

Annual Report
2014/2015



Chairman's Foreword Patrick Odier

Dear Reader

One year ago, I introduced you to the many construction sites that the financial centre is confronted with. Since that time, the Swiss financial centre has gotten to work on these sites and in doing so, succeeded in reaching important milestones. This allows us to move ahead on the path that we set out on many years ago. The current environment, however, remains complex. In light of the many challenges, the ability of our financial centre to remain competitive continues to be our overarching objective.

Automatic exchange of information (AEOI) and tax issues

The SBA has spoken out in favour of the automatic exchange of information with countries abroad (AEOI) as a global standard for some time now, and made constructive contributions to the drafting process at all levels. The AEOI may not receive a declaration of love from the banks, but one thing is clear: they will implement it. As such, the SBA expects the Federal Council to observe the following criteria: Switzerland should reach AEOI agreements with those countries that it has an economic or political affiliation with, that offer their taxpayers solutions for regularising the past, and that are of economic interest to the Swiss financial centre. Further to this, it is important that the issue of a "level playing field" is addressed, and that all big international financial centres introduce the AEOI. Switzerland has already signed a corresponding agreement with the EU, and the bilateral negotiations on this matter have thus been concluded. Let us hope that the banks participating in the programme for the settlement of the US tax dispute will also come to the fairest resolution possible in the coming months. Above and beyond this, full tax transparency now prevails for US customers: all the banks in Switzerland are implementing FATCA.

The issues surrounding bank-client confidentiality, however, will continue to concern the Swiss. For example, the "Yes to the protection of privacy" initiative (Matter Initiative), which aims to enshrine domestic bank-client confidentiality in the constitution. [The SBA rejects the initiative in its current form](#). What is important, however, is that in the end, voters can vote on the future of domestic bank-client confidentiality.

Brunetti Group – Implementation of recommendations

At our Swiss Bankers Day one year ago, I said that it is not acceptable that five years after publication of the “Graber report”, the recommendations regarding the integrity of the financial centre and the legislation for the stabilisation of the financial system were the only recommendations to be implemented. Since that time, the expert group for the further development of the financial market strategy, also called the Brunetti Group for short, has made its recommendations, which mark an important step toward strengthening our competitiveness and for the development of new business areas. It is now up to the Future of the Financial Centre Advisory Board to quickly implement these recommendations with a view to strengthening the competitive position of the financial centre internationally. It is time to turn ideas into action.

Market access

Access for Swiss financial services providers to foreign markets is strategically important for the competitiveness of the Swiss financial centre. Too many important issues remain unresolved in the relationship between Switzerland and the EU, in particular with regard to the implementation of the initiative against mass immigration and to institutional issues. The government must address these matters now and find solutions. It is for this reason that we currently have to limit ourselves to negotiating bi-national improvements for market access. A good solution is already in place with Germany in the form of the exemption procedure. We are seeking to achieve a similar result with France and Italy. Cross-border access to the European single market is also ensured in that the EU recognises the equivalence of provisions in third-country legislation. From a Swiss perspective, EU equivalence does not, however, mean full implementation of EU norms, it means equality. Recognition of equivalence that provides legal certainty is highly important to a long-term commitment from banks in the EU area.

Financial market architecture

“Financial market architecture” is a large-scale project that will result in a revision of the existing legal framework to varying degrees. In order to secure access to EU markets for the long-term, Swiss legislation must be equivalent to EU law. [The Financial Services Act \(FinSA\) and the Financial Institutions Act \(FinIA\)](#) are important contributors to this. On 31 October 2014, we submitted our [comprehensive position](#) on these draft legislations. In our opinion, they will allow us to amend our legal system in such a way as to ensure the international competitiveness of the Swiss financial centre remains intact, and will bring investor protection in line with the times. The banks in Switzerland are also prepared to adopt certain international rules in order to reach this goal. We refuse, however, to accept anything beyond this, and reject any form of “Swiss Finish”.

It was recently announced that the Federal Council will inform of its decision at the end of 2015, and that the draft will be processed by Parliament in 2016. It is unlikely that the FinSA or FinIA will come into force before 2018.

Negative interest rates

The banks are an export industry. The Swiss National Bank's decision to abolish the minimum euro exchange rate places a heavy burden both on the banks as well as on other export industries. Negative interest rates of -0.75 percent on SNB sight deposits, which were introduced at almost the exact same time, create an additional obstacle for the banks in what is already a highly challenging environment. There is a considerable danger that the negative side effects of this measure will be greater than their intended impact.

New growth drivers

A study by the SBA and The Boston Consulting Group on the Swiss financial centre analysed how the different business areas of the banking institutions will develop in future and identified areas that hold as yet untapped revenue potential. Accounting for 13 percent of total revenues, the additional opportunities in the asset management business are the highest from a relative perspective. The SBA's Asset Management Initiative Switzerland aims to develop Switzerland into a leading global location not only for private banking, but also for institutional asset management. We must create the framework conditions necessary to stimulate this segment and attract top talent. Regular exchanges with FINMA and industry-wide support have made it possible to now move ahead with the project.

Another future market is the Chinese currency, the renminbi. The SBA played a decisive role in the establishment of a renminbi hub in Switzerland. We have been very actively campaigning for this with the Chinese and Swiss authorities – and also the Swiss banks – since 2012. We expect a Chinese bank to be established in our country before the end of the year. Switzerland will then be able to reap the fruits of our labour and position itself as a renminbi hub.

Digitalisation

Fast-paced developments in digitalisation call for new and amended structures – a development that the SBA and the industry itself are pushing ahead with. Surveying activities are well underway and initial paths to be taken have been delineated. Switzerland has a strong economic structure and universities that rank among the best in the entire world. This puts us in a position to further build out our strengths in terms of innovation, and to also successfully position ourselves vis-à-vis other competing financial centres in the digitalisation segment. One possible area of focus here would be the facilitation of investments in start-ups and the promotion of venture capital.

The many dossiers and challenges that we have addressed over the last twelve months will continue to concern us in the years to come. I would like to thank Claude-Alain Margelisch, everyone at our offices, and all of the members of our committees and task forces for their tireless efforts in the name of the Swiss financial centre.



Patrick Odier, Chairman

Balance Sheet as of 31 December 2014

Assets CHF	Reporting year	Prior year
Cash and cash equivalents	21,937,428	21,510,686
Accounts receivable	423,889	1,042,329
Accrued income and prepaid expenses	31,215	31,847
Total current assets	22,392,532	22,584,862
Securities and financial assets	12,538,097	12,277,536
Movable property and equipment	1	1
Property	3,700,000	3,700,000
Total fixed assets	16,238,098	15,977,537
Total assets	38,630,630	38,562,399

Liabilities CHF	Reporting year	Prior year
Accounts payable	1,815,765	1,209,657
Accrued expenses and deferred income	1,120,922	2,864,292
Special-purpose provisions	24,952,850	23,789,000
Total liabilities	27,889,537	27,862,949
Association capital	6,961,000	6,961,000
Reserves	3,780,093	3,738,450
Total equity capital	10,741,093	10,699,450
Total liabilities	38,630,630	38,562,399

Income Statement 2014

Income CHF	Reporting year	Prior year
Membership fees	24,666,345	25,772,923
Financial income	342,209	592,437
Income miscellaneous	1,868,868	2,383,956
Release of provisions	19,144	936,176
Total income	26,896,566	29,685,492

Expenses CHF	Reporting year	Prior year
Operating and commission expenses	10,675,738	13,775,081
Personnel expenses	12,098,833	12,509,920
General and administrative expenses	2,710,543	3,237,934
Depreciation, amortisation and provisions	1,180,350	0
Interest expenses	887	887
Tax expenses	188,572	200,390
Total expenses	26,854,923	29,724,212

Profit / Loss	41,643	-38,720
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Appropriation of surplus CHF	Reporting year	Prior year
Utilisation of reserves	0	-38,720
Allocation to reserves	41,643	0
Profit / Loss	41,643	-38,720

Notes to the Financial Statements as of 31 December 2014

CHF	Reporting year	Prior year
Fire insurance values of tangible fixed assets		
Movable property and equipment	3,100,000	3,100,000
Property	18,718,080	18,624,960
Fair values of securities and financial assets	13,478,997	13,149,077
Pledges in favour of third parties		
Pledged securities	600,000	600,000
Assets managed on a fiduciary basis	469,987	—

Report of the Statutory Auditor on the Financial Statements to the General Assembly

Basel, 8 May 2015

As statutory auditors we have audited the financial statements of the Swiss Bankers Association (SwissBanking), which comprise the balance sheet, income statement and notes (pages 5–7), for the year ended 31 December 2014.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with Swiss law and the Association's Articles of Incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, includes the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating of the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well evaluating of the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2014 comply with Swiss law and the Association's Articles of Incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (Art. 69b of the Swiss Civil Code in conjunction with Art. 728 of the Swiss Code of Obligations) and that there are no circumstances incompatible with our independence.

In accordance with Art. 69b of the Swiss Civil Code in conjunction with Art. 728a para. 1 item 3 of the Swiss Code of Obligations and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

An die Generalversammlung der Einzelmitglieder der
Schweizerischen Bankiervereinigung (Swiss Banking), Basel

Basel, 8. Mai 2015

Bericht der Revisionsstelle zur Jahresrechnung

Als Revisionsstelle haben wir die Jahresrechnung der Schweizerischen Bankiervereinigung (Swiss-banking), bestehend aus Bilanz, Betriebsrechnung und Anhang (Seite 5 bis 7), für das am 31. Dezember 2014 abgeschlossene Geschäftsjahr geprüft.

Verantwortung des Vorstandes

Der Vorstand ist für die Aufstellung der Jahresrechnung in Übereinstimmung mit den gesetzlichen Vorschriften und den Statuten verantwortlich. Diese Verantwortung beinhaltet die Ausgestaltung, Implementierung und Aufrechterhaltung eines internen Kontrollsystems mit Bezug auf die Aufstellung einer Jahresrechnung, die frei von wesentlichen falschen Angaben als Folge von Verstössen oder Irrtümern ist. Darüber hinaus ist der Vorstand für die Auswahl und die Anwendung sachgemässer Rechnungslegungsmethoden sowie die Vornahme angemessener Schätzungen verantwortlich.

Verantwortung der Revisionsstelle

Unsere Verantwortung ist es, aufgrund unserer Prüfung ein Prüfungsurteil über die Jahresrechnung abzugeben. Wir haben unsere Prüfung in Übereinstimmung mit dem schweizerischen Gesetz und den Schweizer Prüfungsstandards vorgenommen. Nach diesen Standards haben wir die Prüfung so zu planen und durchzuführen, dass wir hinreichende Sicherheit gewinnen, ob die Jahresrechnung frei von wesentlichen falschen Angaben ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen für die in der Jahresrechnung enthaltenen Wertansätze und sonstigen Angaben. Die Auswahl der Prüfungshandlungen liegt im pflichtgemässen Ermessen des Prüfers. Dies schliesst eine Beurteilung der Risiken wesentlicher falscher Angaben in der Jahresrechnung als Folge von Verstössen oder Irrtümern ein. Bei der Beurteilung dieser Risiken berücksichtigt der Prüfer das interne Kontrollsystem, soweit es für die Aufstellung der Jahresrechnung von Bedeutung ist, um die den Umständen entsprechenden Prüfungshandlungen festzulegen, nicht aber um ein Prüfungsurteil über die Wirksamkeit des internen Kontrollsystems abzugeben. Die Prüfung umfasst zudem die Beurteilung der Angemessenheit der angewandten Rechnungslegungsmethoden, der Plausibilität der vorgenommenen Schätzungen sowie eine Würdigung der Gesamtdarstellung der Jahresrechnung. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise eine ausreichende und angemessene Grundlage für unser Prüfungsurteil bilden.

Prüfungsurteil

Nach unserer Beurteilung entspricht die Jahresrechnung für das am 31. Dezember 2014 abgeschlossene Geschäftsjahr dem schweizerischen Gesetz und den Statuten.

Berichterstattung aufgrund weiterer gesetzlicher Vorschriften

Wir bestätigen, dass wir die gesetzlichen Anforderungen an die Zulassung gemäss Revisionsaufsichtsgesetz (RAG) und die Unabhängigkeit (Art. 69b ZGB in Verbindung mit Art. 728 OR) erfüllen und keine mit unserer Unabhängigkeit nicht vereinbaren Sachverhalte vorliegen.

In Übereinstimmung mit Art. 69b ZGB in Verbindung mit Art. 728a Abs. 1 Ziff. 3 OR und dem Schweizer Prüfungsstandard 890 bestätigen wir, dass ein gemäss den Vorgaben des Vorstandes ausgestaltetes internes Kontrollsystem für die Aufstellung der Jahresrechnung existiert.

Wir empfehlen, die vorliegende Jahresrechnung zu genehmigen.

Ernst & Young AG



Prof. Dr. Andreas Blumer
Zugelassener Revisionsexperte
(Leitender Revisor)



Stefan Lutz
Zugelassener Revisionsexperte

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