



# 1 Organisation

Unlike most foreign central banks, the Swiss National Bank is not a government-owned bank: it is an independent public-law institution in the form of a joint-stock company. All its shares are registered shares and are listed on the stock exchange. Shareholders' voting rights are restricted by statute to Swiss citizens, Swiss public-law corporations and legal entities whose main establishment is in Switzerland. Just under 54% of the shares are held by cantons and cantonal banks: the remainder are mostly owned by private persons. The Confederation does not hold any shares.

The National Bank is administered with the cooperation and under the supervision of the Confederation. The Governing Board, which consists of three members of equal status, is entrusted with the Bank's management. Each member is head of one of the three Departments. The Governing Board enjoys a high degree of independence in fulfilling its monetary policy mandate. The Governing Board and the Federal Council must consult each other before passing major monetary and economic policy decisions. The Bank Council, Bank Committee and Auditing Committee are responsible for the supervision of the National Bank's business activity.

The National Bank has two head offices: the legal domicile in Berne and the seat of the Governing Board in Zurich. Department I and Department III are in Zurich, Department II is in Berne. In addition to the Bank's two head offices, branch offices in Geneva and in Lugano ensure the distribution of currency. Four branch offices without cash distribution services located in Basel, Lausanne, Lucerne and St Gallen – as well as the two head offices and the branch offices that maintain cash distribution services – are responsible for monitoring economic developments in the regions. The National Bank maintains 18 agencies operated by cantonal banks for the receipt and distribution of banknotes and coins. Moreover, it has an extensive network of banking correspondents which serve as agents for local payment transactions.

The National Bank's chief task is to pursue a monetary policy serving the interests of the country as a whole. Department I is responsible for the monetary policy concept. The Economic Division analyses the economic situation and developments and provides the basis for monetary policy decisions. The Monetary Operations Division of Department III implements monetary policy by carrying out transactions in the financial markets. Department II deals with questions relating to the stability of the financial system.

The National Bank's foreign currency reserves are allocated and managed by Department III, gold reserves and Swiss franc reserves by Department II.

The National Bank exercises its mandate in the field of payment transactions in the following ways. On the one hand, it issues banknotes and puts the coins minted by the Confederation into circulation via its network of bank offices. It assures that the quality of currency in circulation is kept on a high level by checking the cash returned to the National Bank and disposing of those banknotes and coins which no longer meet requirements as well as counterfeits. This task falls within the competence of the Cash Division in Department II.

**Legal form**

**Responsibilities**

**Structure**

**Monetary policy**

**Management of assets**

**Cash transactions...**

... and cashless payment transactions

Bank of the Confederation

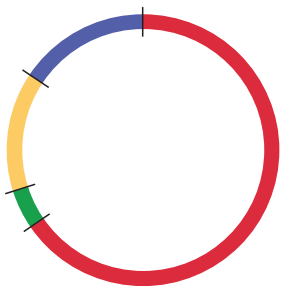
On the other hand, the National Bank cooperates in the planning and processing of cashless payment transactions. Conceptual and technical questions in the field of cashless payment transactions are dealt with by the General Processing and Informatics Division in Department III. Cashless payment transactions with the banks are processed by Department III, those with the Confederation by Department II.

Acting as the bank of the Confederation is a function primarily performed by Department II. It maintains the accounts, carries out domestic and foreign payments on behalf of the Confederation, participates in the floating of bonds and holds the Confederation's securities in safe custody. Department III carries out money market and foreign exchange transactions on behalf of the Confederation.

## 2 Staff and resources

Number of staff and turnover

At the end of 2000, National Bank staff numbered 575 persons, a decline of 25 persons from the year-earlier figure. Converted into full-time jobs, the number of employees decreased from 560.7 to 534.1 persons. The number of part-time employees rose by 2 to 117 persons. Personnel turnover (including retirements) climbed to 14.3% in 2000, as against 13% in the previous year. This rise is the result of the last early retirements taken in the context of the reorganisation of cash distribution (cf. 92nd Annual Report, pages 65f.) as well as the tight situation on the labour market.



**Personnel**  
Number of employees

Full-time, men 376

Part-time, men 27

Full-time, women 82

Part-time, women 90

Total: 575.  
End 2000

The National Bank's goal is to offer its employees competitive compensation in line with their functions and performance. It recently became apparent that better data was needed in order to have the necessary decision-making tools in place for setting salary ranges. The National Bank therefore conducted an in-depth job evaluation with the help of an external consultant and determined the new future salary structure. Bank management decided to take selective special measures in the 2001 round of salary increases aimed at bringing those job functions which were classified too low closer to market conditions.

**Job evaluation and new compensation policy**

As already in the previous year, the National Bank invested roughly Sfr 1.1 million in training and continued education for its personnel. This sum corresponds to 1.7% of total salary expense and reflects the high priority given to human resources development at the Bank. Management training accounted for 11% of the cost, 53% was expended on specialist and language training and 36% on computer courses.

**Considerable investment in training and continued education**

In the field of information technology, the National Bank continued its efforts towards a strategic new orientation to the systems and applications architecture according to the client-server concept. Within the framework of the new standard software, applications for cash transactions, gold sale and gold lending as well as for managing gold holdings were put into operation. The existing application for managing banknote and coin stocks was replaced by a standard software module for banking transactions. Furthermore, new applications for the administration of time series and electronic mail were taken into service. The installation of the new data communications network for secure electronic traffic between the National Bank and the outside (firewall infrastructure) was completed.

**Developments in information technology**

Within the framework of the new cash distribution concept, the branch offices Basel, Lausanne, Lucerne and St Gallen suspended their cash distribution services at the end of 1999 (cf. 92nd Annual Report, page 65). The premises of these former branch offices were vacated in the first quarter of 2000 and were sold as planned; in order to house the branch offices without cash distribution services, the National Bank rented suitable office space. At the Zurich head office, the renovation of the buildings located at Stadthausquai/Fraumünsterstrasse proceeded as planned. The rooms which were renovated in a first building phase were ready for occupation at the beginning of September.

**Property management**

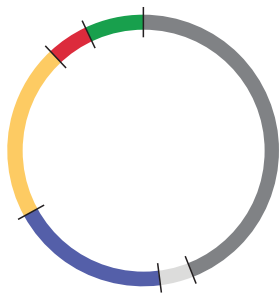
The bulk of the National Bank's entire operating costs is incurred by currency transactions. These include the costs of producing banknotes and costs arising from banknote and coin circulation. The proportion of cash distribution fell considerably in recent years, and in 2000 it only accounted for 44% of total operating costs. This decline is attributable to the closing of two branch offices, the suspension of cash distribution services in another four branch offices as well as lower banknote expense. The National Bank's share of costs in connection with the cashless payment system also declined slightly, falling from 5% in the previous year to 4% in 2000. This position includes the services of the National Bank in interbank payment transactions, the linking of bank and postal service payments, as well as services in the field of payment transactions on behalf of other central banks and international organisations. The other two significant cost units of the National Bank, asset management and monetary policy, increased, however. The position asset management, which comprises the costs

**Shifts in the cost structure**

relating to foreign exchange, money market, securities, gold and Lombard business and the management of financial investments and gold holdings, rose by 5 percentage points to 19% of total operating costs. The main factor contributing to this development was the expansion of business activity in asset management, notably foreign exchange reserves and gold. The item monetary policy rose from 17% in the previous year to 21% in 2000, which was the result of the expansion of economic analysis in connection with the new monetary policy concept as well as the intensified monitoring of the economic situation in the different regions. The proportion of the other two cost units of the total costs – services on behalf of the Confederation, services on behalf of third parties – remained almost unchanged at 5% and 7% respectively. The item services on behalf of the Confederation includes the costs of all services the National Bank provides on behalf of the Federal Government and its agencies. The costs for the item services on behalf of third parties comprise the Bank's contribution to the Study Center Gerzensee, the costs for international cooperation, notably with the International Monetary Fund, and technical assistance to foreign central banks.

The National Bank's environmental performance evaluation compiled for the year 1999 improved significantly as against the previous years. A study showed that processing, transport and storage of banknotes account for approximately one-third of the total environmental impact caused by the National Bank. The reorganisation of cash distribution together with the closing of two branch offices was therefore a significant factor contributing to the improvement of the National Bank's environmental performance evaluation. The switch to recycled paper supported this positive trend. By contrast, construction at the Zurich head office resulted in special temporary impact, even though ecological criteria had been observed.

**Improvement of the environmental performance evaluation**



**Cost units in percent**

- Cash transactions 44
- Cashless payment transactions 4
- Asset management 19
- Monetary policy 21
- Services for the Confederation 5
- Services for third parties 7

### 3 Changes in the bank authorities and management

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At the Annual General Meeting of Shareholders held on 28 April 2000, the following new member was elected to the Bank Council:

**Bank Council**

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Hansjörg Frei, Mönchaltorf, member of the Corporate Executive Board of "Winterthur" Swiss Insurance Company.

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On the day of the Annual General Meeting of 20 April 2001, the following members retire from the Bank Council:

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Henri André, Paudex, Chairman of the Board of André & Cie AG, member of the Bank Council since 1989,

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Melchior Ehrler, Riniken, National Councillor and Director of Schweizerischer Bauernverband (Swiss farmers' association), member of the Bank Council since 1989,

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Judith Stamm, Lucerne, member of the Bank Council since 1993.

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The National Bank thanks Mrs Stamm and Messrs André and Ehrler for their valuable services.

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The three vacant positions are to be filled by the Federal Council.

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**Local Committees**

As per the date of the Annual General Meeting, 28 April 2000, the following committee members resigned their positions:

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Karl Gnägi, Wohlen near Berne, Chairman of the Local Committee Berne since 1998  
(Member since 1992),

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Claude Hauser, Versoix, Chairman of the Local Committee Geneva since 1999 (Member since 1992),

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Jean-Claude Rinolfi, Givrins, Vice-Chairman of the Local Committee Geneva since 1999  
(Member since 1996).

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As per end of June 2000 the following member retired:

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Walter Kobler, Vice-Chairman of the Local Committee Lausanne since 1999 (Member since 1998).

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The National Bank thanks the retiring members for their services on behalf of the Bank.

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The Bank Council made the following appointments:

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**Berne**

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Reto Hartmann, Hünibach, Chief Executive Officer of Valora Holding AG.

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**Geneva**

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Raymond Léchaire, Bussigny, Director of Coop Romandie,

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Claude-Daniel Proellochs, Neuchâtel, General Manager and Chairman of the Board of Vacheron  
Constantin SA.

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**Lausanne**

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Bernard Rüeger, Féchy, General Manager of Rüeger SA.

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The Bank Committee made its appointments for the chairmanship and  
vice-chairmanship of the different Local Committees according to seniority.

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**Auditing Committee**

Upon the proposal of the Bank Council, the Annual General Meeting of Shareholders  
of 28 April 2000, elected the current office holders:

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Kaspar Hofmann, Adliswil, Certified Auditor, Hofmann Wirtschaftsprüfung AG,

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Hans Michel, Egnach,

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Maryann Rohner, Zürich, Certified Auditor, Treureva AG, as members, and

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Josef Blöchlinger, Begnins, Certified Auditor, Refidar Société Fiduciaire,

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Jean-Claude Grangier, Epalinges, Vice President of the Executive Board of Banque Cantonale  
Vaudoise,

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Werner M. Schumacher, Binningen, Director of Banque Jenni et Cie SA, as  
substitute members of the Auditing Committee.

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The Bank Council proposes to the Annual General Meeting of Shareholders of  
20 April 2001 that the current members and substitute members of the Auditing  
Committee be re-elected.

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As per the end of 2000,

Hans Meyer, Chairman of the Governing Board, retired.

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Hans Meyer was appointed Chairman of the Governing Board by the Federal Council in 1995 and took office in May 1996. He had already been a member of the Governing Board for eleven years, the first three as Head of Department III, followed by eight years as Vice-Chairman and Head of Department II. Hans Meyer committed himself with great conviction to fulfilling the central bank mandate serving the interests of the country as a whole. He dedicated his entire professional career to this task, which was the foundation of his profound knowledge of the National Bank. Also on a personal level, Hans Meyer had close ties with the Bank.

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The National Bank thanks Hans Meyer for his many years of successful activity.

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On 18 September 2000 and on 18 October 2000 respectively, the Federal Council appointed, with effect from January 2001:

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Jean-Pierre Roth, previously Vice-Chairman and Head of Department II,  
Chairman of the Governing Board,

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Bruno Gehrig, Head of Department III,  
Vice-Chairman of the Governing Board,

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Niklaus Blattner, previously Chief Executive Officer and Delegate of the Board of Directors of the Swiss Bankers' Association, Basel, and Professor at the University of Basel,  
Member of the Governing Board.

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Department I is headed by Jean-Pierre Roth, Department II by Niklaus Blattner and Department III by Bruno Gehrig.

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At the end of April,

Hans Theiler, Director and Deputy Head of Department II, took early retirement after having served the National Bank for over two decades. He began his career as Director of the branch office in Lucerne, which he headed for eight years. He then became Deputy Head of Department II at the Berne Head Office. The National Bank thanks him for his many years of valuable service.

As his successor, with effect from May 1, the Federal Council, upon proposal of the Bank Council, appointed

Thomas Wiedmer, previously Secretary General and Head of the economics section of the department of finance of the canton of Berne.

Upon proposal of the Bank Council, with effect from 1 January 2001, the Federal Council appointed

Mauro Picchi, previously Assistant Director in the Statistics Section, Director of the branch office in Lugano.

At the end of July,

Christine Breining, Director and Head of Personnel, left the National Bank to pursue an academic career.

The National Bank thanks her for her valuable services in different functions.

At the end of October,

Peter Merz, Director and Head of the Legal Service, left the National Bank to take on a new challenge in the private sector.

We thank him for his many years of valuable service.

We also thank

Theo Birchler, Assistant Director and Head of Premises and Technical Services at the Zurich Head Office, who retired after many years of dedicated service to the Bank.

With effect from 1 May, the Bank Committee approved the following promotion:

Peter Fankhauser to Assistant Director and Head of Premises and Technical Services at the Zurich Head Office.

The Bank Committee approved the following promotions with effect from 1 January 2001:

Urs Locher (Head of Processing in the Cash Division) to Assistant Director,  
Gabriela Mittelholzer (Personnel) to Assistant Director, and  
Marcel Zimmermann (Money Market and Foreign Exchange Section) to Assistant Director.

With effect from 1 March 2001, the Bank Committee appointed:

Martin Hiller to Head of Personnel (Director),  
Hans Kuhn to Head of Legal Service (Deputy Director),  
Peter Eltschinger to Head of Cashier's Office Zurich (Assistant Director),  
Guido Boller to Deputy Head of the Statistics Section (Assistant Director).