

# Structure and organisation of the Swiss National Bank

# 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.

For historical reasons 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 two head offices, the National Bank has eight branch offices which ensure the supply and distribution of currency and follow economic developments in the regions. Currency transactions are, moreover, also performed by 18 agencies, most of them at cantonal banks.

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. After the Governing Board has passed its decisions, the Monetary Operations Division of Department III implements monetary policy by carrying out transactions in the financial markets.

We exercise our mandate in the field of payment transactions in the following ways. On the one hand, we issue banknotes and put the coins minted by the Confederation into circulation; this is the responsibility of the Cash Division of Department II. The volume of banknotes and coins put into circulation depends on the requirements of the economy and on payment habits. On the other hand, we cooperate in the planning and processing of cashless payment transactions. We are concerned chiefly with interbank payments and maintaining the link between bank and postal service payment transactions. Conceptual and technical questions in the field of cashless payment transactions are dealt with by 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 the Banking Division of Department II. This division maintains the accounts, carries out domestic and foreign payments on behalf of the Confederation and participates in the floating of bonds. Department III carries out money market and foreign exchange transactions on behalf of the Confederation.

**Structure**

**Sphere of responsibility**

**Bank offices**

**Conduct of monetary policy**

**Payment transactions**

**Bank of the Confederation**

## 2 Staff and resources

### Number of staff and staff rotation

In terms of employed persons, the Swiss National Bank is one of Europe's smallest central banks. At the end of 1997, the number of staff totalled 621 persons, compared with 603 persons at the end of 1996. This is equivalent to 577.3 (end-1996: 565.4) full-time jobs. The proportion of part-time employees rose by 2% to 124 persons – i. e. 20% of total staff – compared to the previous year. Most part-time employees were female (85%); women accounted for 11% of total senior staff. We strove to achieve a better proportion by promoting part-time employment in demanding positions. In the operational sectors of the Bank we continued our efforts to switch staff between various functions.

### Reviewing the effects of the Bank's guideline charter

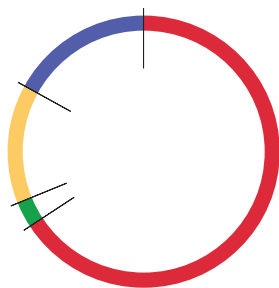
Just three years after the SNB's guideline charter had been adopted in May 1994, the Bank's management ordered a review to determine the progress made in implementing the charter within the Bank. For this purpose, a survey was conducted among all staff members. The majority of replies stated that the charter had had a positive effect on leadership and performance, while certain shortcomings in the implementation were also noted. The overall evaluation of the survey concerning the charter induced the Governing Board to introduce a number of optimisation measures.

### Staff training

Staff training is a high priority. In our new training concept adopted in 1996 we shifted the emphasis increasingly in favour of practical, preferably on-the-job, training. In 1997 training costs totalled Sfr 1.2 million. 11.5% of these were attributable to management training, 48.2% to specialist and language training and personality development and 40.2% to computer courses.

### Developments in informatics

In the field of informatics the National Bank continued its efforts towards a strategic new orientation to the client-server concept. We put new solutions for the links with SIC and S.W.I.F.T., as well as for portfolio management, into operation. The banking applications programs now being used will be replaced by a system which covers the full range of banking applications. This overall package is to be introduced in several steps in 1998/99. Preparations were made for the implementation, at the beginning of 1998, of a new solution in the accounting sector. We also drew up plans for a new network architecture with enhanced efficiency and security.



### Personnel Number of employees

Full-time, men 407

Part-time, men 19

Full-time, women 88

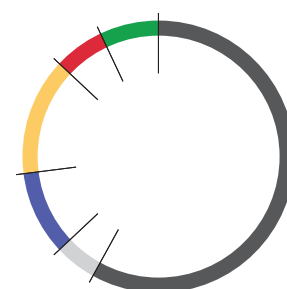
Part-time, women 105

Total: 621.  
End of the year

In its sphere of activity, the National Bank pays increasing attention to ecological aspects. In 1997, a systematic strategy of environmental management was developed. Based on a pilot ecological balance sheet, we drew up an environmental charter with precise guidelines for an ecologically sustainable use of resources. In this charter, we laid down quantitative targets for the conservation of resources as well as rules of conduct for property management, the use of material and technical equipment, and cash transactions. In September, an inhouse environmental office was set up for the purpose of providing line managements with expertise and monitoring ecological targets.

The bulk of the National Bank's entire operating costs is caused by currency transactions. These include the costs of producing banknotes and costs arising from banknote and coin circulation and numismatics. The costs in connection with the cashless payment system concern the services of the National Bank in interbank payment transactions and in 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 costs relating to foreign exchange, money market, securities and Lombard business and to the administration of financial investments and gold holdings are grouped together under the heading asset management. The cost unit monetary policy reflects the costs involved in planning and formulating monetary policy and for compiling statistics. The item services on behalf of the Confederation includes the costs of all services on behalf of the Federal Government and its agencies. The costs for services on behalf of third parties comprise mainly the Bank's contribution to the Gerzensee Study Centre, the costs for international cooperation, notably with the International Monetary Fund, and technical assistance to foreign central banks.

Cost structure



Cost units in percent

- Cash transactions 58
- Cashless payment transactions 5
- Asset management 10
- Monetary policy 14
- Services for the Confederation 6
- Services for third parties 7

### 3 Changes in the supervisory authorities and bank management

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**Bank Council**

At the Annual General Meeting of Shareholders held on 18 April 1997 the following new member was elected to the Bank Council:

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Alexandre Swoboda, Geneva, Professor at The Graduate Institute of International Studies.

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After the Annual General Meeting the Federal Council complemented the number of members of the Bank Council by the election of

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Käthi Bangerter, Aarberg, National Councillor, Chairwoman of the Board and Managing Director of Bangerter-Präzisionsteile AG.

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On the day of the Ordinary General Meeting of Shareholders on 24 April 1998 the following members of the Bank Council retire:

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Georges Blum, Basle, Chairman of the Board of Swiss Bank Corporation,

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Christiane Brunner, Geneva, Councillor of State, Co-chairwoman of the Swiss federation of trade unions and Chairwoman of SMUV (metalworkers' and watch-and-clockmakers' trade union),

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Hans-Rudolf Früh, Bühler, Entrepreneur, President of Swiss union of crafts and small and medium-sized enterprises,

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Eugen Hunziker, Rüschlikon,

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Margrit Meier, Gümligen, Executive Secretary of the Swiss federation of trade unions,

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Guido Richterich, Bottmingen, and

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Robert Studer, Schönenberg, Chairman of the Board of Union Bank of Switzerland.

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The Swiss National Bank thanks the retiring members for their valuable services on behalf of the note-issuing institution.

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Of the seven vacancies four are to be filled by the Annual General Meeting and three by the Federal Council.

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The Bank Council proposes to the Annual General Meeting that the following new members be elected:

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Fritz Blaser, Reinach/BL, Chairman of Schweizerischer Arbeitgeberverband (Swiss employers association),

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Peter Everts, Zurich, Chairman of the Board of Migros-Genossenschaftsbund,

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Trix Heberlein, Zumikon, National Councillor, and

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Franz Marty, Schwyz, Member of the cantonal government and head of the Department of Finance of the canton of Schwyz.

As per the date of the Annual General Meeting, 18 April 1997, the following committee members resigned their positions:

Jürg Schatzmann, Baden, Chairman of the Local Committee Aarau since 1995,  
Käthi Bangerter, Aarberg, National Councillor, Member of the Local Committee Berne since 1995,  
Hubert Barde, Le Mont-sur-Lausanne, Deputy Chairman of the Local Committee Lausanne since 1990, and  
Urs Bühler, Uzwil, Chairman of the Local Committee St Gallen since 1993.

The Swiss National Bank thanks Mrs Bangerter and the three gentlemen for their services on behalf of the Bank.

The Bank Committee and the Bank Council made the following appointments:

#### **Aarau**

Ernst Frey-Burkard, Kaiseraugst, Chairman,  
Hans Keiser, Staufeu, Deputy Chairman,  
Silvia Huber-Meier, Lengnau/AG, Managing Director of DOMACO,  
Dr. med. Aufdermaur AG, Member.

#### **Berne**

Gisèle Girgis-Musy, Berne, Director of Genossenschaft Migros Bern, Member.

#### **Lausanne**

Pierre Baroffio, Renens, Deputy Chairman,  
Rolf Mehr, St-Prex, President of the Executive Board of Groupe Vaudoise Assurances, Member.

#### **St Gallen**

Roland Bertsch, Romanshorn, Chairman,  
Peter G. Anderegg, Egnach, Deputy Chairman, and  
Willy Egeli, Wittenbach, President and Managing Director of Egeli AG, Holding, President of Schweizerischer Verband Creditreform, Member.

At the Annual General Meeting of Shareholders held on 18 April 1997

Maryann Rohner, Certified Auditor, Zurich, Treureva AG,  
was elected to the Auditing Committee as substitute member and successor of  
Francis Sauvain, Morges.

Gilbert Jobin, Delémont, is not offering himself for re-election for reasons of age.  
We thank him for his thirteen years of activity in the Auditing Committee.

The Bank Council proposes to the Annual General Meeting that the following new members be elected:

Josef Blöchliger, Certified Auditor, Nyon, Réfidar Société fiduciaire,  
as new substitute member of the Auditing Committee.

Hans Michel, Egnach, substitute member, is proposed as new member of the  
Auditing Committee.

After a long and serious illness

Christian Vital, Deputy Head of Department III and head of the General Processing and Informatics Division, died in August. Christian Vital made a lasting contribution to the Bank notably through the introduction of information technology and his concept for a completely new cashless payment and settlement system. He gained international recognition and respect as an expert in payment system issues. His life's work, Swiss Interbank Clearing (SIC) became an important location factor of the Swiss financial centre. The National Bank will continue to honour his memory.

In October,

Monique Dubois, head of International Monetary Relations, left the Swiss National Bank to devote herself to private interests. We thank her for her valuable services in various functions over many years.

Our thanks for their long and excellent services also go to Assistant Directors

Alex Huber, head of Security, and

Werner Bolliger, head of Accounting in Zurich, who have both retired for reasons of age.

Following a proposal of the Bank Council, the Federal Council appointed, with effect from 1 February 1998,

Erwin Sigrist as Deputy Head of Department III and head of the General Processing and Informatics Division.

The Bank Committee approved the following promotions:

Christine Breining-Kaufmann (head of Personnel) to Director (with effect from 1 January 1998),

Michel Peytrignet (head of the Economic Studies Section) to Deputy Director (with effect from 1 March 1997),

Werner Hermann (head of the International Monetary Relations Section) to Deputy Director (with effect from 1 October 1997), and  
to Assistant Directors:

Thomas Stucki (head of the Investment Section) with effect from 1 June 1997, and

Hans Balzli (head of Security),

Daniel Heller (head of Management Support Payment Systems), and

Hans-Ueli Hunziker (Deputy Secretary General)  
with effect from 1 January 1998.