

# What Strategic Priorities for the Swiss Private Banks?



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President

Association de  
**Banques Privées Suisses**



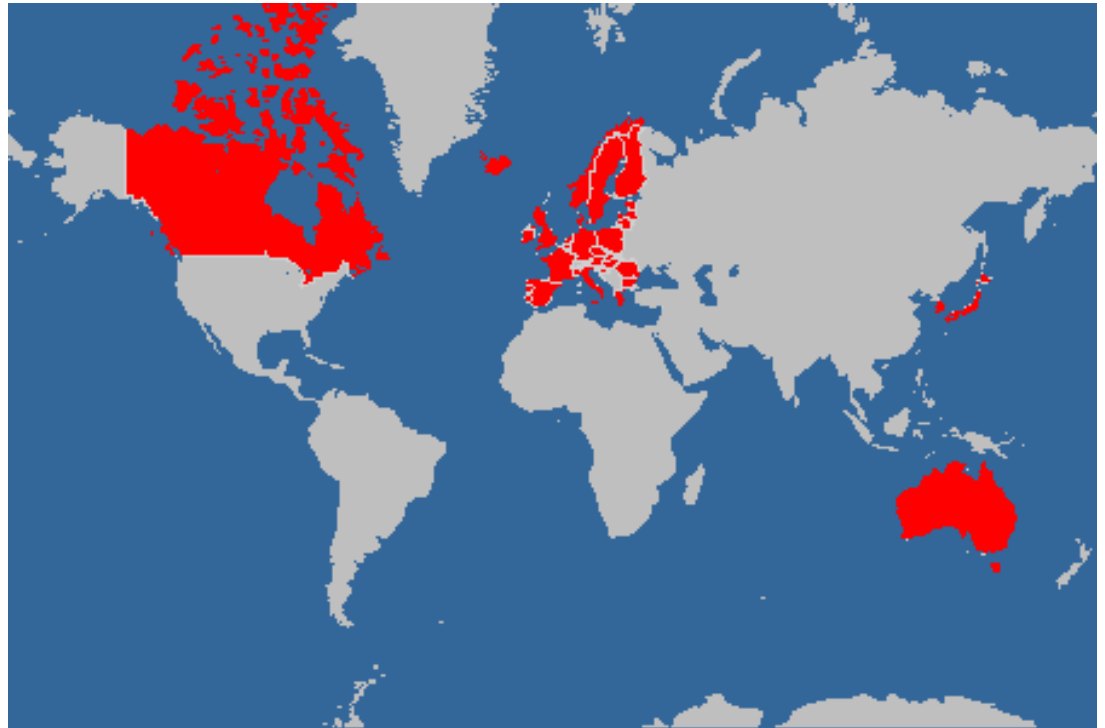
Vereinigung  
**Schweizerischer Privatbanken**

Association of Swiss Private Banks

# 1 January 2017 AEOI enters into force








List of countries with which Switzerland applies the automatic exchange of information since January 2017:

- ❖ Australia
- ❖ Canada
- ❖ South Korea
- ❖ Guernesey, Jersey,  
Isle of Man
- ❖ Iceland
- ❖ Japan
- ❖ Norway
- ❖ European Union



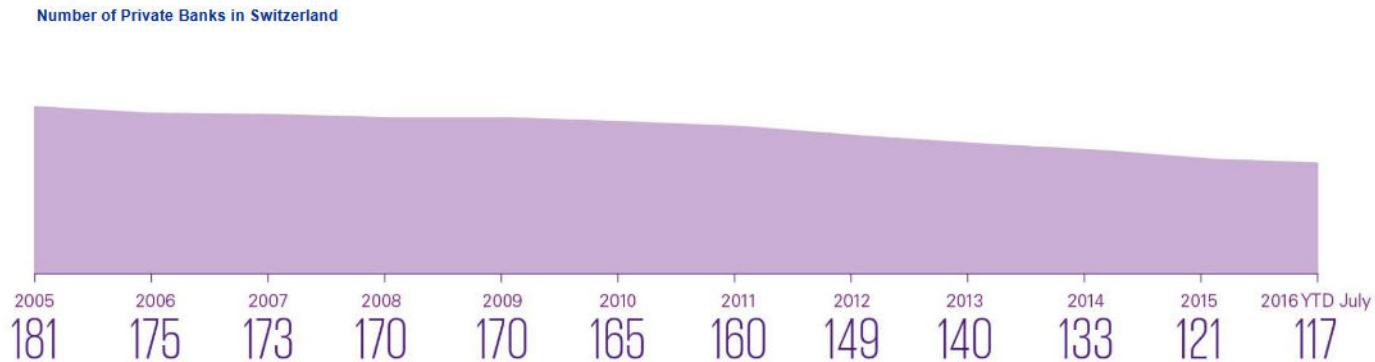
# Globalisation reinforces the regulatory interdependency

**Some of the new standards defined by Switzerland in order to render its regulation compatible with those of its commercial partners :**

<b>FMIA</b>		entry into force in January 2016
<b>AEOI</b>		entry into force on 1 January 2017
<b>TAAA</b>		entry into force on 1 January 2017
<b>CTR III</b>		submitted for a vote on 12 February 2017
<b>FinSA/FinIA</b>		treated in Parliament for the time being
<b>AMLA</b>		revised in 2014, may still be modified
<b>Banking Law</b>		under discussion

# 1 in 10 Swiss Private Banks did not survive 2015

One year later, one in ten private banks fewer



- A 10% fall in the number of Swiss private banks in 2015 delivered further on our prediction last year that the number of players will contract by 30% over the next few years.
- More radical change is needed to business and operating models before the industry can declare itself fit and well again.
- As many players lack the resources to successfully implement the necessary changes, consolidation will continue. We are expecting a reduction below 100 private banks in the next two years.

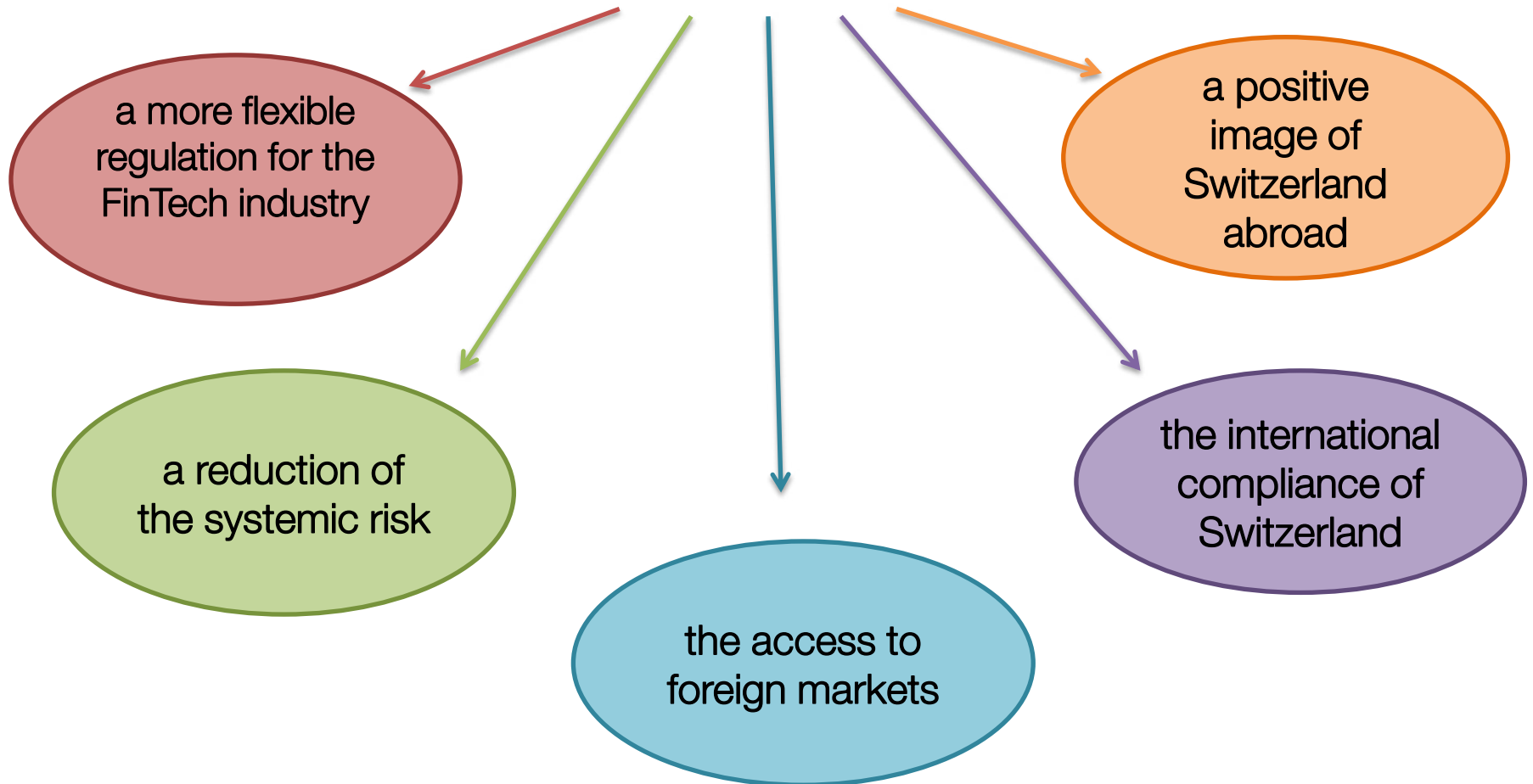
# Degradation of the Swiss financial centres in the international competition

Centre	GFCI 20		GFCI 19		CHANGES	
	Rank	Rating	Rank	Rating	Rank	Rating
London	1	795	1	800	◀ 0	▼ 5
New York	2	794	2	792	◀ 0	▲ 2
Singapore	3	752	3	755	◀ 0	▼ 3
Hong Kong	4	748	4	753	◀ 0	▼ 5
Tokyo	5	734	5	728	◀ 0	▲ 6
San Francisco	6	720	8	711	▲ 2	▲ 9
Boston	7	719	9	709	▲ 2	▲ 10
Chicago	8	718	11	706	▲ 3	▲ 12
Zurich	9	716	6	714	▼ 3	▲ 2
Washington DC	10	713	7	712	▼ 3	▲ 1
Sydney	11	712	17	692	▲ 6	▲ 20
Luxembourg	12	711	14	698	▲ 2	▲ 13
Toronto	13	710	10	707	▼ 3	▲ 3
Seoul	14	704	12	705	▼ 2	▼ 1
Montreal	15	703	21	686	▲ 6	▲ 17
Shanghai	16	700	16	693	◀ 0	▲ 7
Osaka	17	699	20	687	▲ 3	▲ 12
Dubai	18	698	13	699	▼ 5	▼ 1
Frankfurt	19	695	18	689	▼ 1	▲ 6
Vancouver	20	694	22	684	▲ 2	▲ 10
Taipei	21	692	24	677	▲ 3	▲ 15
Shenzhen	22	691	19	688	▼ 3	▲ 3
Geneva	23	689	15	694	▼ 8	▼ 5
Melbourne	24	687	30	669	▲ 6	▲ 18
Los Angeles	25	685	29	670	▲ 4	▲ 15
Beijing	26	683	23	682	▼ 3	▲ 1
Munich	27	680	27	672	◀ 0	▲ 8
Cayman Islands	28	676	41	641	▲ 13	▲ 35
Paris	29	672	32	667	▲ 3	▲ 5
Casablanca	30	671	33	665	▲ 3	▲ 6

Source: Y/Zen Group

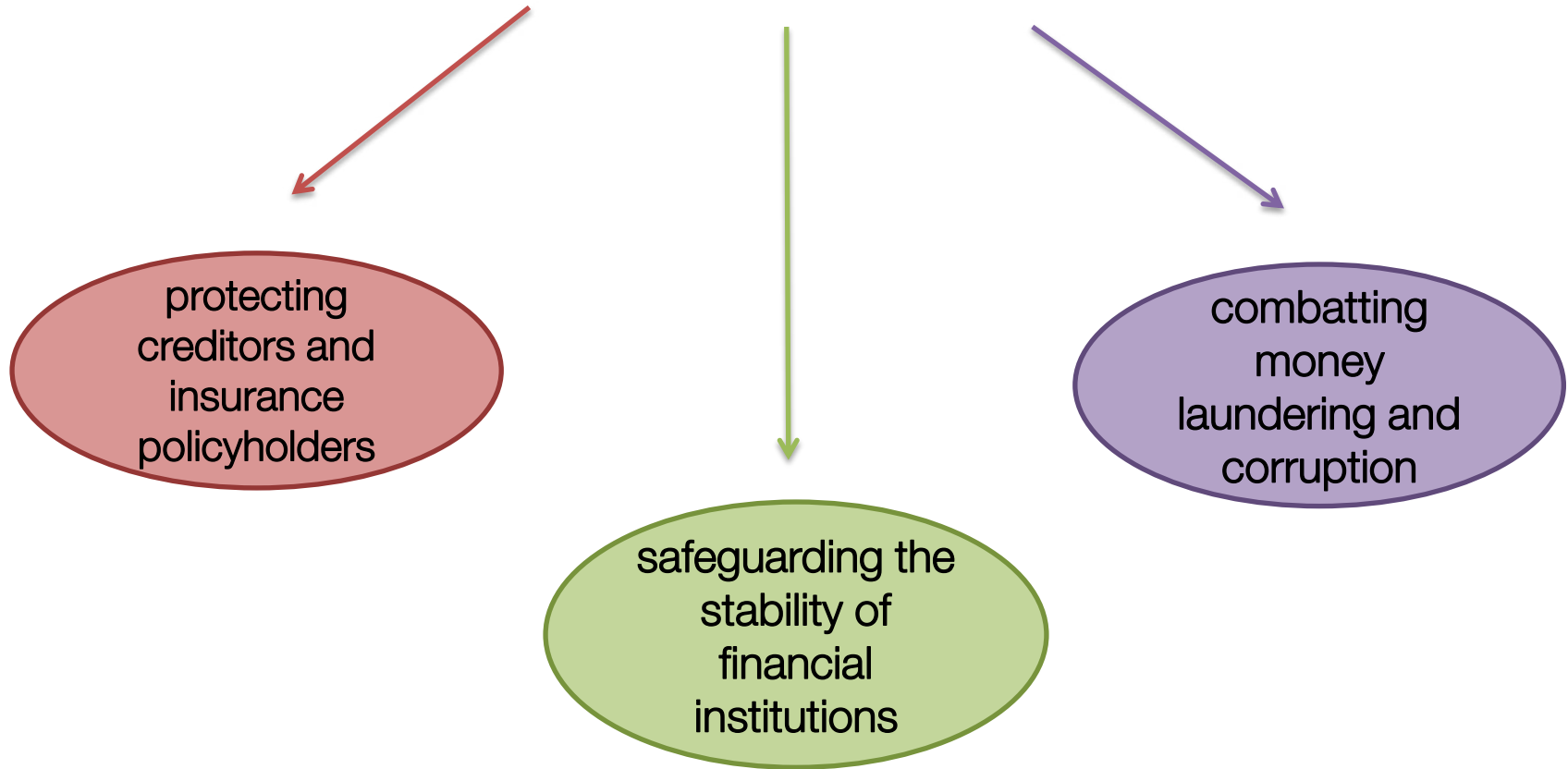
# The Federal Council Policy

Ensure the competitiveness of the Swiss financial centre by means of



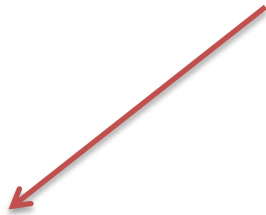
# FINMA's strategic objectives (I)

Ensure the integrity of the Swiss financial centre by



# FINMA's strategic objectives (II)

Two of FINMA's objectives are particularly relevant for private banks



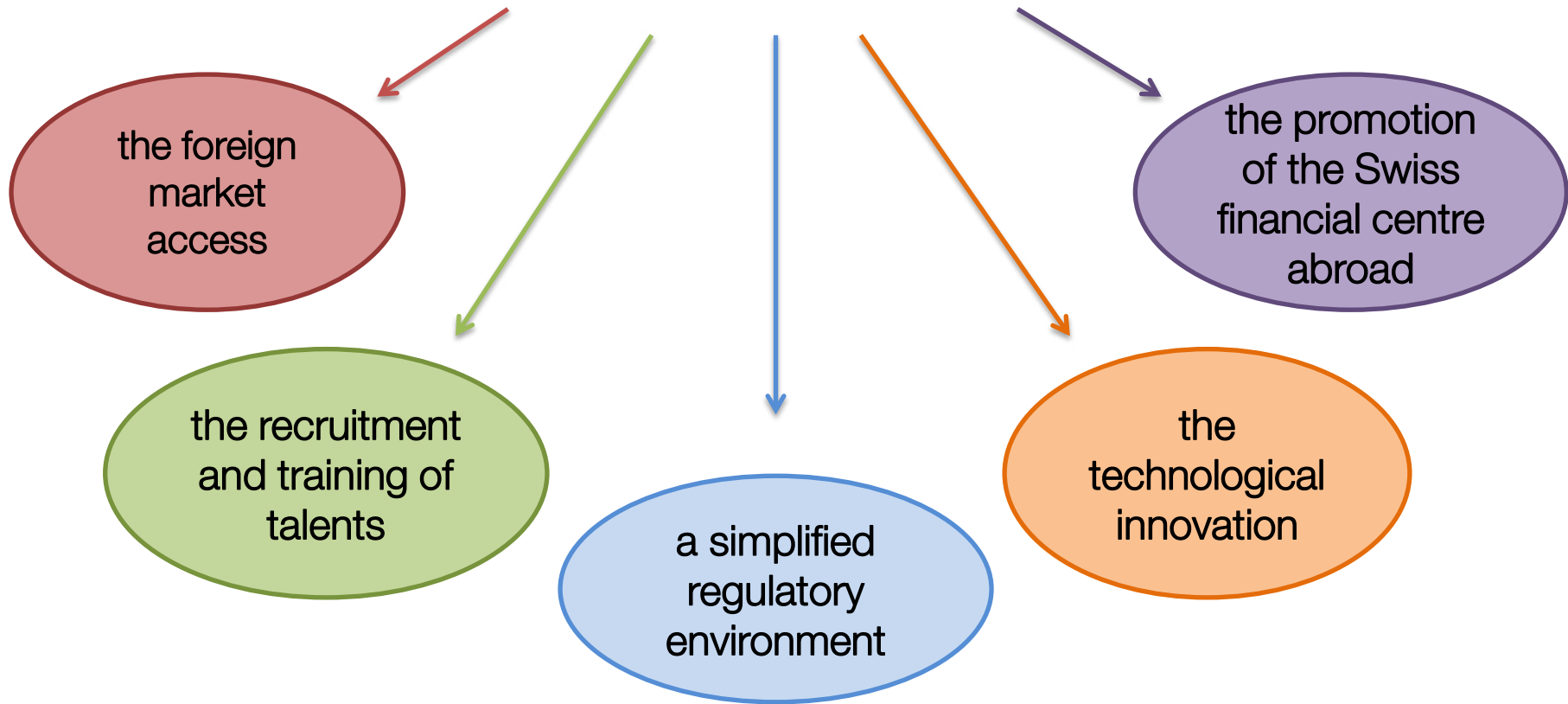
Reduction of regulatory barriers for innovative financial service providers



Maintaining the diversity of the financial centre

# The SBA's stance

Improve the framework conditions for banks involved in wealth management via



# The CTR III is vital for the Swiss economy



**In Switzerland, 24'000 companies have a special tax status**



**150'000 jobs**

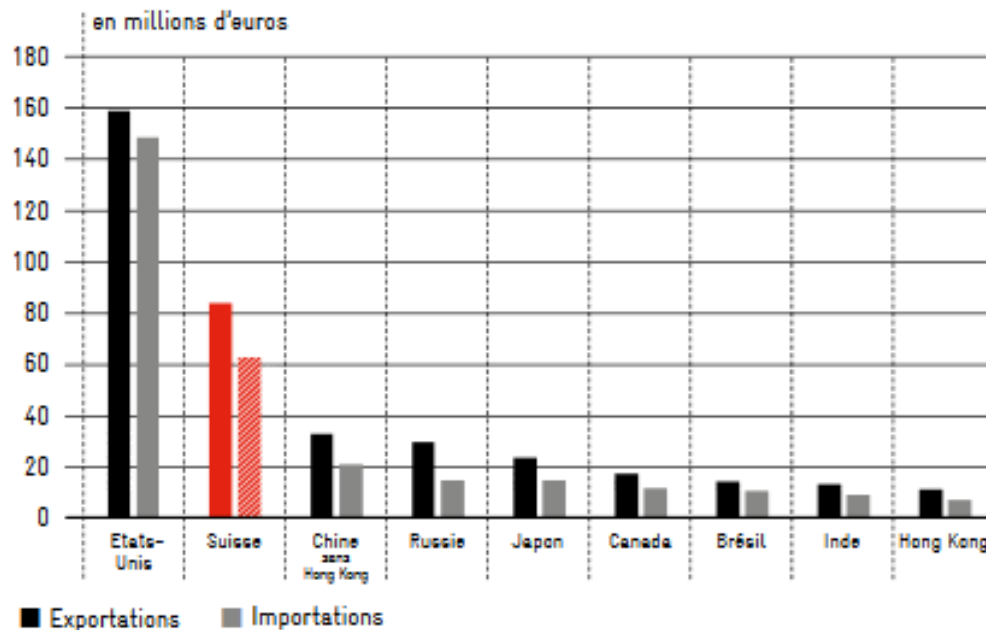


**5,3 billion in federal taxes a year**

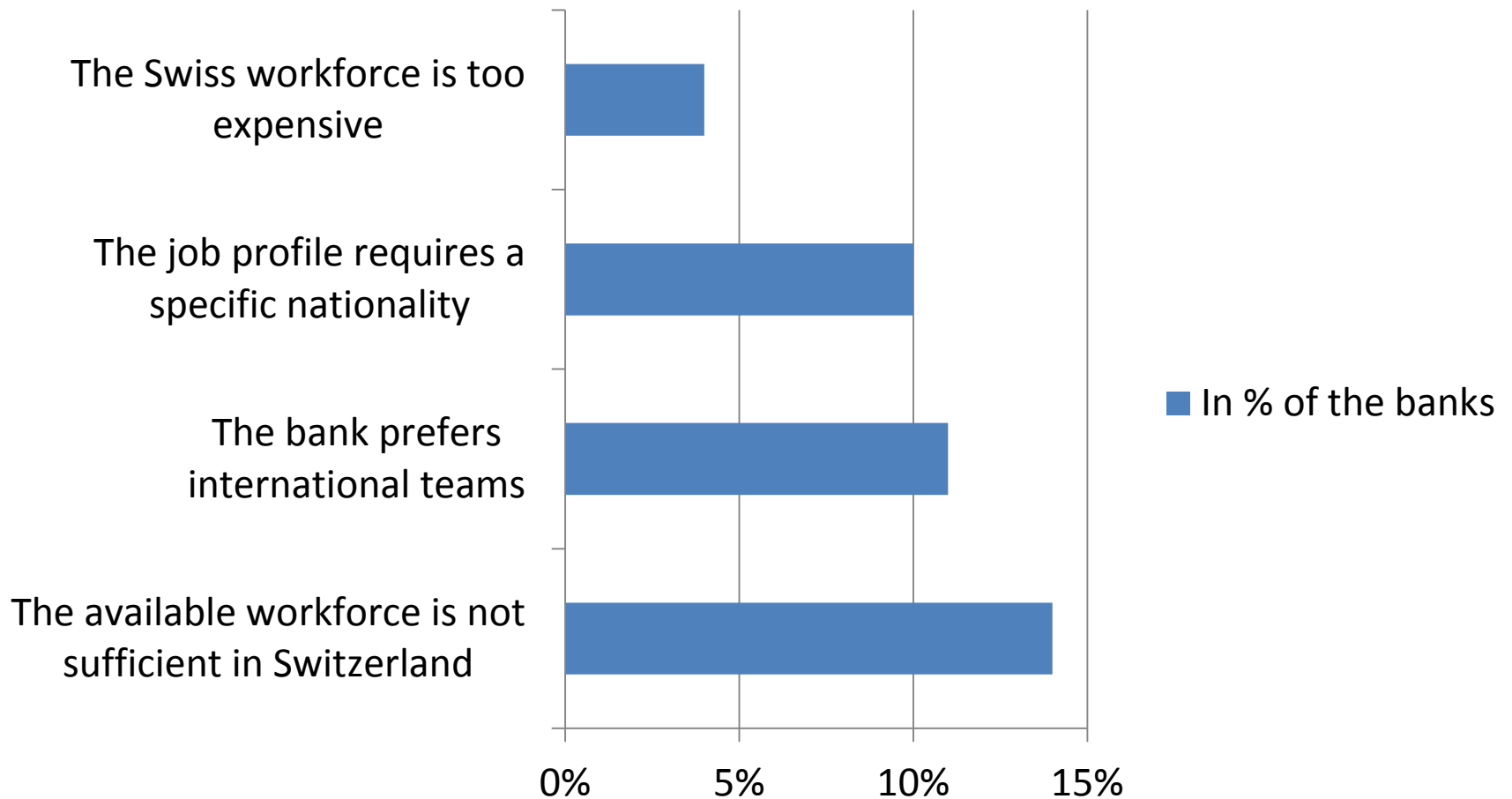
# Switzerland is the second largest trading partner of the EU for services

## Importation et exportation de services de l'UE

*La Suisse est, après les Etats-Unis, le plus grand partenaire commercial de l'UE pour les prestations de services.*



# The reasons why Swiss banks need foreign workforce



# Which potential for the Swiss banks in case of facilitated market access?

BANKS								
	Private Banking		Asset Management		Investment Banking		Retail Banking	
Private clients (retail)	+	●					+	●
High network individuals	+++	●	++	●				
Corporate clients			++	●	++	●	++	●
Institutional clients			+++	●	++	●	++	●

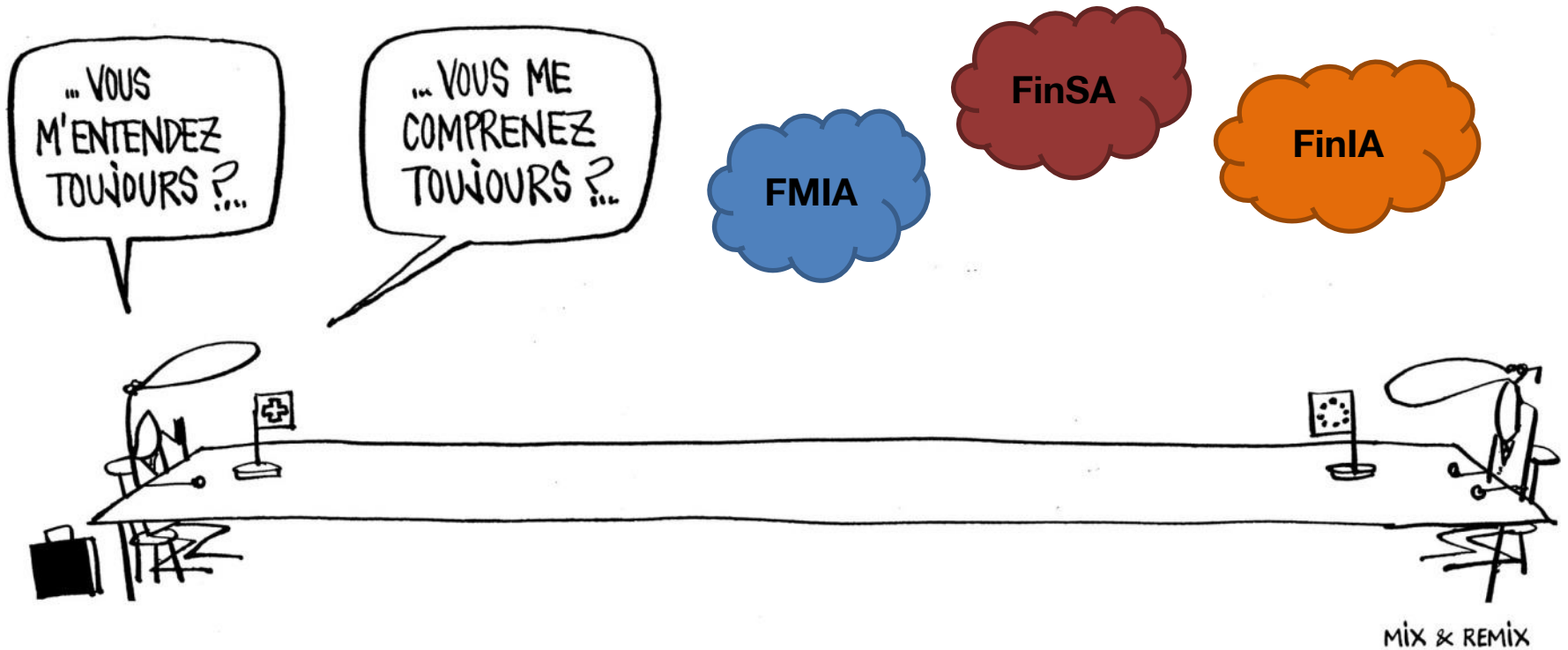
## Potential

+ low  
 ++ medium  
 +++ high

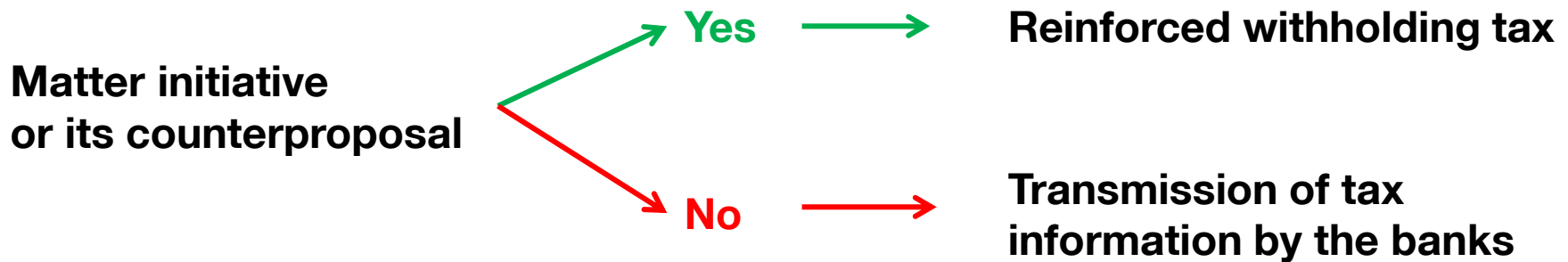
## Market access (status quo)

● limited  
 ● open

# Euro-compatible laws



# Banking secrecy in Switzerland: it is up to the Swiss people to decide!



**Thank you for your attention!**

