

Handover to the new Chairman of the SBA: achievements, challenges, priorities for the future

Basel, September 15, 2016 – The financial centre is stable and well-positioned. It is actively tapping new areas of business, for example asset management or the renminbi-business, and is addressing the challenges posed by digitalisation. In order to continue carrying out its role as the engine of the economy, the financial centre requires the best possible framework conditions. The government and the authorities are fundamental in establishing these. Improved market access in the EU is also of great importance for the financial centre, which has traditionally had a very strong international focus.

Patrick Odier will today hand over the chairmanship to his successor Herbert J. Scheidt at the Annual General Meeting of the Swiss Bankers Association (SBA). The new Chairman is assuming his role in challenging times, but can be certain that a solid foundation is in place: the banks are fulfilling their role as the engine of the Swiss economy, they offer attractive apprenticeship training and jobs, and generate approx. 6 percent of value creation in Switzerland. The Swiss financial centre continues to be the undisputed Number 1 global leader in cross-border wealth management.

A paradigm shift and new areas of business

During Patrick Odier's tenure, a paradigm shift to the automatic exchange of information took place in the Swiss financial centre; a transformation that has not, as initially feared, resulted in outflows of customer assets. Switzerland's reputation as a secure financial centre is intact, which is reflected in the continued development of assets under management over many years. In his farewell address, Patrick Odier made it clear that he is proud of the Swiss financial centre and of how the paradigm shift in the field of tax conformity was successfully completed: "In the span of seven years, we have passed from the "taboo" of challenging the concept of bank-client confidentiality in tax matters in any way, to the natural implementation of the automatic exchange of information and the acceptance of the premise of tax compliance as evidence thereof." Odier also highlighted that the Swiss financial centre, at all times despite numerous challenges, played its role: "By granting credit to businesses, in particular SMEs, and private individuals, the banking sector never failed in its core role of financing the economy." In addition to asset management, it has been possible to establish further areas of business and the Swiss financial centre has been successfully positioned in terms of international competitiveness: Switzerland has become a renminbi hub; according to the most recent studies, its asset management is leading in Europe; and the banks have enough capacity for innovation and financial strength to actively contribute to the development of the sector's digital transformation.

Looking at the big picture instead of individual interests

The most recent key figures for the financial centre, however, are also showing warning signs. Swiss banks are creating more jobs abroad than they are at home, the number of banks in Switzerland is steadily decreasing (especially the number of foreign banks), assets under management decreased slightly last year due to the strong franc, and the economic situation in key foreign markets is extremely challenging. In this environment, the banks must work to improve their future viability and ability to remain competitive. In order to do so, they require the best possible framework conditions. The government and the authorities must make a significant contribution to the development thereof. "A rational, big picture view is fundamental for the future of the financial centre. Individual and self-serving interests must not be allowed to restrict the well-being of the financial centre and the economy. The government and parliament must support this", says Claude-Alain Margelisch, CEO of the SBA. In terms of pending political business, this means that there must be no procrastination with regard to important upcoming consultations such as for FinSA/FinIA, and that banks must not be at risk of becoming the extended arm of the tax authorities as a result of the Matter Initiative or the counterproposal.

Market access and better regulation

Arguably the most pressing dossiers are better regulation and access to key foreign markets. "The financial centre has a long international tradition and must also be able to grow abroad. The banks require market access in order to do so. The most important aspect here is the relationship between Switzerland and the EU, which must urgently be improved and stabilised", says Claude-Alain Margelisch. Switzerland continues to lose appeal as a location due to rising and more cost-intensive regulatory standards. If it wants to avoid falling behind in the international competition between locations, it must address the issue of rising regulatory costs. With the "Strategy for good regulatory policy", the SBA is bringing to this discussion a well-elaborated proposal for solution that incorporates a process for reaching improvements across all levels of regulation. In particular, this includes an independent regulatory inspection authority and a price tag for regulation. The SBA is pleased to note that government has also recognised the need for action in this area. The SBA now hopes there will soon be a draft legislation that reflects these considerations.

Repositioning of the Association, a new Chairman and new members of the Board of Directors

The SBA's Board of Directors and Executive Board last year oversaw a reorganisation of the Association and established new, more business-oriented areas of focus. This has contributed to improved efficiency, clear responsibilities and a more business-oriented approach within the Association. Herbert J. Scheidt will assume his role as Chairman of the Board of Directors of the SBA effective 16 September 2016. Herbert J. Scheidt has been Chairman of the Board of Directors of Vontobel Holding AG since 2011. From 2002 until 2011 he served as CEO of Bank Vontobel. Patrick Odier, the outgoing Chairman of the SBA, says: "I am very thankful that with Herbert J. Scheidt, a new Chairman has been elected who has a very extensive track record as a banker. I am convinced that Herbert J. Scheidt will lead the Association into the future both successfully and cohesively."

Two additional new board members will also be put forward for election at this year's Annual General Meeting: Marco J. Netzer, Chairman of the Board of Directors of Banque Cramer & Cie SA, and Dr Heinrich Henckel, CEO of LGT Bank (Switzerland) 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 the speech by Patrick Odier, Chairman of the SBA, Federal Councillor Ueli Maurer, Head of the Federal Department of Finance, FDF, will deliver a welcome address in the name of the Federal Council. The focal point of the event will be the discussion between Chairman Patrick Odier and his successor Herbert J. Scheidt about the past and future of the Association. The discussion will be moderated by Peter A. Fischer (Economics Editor-in-Chief, NZZ). The 2016 graduates of a banking apprenticeship who achieved the best business grades will also be recognised at Bankers Day.

The focus of Bankers Day is the exchange between figures from the worlds of banking, politics and industry. Ambassadors, who give the event an international dimension, are also invited. Around 450 guests are expected to attend.

Press and media inquiries

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respond to any media
inquiries.**

For further information please
dial:

+41 58 330 63 35