

## Bankers Day 2019 - Networking with a vision

Basel, September 12, 2019 – This year's Bankers Day is being held under the motto "Networking with a vision". In the view of the Swiss Bankers Association (SBA), a forward-looking approach and results-oriented collaboration are essential for the success of Switzerland as an open economy, for the success of our financial centre and for the Bankers Association as the key point of contact for the government and the authorities.

### Networking with a vision means finding joint solutions

Herbert J. Scheidt, Chairman of the SBA, says: "In a joint dialogue with the authorities and the government, we want to find convincing solutions and in doing so, shape the future of our financial centre." The Bankers Association once again worked according to this principle last year, and did so successfully: in an intensive dialogue with the authorities, the SBA took targeted measures to further stabilise the real estate market. The amended selfregulation in the area of residential investment properties is an effective contribution to the continued stability of the financial centre. When drafting the cloud guidelines, the Bankers Association also brought the relevant stakeholders from the sector and the authorities to the same table. With these guidelines, the SBA is providing concrete recommendations for action to ensure that the sector can develop and utilise new technologies to its advantage.

### Securing and broadening financial market stability

Switzerland is a haven of stability even in times of global change and uncertainty. This position must be secured, and in light of global developments, should be protected and expanded even further. Focus must be sharpened in terms of what makes a financial centre secure and stable both today and in the future, and which stakeholders should make which contribution to this. Herbert J. Scheidt says: "We would also like to raise the question of how the authorities' and the public's understanding of stability, and how the National Bank carries out its stability mandate, need to be adapted. The banks have massively increased their liquidity and capital buffers since the financial crisis and therefore contributed to security and stability. However, new systemic risks have emerged, meaning that a sole focus on banks is no longer in line with the times."

Comprehensive defence measures that protect against cyber risks are required. The threat posed by cyber criminality goes far beyond the borders of the individual banks. Cyber attacks occur unexpectedly, trigger network effects and can therefore potentially have a systemic impact. The sector has recognised the relevance thereof and has initiated many

corresponding measures. Comprehensive defence measures also require new forms of collaboration between banks and the authorities. This includes the National Bank recognising cyber criminality as part of its stability mandate.

New stakeholders with financial clout that operate in the banking environment must not put the stability of the financial centre at risk. Digitalisation opens many opportunities for banks. However, focus should also be placed on the risks that could arise through new stakeholders with new digital business models that have financial clout and use new technologies. A forward-looking stability mandate must include the assessment of such stakeholders.

The persistent negative interest rate regime puts Switzerland at a disadvantage in terms of the international competition. The Swiss banks pay over CHF 2 bn in negative interest rates annually. This corresponds to around 5 percent of their gross interest revenues and results in a significant competitive disadvantage in international comparison. The banks in the US and the eurozone, in contrast, are being subsidised or receive interest income on their deposits at the central bank. In the US alone, it is estimated that the banks will this year receive USD 30 bn in risk-free interest income from the FED.

The negative interest rates are causing massive structural damage to the Swiss economy and disadvantages for the country's citizens. They result in bubbles and damage the competitiveness of the Swiss economy long term because they keep unprofitable companies alive artificially. Negative interest rates also put the pensions of Swiss citizens at risk. A further lowering of interest rates would further exacerbate this issue. The longer negative interest rates remain in place and the greater the structural damage for Switzerland, the more urgent it becomes to ask from which point onwards countermeasures must be taken against negative interest rates.

## **Switzerland as a hub for sustainable finance**

Sustainable investments increased last year by 83 percent and reached a record high of CHF 717 bn (Swiss Sustainable Finance market study). The share of sustainable investments in Switzerland is clearly above the international average. Jörg Gasser, CEO of the SBA says: "We want to position Switzerland as a leading hub for sustainable finance. Switzerland has enormous potential and expertise in this area. We must create attractive framework conditions so that the financial centre and Switzerland can take advantage of this potential."

To further promote sustainable investments, proper incentives and competitive framework conditions are required. Investment restrictions for occupational pension funds and fiscal hurdles are to be eliminated. The focus in this area is on abolishing stamp duty and reforming the withholding tax. In addition to this, the banks require improved market access for exporting their services and expertise.

The banks can make an important contribution to this by systematically incorporating sustainability into their advisory processes. "The Bankers Association is very active in this area. In the first half of next year, we plan to publish corresponding guidelines for our members", says Jörg Gasser.

## **Election of the Board of Directors**

The Board of Directors will be elected at this year's Annual General Meeting as part of the elections for the term of office from 2019 until 2022. In addition to confirmation of the existing Board members, three new members will be put forward for election: Alexander Classen, CEO and Country Manager Switzerland, HSBC Private Bank (Suisse) SA, Genève, Guy

Lachappelle, Chairman of the Board of Directors, Raiffeisen Schweiz Genossenschaft, St. Gallen, and Philipp Rickenbacher, Chief Executive Officer, Julius Baer Group Ltd. and Bank Julius Baer & Co. Ltd.

## Swiss Bankers Day

Bankers Day is the Annual General Meeting of the SBA and is one of the highlights of the Swiss banking year. In addition to a speech by Herbert J. Scheidt, Chairman of the SBA, Federal Councillor Alain Berset, Head of the Federal Department of Home Affairs (FDHA), will deliver a welcome address in the name of the Federal Council. Political strategist Parag Khanna will speak about the geopolitical importance of infrastructure in the 21st century. State Secretary Daniela Stoffel (SIF), Annika Falkengren (Lombard Odier), Professor Jan-Egbert Sturm (KOF / ETH), Ambassador Martin Dahinden (EDA) and Jörg Gasser (SBA) will discuss the importance of global interconnectedness for Swiss banking. In her presentation, publicist Miriam Meckel will explore the interplay between humans and technology. In addition to this, the 2019 banking apprenticeship graduates with the highest grades will be recognised at Bankers Day for their achievement. The focus of Bankers Day is the dialogue between representatives from the world of banking, government and industry. Around 500 guests are expected to attend.

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## Press and media inquiries

Our team is happy to respond to any media inquiries.

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