



### Dear readers

The current developments and transformations in our financial center have persuaded me to take a closer look at the Swiss National Bank statistics. They not only allow us an interesting look back, they also explain certain impacts today.

Twenty-five years ago, when I started my banking career, there were approximately 450 banks in Switzerland. 66% of the business volume was processed nationally. The major banks alone accounted for 51% of the balance sheet totals. Stock exchange transactions were happening in the ring "à la criée" at seven different stock exchange centers. The stock exchange volume was thus split, at the expense of transparency, speed, capacity and cost-efficient processing. A majority of the payment traffic was processed manually. Completing the education to become a federally certified banker (banking specialist) almost automatically brought with it a promotion to authorized signatory with a private office, elegant leather chair, painting on the wall and usually also guaranteed salary increases until retirement.

Now, this picture has changed fundamentally. Due to mergers and takeovers, and driven by cost pressure, the number of banks has been reduced by approximately one third, to 282. Only about 40% of the shares and liabilities are processed nationally. The total assets of the major banks have increased to 61%. The accumulated commission earnings have quintupled, while, in comparison, the interest business earnings only increased by 2.5. Today, the national stock exchange volumes are channeled and processed predominantly via SIX Swiss Exchange, the electronic stock exchange.

Over the past twenty years, the payment traffic transactions processed by SIC have multiplied by a factor of approximately 12; the ratio of open derivative contract volumes to the total assets by a factor of 6 since 1995.

According to the SNB statistics, an approximately thirteen times higher derivative contract volume stands vis-à-vis the total banks' assets. These transformations have had an influence on bank-specific education. Today, no banker can rest on his basic education; instead it is mandatory to refresh and update know-how and to pursue continuing education.

These technological developments, globalization and innovation have caused our business volume to explode. Global networking has made it a necessity to introduce standards and laws, adapt regulations, and tighten processes and operations in order to be able to process incoming business cases cost effectively, transparently, securely and quickly. It is imperative that we continue to meet these challenges with our Swiss virtues: quality, reliability, adaptability, innovation, creativity and cooperation.

The articles in this issue of CLEARIT demonstrate how to deal with these challenges. You will find an introduction to the new banking education/training, read about the cooperation toward harmonization of the ISO standards for payment messages and be informed about future standardization efforts. The 25-year review of our financial market shows, in the words of Ezra Pound, "Either move or be moved." I wish for all of us that we will be able to hold on to the reins. <

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