequences can only be answered after an in-depth, independent analysis of the events, their causes and their effects. The SBA will gladly bring its expertise to bear in aiding this analysis. Safeguarding the integrity, competitiveness, stability and prosperity of the Swiss financial centre always has been and always will be our goal as the umbrella association of banks in Switzerland. We must ensure that any future measures are aligned with and conducive to this goal.

As appropriate as it is to acknowledge this watershed moment for the Swiss financial centre, it is also important to mention key events and progress achieved in our Association's other strategic priority areas. As you can read from page 12 onwards, we were able to move ahead with various forward-looking initiatives in digital finance and sustainable finance as well as training and professional development for bank staff. Unfortunately, we are still waiting for political breakthroughs in terms of international market access and tax issues. These are vital areas in which we continue to face considerable challenges. It goes without saying that this year's Annual Report also contains all the important figures for the last financial year.

Roman Studer became CEO of our Association on 1 August 2023, after the start of the current financial year. We have taken the opportunity to include a brief but personal introduction here (see page 10).

The SBA's success hinges on the trust our members place in us as well as the know-how and dedication of the 700 or so experts from member institutions making up the steering committees, specialist commissions and working groups – not forgetting, of course, the staff who work in our offices. We would like to thank you all most sincerely on behalf of the Board of Directors.

We look forward to benefiting from your continued commitment to a competitive and growing Swiss financial centre and hope you enjoy reading this report.



Marcel Rohner
Chairman



August Benz
Deputy CEO

1 “Trust in the quality of the Swiss financial centre is unbroken”

Is UBS’s takeover of Credit Suisse a watershed moment for the Swiss financial centre or not? Marcel Rohner, Chairman of the Swiss Bankers Association (SBA), offers his opinion.

Following the takeover of Credit Suisse by UBS, many are wondering whether Switzerland even needs big banks any more. Mr Rohner, what do you have to say about that as Chairman of the Swiss Bankers Association?

Marcel Rohner: Global financial institutions provide a wide range of services that are very important to companies that operate globally as well as businesses both large and small. Switzerland is an exporting country, and many multinational corporations have their head offices here. Big banks also provide key services to the rest of the Swiss banking system. The international crises of recent years and the massive upheaval in many areas have quite rightly reminded us about the importance of securing access to essential supplies. I don’t understand why that wouldn’t include banking services. We absolutely have to make sure that regulatory interventions don’t make us dependent on other countries. If Switzerland wants to be an international financial centre, I’m convinced that it needs at least one large, multinational bank.

“The international crises of recent years and the massive upheaval in many areas have quite rightly reminded us about the importance of securing access to essential supplies. I don’t understand why that wouldn’t include banking services.”

Marcel Rohner, Chairman

Is the Swiss economy not too small for the new UBS?

If you’re comparing the size of UBS to that of the Swiss economy, you need to bear in mind that the new, combined UBS is around 40% smaller than UBS was on its own before the financial crisis, whereas Switzerland’s economic output has grown by a quarter over the same period. Another important point is that, without a domestic big bank, internationally oriented Swiss companies and the banks themselves would depend entirely on foreign operators for access to the international capital markets. The same is true as regards the availability of highly qualified staff within Switzerland with the know-how needed by the financial sector as a whole.



Marcel Rohner, Chairman of the Swiss Bankers Association (SBA)

The Swiss Parliament has set up a parliamentary investigation committee. A number of politicians are calling for new regulations to prevent a future banking crisis. Do you agree with them?

First of all, we need a thorough analysis that's allowed to reach its own conclusions. What factors led to Credit Suisse's demise? Where did supervision and regulation work, and where did they fail? We trust the committee to take a systematic and rigorous approach. We also expect that the report by the expert group on banking stability and the postulate report the Federal Council aims to publish next spring will deliver valuable input for the analysis, and we at the SBA will be glad to bring our resources and expertise to bear wherever we can. This will lay the foundations for drawing the right conclusions and learning the right lessons to ensure that regulations are only changed if they need to be or if changing them brings about real improvements.

What do the events of the past year mean for the Swiss financial centre?

Is it still competitive internationally? Is it trustworthy?

UBS's takeover of Credit Suisse has shown how strong the Swiss financial sector is. It was handled swiftly and effectively. The banks, the relevant authorities and the government worked together to arrive at a solution within a matter of days, and that can very much be seen as a success. Indeed, the markets settled down quickly as a result. Trust in the quality of the Swiss financial centre is unbroken. I'd also like to remind you that only one out of about 235 banks in Switzerland had problems. All the others are on a solid footing, and their customers appreciate the high quality of their services. If we put the right frameworks in place, the Swiss financial centre should be able to continue its success story.

«We want to be prepared for what's to come, and our leadership ambitions in sustainable finance, the digital transformation and education are an integral part of that.»

Marcel Rohner, Chairman of the Swiss Bankers Association (SBA)

So you remain confident with regard to the financial centre's growth potential?

Yes. The SBA will make every effort to create the best possible conditions for further growth. This includes safeguarding the financial centre's competitiveness and the intensity of competition. We want to be prepared for what's to come, and our leadership ambitions in sustainable finance, the digital transformation and education are an integral part of that. We're forging ahead with innovative projects in all of these areas. The combination of our tradition as a trusted country with a solid legal basis, low entry barriers and highly trained specialists will allow us to keep growing.

Speaking of highly trained experts, there are reports that banks are finding it increasingly hard to recruit suitable candidates for vacant positions at the moment.

What is causing this problem, and how can banks restore their appeal as employers?

The Swiss job market is generally under enormous pressure to change. Demographic trends are set to accentuate the shortage of specialists over the coming years. This is why we keep stressing the importance of the dual education system for the banks and launching initiatives to strengthen it. This summer, in fact, the Association is conducting a social media campaign aimed specially at young talents to show them the benefits of a banking apprenticeship. The topic of training and professional development will continue to be a strategic priority going forward.



2 A new bridge-builder

Roman Studer became CEO of the Swiss Bankers Association on 1 August 2023. In our first interview with him, he admits that he finds being referred to as a “bridge-builder” flattering but also says that he feels duty-bound – as is everyone involved – to continue meeting the high expectations placed on Swiss Banking as a global mark of quality day after day.

Your Chairman called you a “bridge-builder” when he announced that you had taken up your new position. What characterises you as such and how do you intend to steer the various different groups of banks within the SBA back towards closer cooperation?

Roman Studer: I like the term. It describes one of the Association’s key tasks, namely to find solutions together that consistently take all stakeholders’ concerns into account so that everyone can support them, despite the occasionally wide range of opinions and interests our members represent. This requires a good understanding of the issues and the banks’ various business models as well as soft skills. It’s important to approach a topic with an open mind, listen carefully to what people have to say and sometimes persuade them to accept a compromise.

“I like the term. It describes one of the Association’s key tasks, namely to find solutions together that consistently take all stakeholders’ concerns into account so that everyone can support them.”

Roman Studer, CEO

What does Swiss Banking mean to you? How do you want to contribute to its value proposition?

Switzerland has long stood for quality, stability and tradition in banking, just as it does in other areas, and with good reason in my opinion. The result is a flourishing banking industry that forms a cornerstone of our country’s prosperity – not only through its own direct contribution to value creation, jobs and tax revenues, but also through the excellent support it offers to other sectors of the Swiss economy. If we want it to remain that way, each of us – every client advisor, manager and member of a supervisory body – has to strive to live up to this reputation day in, day out. This of course also applies to the Association, its offices and most of all to me as CEO.



Roman Studer, CEO of the Swiss Bankers Association

We want to play our part in ensuring that the industry continues to benefit from a regulatory framework that protects the core elements Swiss Banking represents – quality, stability and tradition – while also providing scope for innovation and competitiveness. At the same time, we as an Association must continue successfully communicating our views, the work our industry does and the benefits embodied by Swiss Banking for all manner of stakeholders in Switzerland and abroad.

A new CEO means change, which in turn brings with it expectations. What can SBA members and the staff of the offices expect from you?

“You snooze, you lose,” as they say. An association like ours has to keep moving with the times if it wants to stay relevant and successful. A change of leadership is always an opportunity to nudge the necessary changes forward and bring some of the old ways up to date. All members and staff can expect me to show total commitment to ensuring that we seize this opportunity together.

3 Working together to move the banking centre forward

Routine work on the Swiss Bankers Association's priorities throughout 2022 was heavily affected by the sanctions imposed in the wake of Russia's attack on Ukraine and their implementation. Since March 2023, those priorities have also been overshadowed by the fallout from UBS's takeover of Credit Suisse. Notable successes among the defined priorities include the publication of a guide to the revised vocational education (MoU) and training programme in banking, the memorandum of understanding on multibanking for natural persons signed by over 20 banks, and the white paper on the deposit token.

Russia's war of aggression against Ukraine continues to exert a major influence on the work of the SBA and the banks, a year after the conflict broke out. Packages of sanctions continue to be adopted at regular intervals. The SBA supports these and coordinates their implementation in concert with its members. With the war still ongoing and the legalities of issues such as confiscation still unresolved, the topic will continue to dominate going forward.

In mid-March 2023, the takeover of Credit Suisse by UBS shifted the SBA's media and political priorities and the focus of its activities within the financial sector, leading to many questions and creating a lot of work. Analysing the circumstances that led to the critical situation at Credit Suisse and the takeover as well as its implications will preoccupy the financial sector and the SBA for a long time to come and at various levels.

Independently of these exceptional events, in December 2022 the Board of Directors defined eight strategic priority areas for the SBA's routine activities (see table). Especially significant progress and successes were achieved in the areas of training, open finance, digital currencies and taxation. Further efforts are required to achieve the defined targets in market access, sustainable finance, financial market regulation and legislation.

Swiss Bankers Association priorities 2022



Training

- Lifelong learning
- New ways of working and future skills



Sustainable Finance

- Self-regulation to address greenwashing
- Environment-related financial risks



Digital Finance

- Open Finance



Taxation

- OECD minimum tax rate ("GloBE")



Financial market infrastructure

- Digital currencies



Financial market regulation

- Basel III Final



Market access

- Practicable approaches to market access at the EU level
- Bilateral market access solutions



Legislation

- Sanctions

Training: securing the future of the banking apprenticeship

Commercial apprenticeships in banking are still highly popular. To ensure this remains the case, a range of activities were launched to promote the apprenticeship, and a framework was established for lifelong learning, new ways of working, and future skills. The programmes that are set to begin in summer 2023 mark the end of a multi-year project to prepare and implement the reform of vocational education and training (VET) in commerce. A number of other foundation documents on this subject have been drafted and published over recent months.

The [guide to the revised vocational education and training programme in banking](#) (in German, French and Italian) outlines the essentials of the federal VET diploma at a bank, thus facilitating the daily work of those with responsibility for trainees. One important component was finalising the new qualification procedure. Those with responsibility for trainees at member institutions were supplied with a complementary set of [guidelines](#) to assist with this. In addition to VET programmes in commerce, careers in IT such as computer scientist and media and technology specialist are very much in demand and are undergoing targeted development.



Digital finance: open interfaces to enable new services

The SBA and its member institutions see great opportunities for the Swiss financial centre in the opening up of interfaces as well as cooperation between banks and with third-party providers in open banking / open finance.

In May 2023, a key milestone was reached with the drafting of a [memorandum of understanding](#) (MoU) on multibanking for natural persons. Now signed by over 20 banks, its goal is the coordinated introduction of initial multibanking offerings by 2025. In the implementation phase that now begins, the participating banks will define the next steps themselves along with their respective implementation partners. The SBA continues to coordinate communication and contact with the authorities and politicians, and assists its members in resolving outstanding legal issues where needed.

Financial market infrastructure: using new technologies to strengthen future competitiveness and innovative power

In March 2023 the SBA published its white paper [“The Deposit Token – New money for digital Switzerland”](#), in which it outlines various ways of issuing a “tokenised” deposit on the blockchain. The publication of the white paper was the outcome of intensive work on technical and legal considerations by a group of bank specialists and external experts. The second phase of the project has now begun, with a coalition of 12 banks jointly defining the properties of the deposit token and how it will work, thereby helping to create a robust framework for it to operate. The aim is to enable every participating bank to tokenise deposits while at the same time ensuring that the existing legal requirements can be complied with, along with any new ones that may be implemented subsequently. Issuance of a digital Swiss franc by regulated banks would be a transformative step and could make a major contribution to the future competitiveness and innovative power of not only the Swiss financial centre but also the Swiss economy as a whole.

Market access: practicable solutions through bilateral approaches

As an exporting industry, the banking sector needs open markets. Addressing the lack of active avenues of access to the European Union (EU) market remains a priority for the Swiss financial centre. The bilateral approaches with Germany, Italy and the UK should also be pursued. The SBA welcomes the adoption of the parameters for a negotiating mandate with the EU at the end of June 2023, which clear the path for bilateral relations to be further developed in a way that also benefits the financial centre; however, it also expects the banks’ concerns to be taken into account. For this reason, the Swiss banks put forward the concept of the institution-specific approach.

With a view to the EU's proposed Banking Package, the European Parliament, Council and Commission reached a political agreement at the end of June 2023. From the Swiss perspective, the proposed compromise involving a requirement for banks from third countries to establish branches is to be welcomed. The details are still being worked out in technical discussions between the three EU parties. How this will impact the simplified standard exemption procedure for Swiss banks in Germany which has operated successfully since 2013 remains to be seen, but it should not threaten the existence of the exemption model.

Switzerland continues to negotiate with the UK on the content of the mutual recognition agreement. The plan is to complete this process by the end of summer 2023. The SBA is lobbying intensively to ensure that the banks' concerns are taken into account in all negotiations, with a view to improving market access in this area.

Sustainable finance: principles-based self-regulation to prevent greenwashing

The Swiss financial centre aims to use market-driven frameworks and relevant, principles-based self-regulation to pursue its ambition of becoming the leading international hub for sustainable finance. In June 2022, the SBA introduced two self-regulations to implement the sustainable finance action plan launched in spring that year. They set out how sustainability is to be integrated into investment advice, portfolio management and mortgage advice. The [self-regulation on investment advice and portfolio management](#) stipulates that clients must be asked about their ESG (Environmental, Social, Governance) preferences, the products and services offered must be aligned with those preferences, and the corresponding information must be made available. The [self-regulation for mortgage providers](#) states that the client consultation should include a discussion of the long-term value retention – and thus also the energy efficiency – of the building being financed. The self-regulations are binding for SBA members. Non-members can sign up to them voluntarily. Both self-regulations came into force on 1 January 2023, with various transition periods applying.

In addition to the self-regulations, the SBA's action plan contains a recommendation that its members sign up to sustainability initiatives such as the Net-Zero Banking Alliance (NZBA). The SBA itself has been a supporting institution of the NZBA since 12 April 2022. The SBA regards net-zero initiatives as effective instruments for achieving the climate goals set for the year 2050. As the [study by PwC Switzerland](#) commissioned by the SBA, the Asset Management Association Switzerland, the Swiss Insurance Association and Swiss Sustainable Finance has shown, banks' commitment to net-zero alliances had already reached an encouragingly high level by August 2022. At the time of the analysis, around 62% of SBA members' aggregate total assets were committed to the aims of the NZBA.

Swiss legislators are currently considering further regulations on sustainable finance in two areas.

- **Firstly**, at the end of 2022 the Federal Council published a report on the areas for action for a leading sustainable financial centre 2022–2025, along with a document setting out its position regarding the prevention of greenwashing in the financial sector, which envisages further regulations. The SBA is convinced that the self-regulation on investment advice and portfolio management mentioned above already addresses key points in relation to greenwashing prevention, and could be developed further as needed.
- **Secondly**, FINMA is planning a new circular on environment-related financial risks. This cross-sector document will be aimed at banks, securities firms and insurers in all supervisory categories (applying the proportionality principle), and will set out in detail the supervisory authority's expectations in terms of governance and risk management. The SBA will detail the banking sector's concerns in a response to the consultation. An initial hearing took place in May 2023. The consultation is scheduled for the first quarter of 2024. The circular will not enter into force before 2025.

Taxation: promoting Switzerland through self-confidence and entrepreneurship

Switzerland is ready on time for the biggest reform of international corporate taxation in 100 years, and its banks have played their part. From 1 January 2024, multinational enterprises are to be taxed at the same minimum rate worldwide. On 18 June 2023, the Swiss electorate voted by a large majority in favour of the proposal already adopted by Parliament, paving the way for the minimum tax rate to be introduced on time in Switzerland. The SBA supports the minimum tax rate, and has been actively involved in advancing and shaping the challenging activities of the National Working Group. Within the context of the overarching collaboration, the SBA has been able to position itself as an experienced and inclusive advocate for Switzerland's attractiveness as a business location over the long term.

With the same goal in mind, the SBA also campaigned in summer 2022 for a reform of the system of withholding tax that has been in place for some 80 years. Designed to promote prosperity and bring the tax up to date, the proposal was, however, narrowly rejected in a vote on 25 September 2022. The continuing logjam in tax reform in Switzerland motivates the SBA to continue working with energy, entrepreneurship and self-confidence in favour of prosperity and jobs in the country.

Financial market regulation: campaigning vigorously against distortions of competition in the mortgage market

Basel III Final is the last package of reforms making up the regulatory response to the financial crisis of 2007 and 2008. It primarily affects banks' capital requirements and is to be implemented in Switzerland in the Federal Council's Capital Adequacy Ordinance as well as various FINMA ordinances. The SBA has followed the implementation process closely, and published [position papers](#) along with a detailed [response to the SIF and FINMA](#) in autumn 2022. Looking ahead to its planned implementation at the start of 2025, the SBA is focusing on securing recognition for its priority concerns, in particular regarding synchronisation with relevant comparable financial centres. Specifically, the aim is to avoid substantial and unjustified distortion of competition in the [real estate and mortgage market](#) to the detriment of banks and their customers.

Legal framework: contributing to effective implementation through dialogue

Numerous jurisdictions around the world, including the EU, US and UK, responded to Russia's attack on Ukraine in February 2022 by enacting financial measures. Switzerland has also adopted most of the sanctions imposed by the EU on Russia and Belarus. Despite Swiss banks' extensive experience and expertise in sanctions compliance, the sanctions imposed by SECO on Russia and Belarus have thrown up numerous policy issues, difficulties and ambiguities, for example regarding how Switzerland sees its role in the international context, as well as issues of interpretation, responsibility and procedures. The regular exchange between SECO and the SBA since the beginning of the conflict has made a major contribution to resolving these issues and ensuring effective implementation of the sanctions by the sector. That exchange continues to take place.





11'771

Mentions of the SBA in print and online media

34

Webinars and seminars

377 

Media enquiries received

3'500


Webinar and seminar participants

67

Press releases, news, opinion articles and podcasts on www.swissbanking.ch

18

Circulars (tax and regulation monitoring)

 22'487

Newsletter subscriptions (as at 30 June 2023)

523'394 

Clicks on www.swissbanking.ch

40

Events held

ca. 1'300

Final exams for banking apprenticeships



22

Publications (studies, guidance,
position papers and consultation responses)

700

Specialists in SBA steering committees,
commissions and working groups

246

Social media posts per channel

8'766

Followers on Twitter (as at 30 June 2023)



16'781

Followers on LinkedIn (as at 30 June 2023)

265

Member institutions
(as at 31 March 2023)

11'755

Individual members (as at 31 March 2023)

5 The SBA – working for the banks

Alongside its political priorities, the SBA is active across the entire spectrum of the banking business, and also promotes training to maintain and enhance the sector's attractiveness going forward. This section offers an overview of the other key relevant developments.

Digital finance, innovation and cyber security

Swiss Financial Sector Cyber Security Centre (Swiss FS-CSC)

Cyber incidents that damage the reputation of the Swiss financial sector or have the potential to cause a severe financial crisis are an ever-increasing threat. It is therefore essential to create structures that enable cost-efficient implementation of preventive measures, reduce the crisis risk, and help to resolve problems and limit damage quickly. [The Swiss Financial Sector Cyber Security Centre \(Swiss FS-CSC\)](#) is an important platform for these activities. The FS-CSC was founded on 5 April 2022 in Zurich and now has 132 members, among them banks, insurers and industry associations. In September 2022, it entered into a partnership with the Financial Services Information Sharing and Analysis Center (FS-ISAC), creating a service structure and giving its members access to a wide range of services designed to further enhance cyber security within the financial centre. The FS-CSC's President is August Benz, Deputy CEO of the Swiss Bankers Association (SBA). Membership is open to all banks, insurers, financial market infrastructures and financial associations that are based in Switzerland and authorised by FINMA.

Preliminary draft of the Federal Act on electronic proof of identity and other electronic credentials (e-ID)

The consultation on the preliminary draft of the new e-ID Act took place from summer to autumn 2022. The banking sector very much welcomes the creation of an e-ID with the comprehensive state trust infrastructure envisaged. Both public- and private-sector players are to be permitted to use and, in some cases, issue the e-ID. From the SBA's perspective, it is important that the legal basis be implemented in practice quickly and pragmatically so that Switzerland does not fall further behind in this area. The SBA set out the [matters of concern to the banking sector](#) during the consultation.

Taxation

OECD reporting regime for crypto assets

In autumn 2023, Switzerland will exchange comprehensive financial information on several million customer relationships as part of an automatic exchange of information (AEOI). This will be the fifth time it has done so, in an operation now involving over 100 countries. In June 2023, the OECD also declared the Crypto Asset Reporting Framework (CARF) – a form of AEOI for crypto assets – to be a binding standard. The SBA has been **actively involved** in ensuring that this regime also reflects the banks' business models in the area of virtual assets. It will continue to do so in the ongoing Swiss legislative process before CARF comes into force in Switzerland, which is expected to happen in January 2026.

Regulation & compliance

COVID-19 credits

The Federal Council adjusted the interest rates on COVID-19 credits at the end of March 2023, following a hearing with the SBA. Along with the seven biggest COVID-19 lenders (the “G7 banks”), the SBA set out to the Federal Department of Finance what it believes to be the relevant considerations and conclusions. In particular, it stressed that in the context of the benchmark interest rate rises, the Federal Council must also factor incentives to restore the tax base, potential market distortions and the banks' refinancing costs into its deliberations.

Amendments to the Banking Ordinance

On 23 November 2022, the Federal Council decided to bring the amendments to the Banking Act (BankA) and Banking Ordinance (BankO) into force with effect from 1 January 2023 (with various transition periods). The amendments concern insolvency, deposit insurance, segregation and resolvability. The SBA has seen its **central concerns** incorporated into both the Act and the Ordinance. In particular, it has succeeded in operationalising the cost neutrality it had called for in the Act, with the new 50% advance financing of the deposit insurance scheme, and creating an additional prefinancing solution via the Swiss National Bank (SNB) for banks in all supervisory categories. This ensures that banks are not punished for improving deposit insurance in terms of capital and liquidity.

New FINMA Circular 2023/1 “Operational risks and resilience – banks”

The SBA successfully argued its case in a preliminary consultation on the new FINMA Circular **“Operational risks and resilience – banks” (2023/1)**, and in a subsequent **response dated 29 June 2022** it called for principles-based, technology-neutral and proportional implementation. The final circular will come into force at the start of 2024, at which point the SBA's Recommendations for Business Continuity Management (BCM) will cease to apply.

Economic policy & research

Banking Barometer 2023

The Banking Barometer 2023 shows that in 2022, the sector achieved solid results overall in what was a challenging year marked by great geopolitical uncertainty, rising inflation and a clear return to a more restrictive monetary policy. This led to significant price corrections and a decline in assets under management; but the interest rate turnaround also opened up new revenue opportunities for banks in their interest operations.

SBA survey of economic trends at the banks

In May 2023, the SBA conducted its first survey of chief economists and chief investment officers from member institutions, in which they were polled on a wide range of sector indicators. Overall, the experts' view is that the sector is well prepared for the challenges it currently faces. The survey results will be published in the Banking Barometer 2023.

BAK Impact Study

The financial sector is a mainstay of the Swiss economy. In 2021, it accounted for 5.5% of jobs in the overall economy, but generated 9.4% of Swiss GDP and 9.7% of tax revenues. These figures are drawn from the annual [BAK study](#) commissioned by the Bankers Association and the Swiss Insurance Association.

Swiss Banking Trends

In its online publication [Swiss Banking Trends](#), which is updated on an ongoing basis, the SBA provides an overview of the latest developments in Swiss banking's various areas of business.

SBA-commissioned study on savings interest rates

Now that the phase of negative interest rates is over, savers are once again earning interest on their deposits, but there is a widespread feeling that the rates are too low. The [study by the consultancy firm Orbit36](#), which was commissioned by the SBA in March 2023, explains why interest rates on savings are not rising as fast as the interest rates on new mortgages or the SNB policy rate, but rather at the same pace as the interest rate on the lending portfolio as a whole, which is increasing only gradually. Every time the SNB has raised its rate further, many banks have put up their savings interest rates again – a clear indication that competition is working.

Training

Swiss Banking Academy successfully launched

The SNB launched the [Swiss Banking Academy](#) at the end of January 2023. It offers a wide range of webinars and specialist seminars on fundamental and current banking topics and is aimed at experts, managers, client advisors and other interested parties in the financial sector. The various formats are based on sharing experiences and are strongly geared to being useful in practice. The Swiss Banking Academy is available to all staff of banks in Switzerland and the Swiss financial centre in general. In its first five months, its programme included 13 webinars and three in-person seminars which were attended by around 1,800 participants. The enthusiastic response of those attending confirms the high quality of the specialist information provided and the judicious choice of topics.

SAQ certification for client advisors

The Swiss Bankers Association continues to recommend that its members have their client advisors certified under the SAQ standard. A common standard for high-quality advisory services is of central importance to the banking sector.

6 SBA management report

General business performance

The Swiss Bankers Association (SBA) is a non-profit organisation financed predominantly through membership fees. At the end of the financial year, it had 265 member institutions with around 11'755 individual members, an increase of five institutions compared with the previous year. A total of eight institutions joined during the period, while three left as a result of mergers, takeovers or liquidations.

Averaged over the entire financial year, the Association employed just over 50 full-time equivalents, which is in line with prior years.

Outcome of risk assessment

No new factors were identified during the risk assessment that was conducted. It resulted in only minor formal adjustments that were adopted by the Audit Committee on 23 May 2023. The assessment by the SBA based on the information currently available is that there are no material individual risks that could pose an existential threat to the Association at present or in the foreseeable future. The Association also found that the sum of the individual risks does not threaten its existence.

Research and development activities

The SBA lays the groundwork for numerous issues that are relevant to the industry and are of great importance for the financial centre. It thereby contributes to the further development of the Swiss financial centre, with the objective of increasing its competitiveness and future viability.

Extraordinary events

Since mid-March 2023, the primary focus of the SBA's activities in the media and political arenas as well as internally has been on the takeover of Credit Suisse by UBS. This has overshadowed other developments, and many specialist areas have been heavily involved in dealing with the issue.

With the ending of the special situation provided for in the COVID-19 Ordinance by the federal government on 1 April 2022, and the concomitant lifting of virtually all coronavirus measures, employees began to return to their offices. The SBA has no strict rules on where its staff work, which means that the option of hybrid working can be seen as at least one positive outcome of the pandemic. After almost two years of shifting everything online, the SBA was once again able to stage its many events in physical form, a fact that was especially welcomed at Bankers Day on 15 September 2022 in Neuchâtel.

In autumn 2022, the threat of shortages triggered a range of internal measures to conserve electricity. The SBA had already organised an internal ideas competition, as a result of which various initiatives had been launched to promote greater sustainability in the offices.

Russia's war of aggression against Ukraine continued to have a major impact on the activities of the SBA and the banks during the year. The SBA is helping the banks to implement the sanctions and resolve any issues relating to them, and is active both in the political arena and in public relations to ensure that the situation is presented appropriately.

At the end of 2022, the SBA's CEO Jörg Gasser decided to pursue a new career direction. He left the SBA in the first quarter of 2023. Over his four-year term as CEO, Jörg Gasser was instrumental in shaping the framework within which the financial centre operates. With his clear focus on key forward-looking topics such as sustainable finance and digital finance, he made a substantial contribution to the financial centre's competitiveness and innovative power. Thanks to his outstanding network of contacts in the federal capital of Bern, the SBA has further strengthened its cooperation with the authorities, politicians and NGOs.

Following Jörg Gasser's departure, August Benz, the SBA's deputy CEO, took over as acting manager of the offices, thus ensuring full operational continuity. The Nomination Committee headed by SBA Chairman Marcel Rohner was tasked with finding a suitable replacement. On 1 August 2023, the Board of Directors unanimously appointed Roman Studer to the post of CEO of the SBA. Roman Studer has an in-depth knowledge of the financial industry and many years' experience as a senior manager in the banking world. He is also a lecturer on economic policy and the financial markets at the University of St. Gallen.

Outlook

As part of the Basel location project, the offices on Aeschenplatz were successfully sold in 2022. In accordance with a policy decision by the Board of Directors, the proceeds were transferred to a project fund or campaign fund for the SBA's strategic objectives. The office premises that are to be leased back from their new owner Bâloise will be concentrated in the head end of the building and modernised, and the SBA began the process of obtaining construction permits for this purpose. Refurbishment work starts in autumn 2023.

A number of milestones were achieved during the year in the digital transformation of the SBA's offices. These included the completed launch of the new member portal at the end of 2022. In the current year, further projects in clearly defined action areas are being implemented to make the offices even more effective and efficient in terms of organisational structure, processes, corporate culture and employee skills.

Basel, 17 August 2023



August Benz
Deputy CEO



Melanie Knijff
Head of Operations

7 Balance sheet

in CHF

Assets	31.03.2023	31.03.2022
Cash and short-term cash equivalents	33'219'979	18'542'941
Trade accounts receivable	52'137	178'454
Other short-term receivables	1'380'563	1'516'980
Prepaid expenses/accrued income	423'546	253'921
Total current assets	35'076'225	20'492'296
Financial assets	12'781'700	13'503'210
Property, plant and equipment	1	3'700'001
Total non-current assets	12'781'701	17'203'211
Total Assets	47'857'926	37'695'507

Liabilities	31.03.2023	31.03.2022
Trade payables	231'302	444'160
Other short-term liabilities	358'087	271'845
Accrued expenses/deferred income	2'468'401	1'113'133
Short-term provisions	1'150'125	995'700
Total short-term liabilities	4'207'915	2'824'838
Provisions and similar items foreseen in the law	32'518'000	23'780'000
Total long-term liabilities	32'518'000	23'780'000
Total liabilities	36'725'915	26'604'838
Association capital	6'961'000	6'961'000
Reserves	4'171'011	4'129'669
Total equity capital	11'132'011	11'090'669
Total Liabilities	47'857'926	37'695'507

8 Income statement

in CHF

	01.04.22 – 31.03.23	01.04.21 – 31.03.22
Membership fees	19'765'005	18'135'075
Revenue from sale of goods and services	953'675	1'023'482
Total operating income	20'718'680	19'158'557
Goods and services expenses	-8'916'335	-7'107'520
Personnel expenses	-11'392'039	-11'662'175
Other operating expenses	-2'080'996	-2'052'326
Total operating expenses	-22'389'370	-20'822'021
Operating result	-1'670'690	-1'663'464
Financial expenses	-812'636	-355'255
Financial income (including unrealised gains)	184'146	208'749
Non-operating income	0	32'016
Extraordinary, non-recurring or prior-period expenses	-12'099'832	-976'992
Extraordinary, non-recurring or prior-period income	14'479'342	2'825'908
Direct taxes	-38'988	-43'433
Profit for the year	41'342	27'529

9 Cash flow statement

in CHF

	01.04.22 – 31.03.23	01.04.21 – 31.03.22
Net profit for the period	41'342	27'529
Price changes in financial investments	751'110	273'924
Change in current assets	93'110	-1'138'866
Change in liabilities	1'228'652	65'559
Change in provisions	8'892'425	-2'358'300
Cash flow from operating activities	11'006'639	-3'130'154
Investments in non-current assets	3'670'399	-47'760
Cash flow from investing activities	3'670'399	-47'760
Total cash flow	14'677'038	-3'177'914
Balance of cash at beginning of period	18'542'941	21'720'855
Balance of cash at end of period	33'219'979	18'542'941
Total cash flow	14'677'038	-3'177'914

10 Notes

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

These financial statements of the Swiss Bankers Association, 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

	31.03.2023	31.03.2022
a) Cash and short-term cash equivalents		
Cash deposits	8'732	7'112
Bank deposits	33'211'247	18'535'829
	33'219'979	18'542'941
b) Financial assets		
Securities at market price	12'577'200	13'298'710
Securities at acquisition cost	204'500	204'500
	12'781'700	13'503'210
c) Property, plant and equipment		
Premises / furniture / IT systems	1	1
Office premises in Basel	0	3'700'000
	1	3'700'001
d) Provisions (short- and long-term)		
for general risks arising from business operations and to ensure continuity of the Association	33'668'125	24'775'700

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

in CHF

a) Extraordinary, non-recurring or prior-period expenses	01.04.22 – 31.03.23	01.04.21 – 31.03.22
Short-term provisions	533'125	466'700
Long-term provisions	11'178'000	0
Other	388'707	510'292
	12'099'832	976'992

Additional provisions were created for general risks arising from business activities as well as for ensuring the Association's continuity.

b) Extraordinary, non-recurring or prior-period income	01.04.22 – 31.03.23	01.04.21 – 31.03.22
Income from sale of condominium property, net of transaction costs	11'178'000	0
Release of provisions	3'018'700	2'825'000
Other	282'642	908
	3'301'342	2'825'908

Provisions were released to finance various expenses in 2022 / 23.

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 846,000 (previous year: CHF 846'000).

c) Fees paid to the auditors	01.04.22 – 31.03.23	01.04.21 – 31.03.22
For audit-related services	22'617	22'617
For other services	0	13'129

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 14.06.2023 that could affect the information contained in the 2022 / 23 financial statements or that would have to be disclosed herein.

11 Report of the statutory auditor



Ernst & Young Ltd
Aeschengraben 27
P.O. Box
CH-4002 Basle

Phone: +41 58 286 86 86
Fax: +41 58 286 30 04
www.ey.com/ch

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

Basel, 18 August 2023

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of Swiss Bankers Association (Swiss Banking) (the Association), which comprise the statement of financial position as of 31 March 2023 and 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 Board of Directors 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.



Board of Director's responsibilities for the financial statements

The Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors.

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

Ernst & Young Ltd



Andreas Blumer
(Qualified
Signature)

Licensed audit expert
(Auditor in charge)



Bruno Vomsattel
(Qualified
Signature)

Licensed audit expert



Swiss Bankers Association (SBA)

Aeschenplatz 7

P.O. Box 4182

CH-4002 Basel

office@sba.ch

www.swissbanking.ch

