



KEY FIGURES



Source: SIF, 2015

# SWITZERLAND AS A FINANCIAL CENTER

AT A GLANCE

Switzerland is one of the world's leading financial centers, whether it be for asset management, the insurance business or as a trading platform for commodities. Due to the high concentration of international and local financial service providers, companies from other industries have access to a sophisticated and liquid capital market, as well as state-of-the-art financial infrastructure. A broad range of services is also offered in the field of project financing and investment consultancy - for the assessment and evaluation of risks or for support during mergers and takeovers.

Switzerland's key activities as a financial center

Breakdown by number of employees per sector



Source: SIF, 2015

Top ten companies

The five largest banks (based on balance sheet total) and the five largest insurance companies (based on gross premiums)

**Banks**

UBS
Credit Suisse
Raiffeisen
Zürcher Kantonalbank
Postfinance

**Insurance companies**

Zurich Insurance Group
SwissRe
Swiss Life
Axa Vesicherung
Helvetia

POWERED BY

## THE FINANCIAL SECTOR AS A SERVICE CENTER FOR COMPANIES

- Switzerland is one of the **world's leading financial centers** and is characterized by its **innovative energy, stability and security**. With a 9.5% share of GDP, the financial sector is one of the most important elements of the country's economy. Due to the size of the sector and its strong international integration, it is regarded as extremely attractive for both domestic and foreign companies seeking capital.
- Switzerland's financial sector is **highly diversified, with a high concentration of banks and financial service providers of all different sizes and spanning different fields of activity**. In addition to internationally oriented major and private banks, there are many local cantonal and regional banks, as well as asset managers and family offices. The broad range of services on offer includes tailored solutions for companies, which take into account their various unique requirements.

### Overview of Switzerland's role as a banking center

Number of banks in Switzerland according to category, 2014

Category	Number
Banks under foreign control	91
Regional banks and savings banks	63
Stock exchange banks	47
Branches of foreign banks	27
Cantonal banks	24
Other banks	13
Private bankers	7
Major banks	2
Cooperative banks (Raiffeisen banks)	1
<b>Total</b>	<b>275</b>

Source: SIF, 2015

- Switzerland offers one of the **world's most modern financial infrastructures**, guaranteeing companies and private individuals **reliable and secure processes** for executing both domestic and international payment transactions.
- The sophistication of Switzerland's financial center provides companies and **private individuals with a broad range of consulting services**, to choose from, whether it be for the financing of projects, real estate, exports and trade or for assessing and evaluating risks. Further solutions include various forms of capital procurement, risk transfer and mitigation, asset management, pension solutions for personnel, and support with mergers and takeovers or succession plans.

- Thanks to the country's flourishing financial center, companies based in Switzerland **have ready access to capital**. As a result of the relatively low reference interest rates and interest rate margins of Swiss banks, the borrowing costs in Switzerland are highly competitive compared to other countries.

### Affordability of financial services for companies

Switzerland compared to 140 other countries

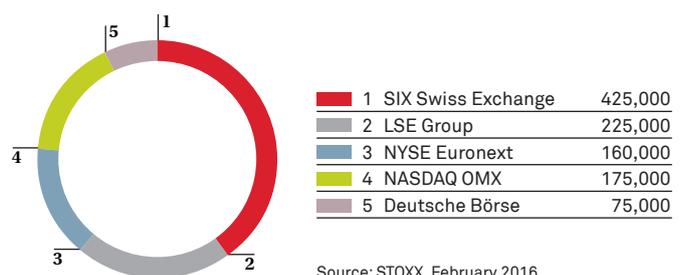
Country	Ranking
Switzerland	1
Luxembourg	2
Finland	3
Hong Kong	4
Norway	5
Qatar	6
Singapore	7
Canada	8
New Zealand	9
USA	10

Source: WEF, 2015

- Companies considering an IPO are granted access to **financially sound domestic and foreign investors** via the **Swiss stock exchange (SIX Swiss Exchange)**. Switzerland is a particularly interesting stock exchange on which to trade for companies from the med-tech industry. The SIX Swiss Exchange is considered the most important life science stock exchange in Europe.

### Europe's most important stock exchanges for life sciences

Trading volume in EUR million



- The **Berne eXchange (BX)** is an **affordable and issuer-friendly alternative stock exchange**, which is geared towards small and medium-sized companies, as well as real estate, investment and fund management companies. The BX's trading and settlement activities take place on a modern, fully electronic stock exchange platform.

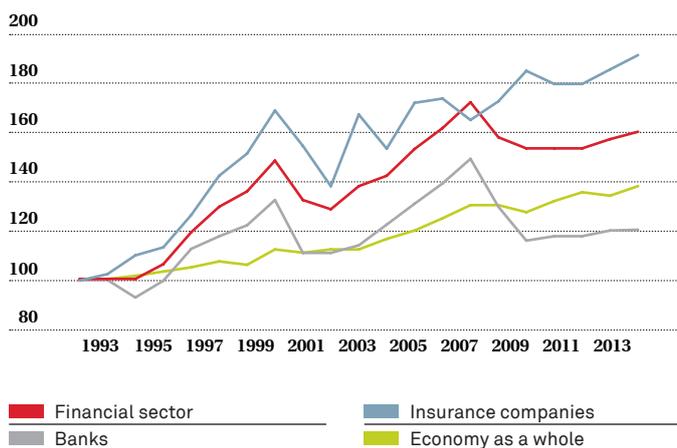
- Thanks to the high concentration of companies in its financial services industry, Switzerland boasts a large number of **technical experts (finance, accounting, trading, legal, etc.)** whose expertise is made available to companies from other economic sectors.

### SWITZERLAND AS A TRADING CENTER

- Switzerland has become one of the world's leading commodities trading centers over the past few years. Several of the **commodities companies based in Switzerland represent some of the largest companies in Switzerland with regards to turnover and are also the market leaders on a global level.**
- Commodities trading forms **94% of the transit trade in Switzerland.** This corresponds to close to 3.5% of the country's gross domestic product (GDP 2011). The commodities being traded are broken down into 60% energy-related commodities, 20% minerals and 15% agricultural and forestry products.
- There are particularly close ties between the commodities trade and the financial sector. **As commodity traders rely on financial services for the hedging of risks, Switzerland, with its sophisticated finance sector, is a particularly attractive location for these companies.**
- There are numerous logistics **companies active on the Swiss market that can provide** companies from other industries with support relating to supply chain management and the international transportation of goods. These include global freight companies, inspection and certification companies, specialist consultancies and law firms.

### Development of Switzerland's added value as a financial center

Gross value added by the financial sector in line with the economy as a whole (1993–2013)



Source: BAK Basel, 2014

### SWITZERLAND AS AN INSURANCE CENTER

- Along with its banks, the **insurance industry represents one of Switzerland's most important economic sectors.** Employing an estimated 50,000 people and generating CHF 28.3 billion, Swiss insurance companies contribute to the Swiss economic output much more than insurance companies in other countries.
- As is the case with the country's banks, the Swiss insurance industry is **highly diversified**, with companies spanning different sizes and varying fields of activity. In addition to internationally oriented insurance groups, smaller national insurers play a key role in the industry.

### Overview of Switzerland as an insurance center

Number of insurance companies in Switzerland by category, 2014

Category	Number
Indemnity insurance companies	127
Captives	33
Reinsurance companies	29
Life insurance companies	21
Supervised health insurance funds (supplemental health insurance companies)	14
<b>Total</b>	<b>224</b>

Source: SIF, 2016

- Thanks to its high concentration of insurance companies, Switzerland offers an **impressive level of expertise within the field and a high number of technical experts** are on hand to support companies and private individuals in assessing and evaluating risks and to offer solutions relating to risk transfer and mitigation.
- **Insurance companies allow private individuals and companies to carry out activities and make investments which could not otherwise be handled due to the excessive risks involved.** They free up committed capacity, making it available for the assumption of new risks.

## TESTIMONIAL



“There are many good reasons for which foreign companies take up residence in Switzerland; access to one of the world’s leading financial centers offering stability, liquidity, security and a favorable business environment is without doubt one of the major reasons. Many of our international customers appreciate the wide range of financing options, the non-discriminatory access to capital and the expertise and professionalism our experienced and well-connected international banks display when conducting financial market transactions.”

DR. FELIX W. EGLI, LLM  
Legal Attorney and Partner, Vischer  
[www.vischer.com](http://www.vischer.com)

## CURRENT DEVELOPMENTS

- In March 2015, Switzerland and the EU **signed an agreement on the introduction of a global standard relating to the automatic exchange of information on tax matters**. Switzerland and 28 EU member countries intend to start collecting account details in 2017 and to exchange them starting in 2018 after the necessary legal basis has been established. By implementing this global standard, Switzerland and the EU are making an important contribution to the prevention of tax fraud.
- In October 2015 the Federal Council defined and passed some key parameters for the capital to be held by systematically important banks along with further measures to strengthen the existing **too-big-to-fail provisions** and hence the resilience of those banks. The leverage ratio for global systematically important banks is now five percent. These banks must also meet “going concern” requirements of the same level. This means that the total loss-bearing capital is ten percent of the total commitment. Furthermore, the Swiss emergency plans are or be ready for implementation by 2019. The too-big-to-fail provisions were introduced in the course of financial crisis in 2008 as a result of the liquidity problems of some systematically important players. Compared with other countries, the Swiss banks now have a **high capitalization rate**.
- The British electorate has voted to leave the EU. Brexit will be a matter for negotiation between the UK and the EU. For as long as these negotiations last, there will be no change to the current situation, and that also applies for Switzerland's financial sector. For questions relating to Brexit, see: [www.eda.admin.ch/dea/en/home/dienstleistungen-publikationen/faq/faq-brexit.html](http://www.eda.admin.ch/dea/en/home/dienstleistungen-publikationen/faq/faq-brexit.html)

## CONTACTS AND FURTHER INFORMATION

### Authorities and Regulators

Swiss Federal Department of Finance  
[www.efd.admin.ch](http://www.efd.admin.ch)

State Secretariat for International Financial Matters  
[www.sif.admin.ch](http://www.sif.admin.ch)

Swiss National Bank  
[www.snb.ch](http://www.snb.ch)

Swiss Federal Financial Market Supervisory Authority  
[www.finma.ch](http://www.finma.ch)

### Publications and Tools

The economic importance of Switzerland as a financial center (in German)  
[www.bakbasel.ch](http://www.bakbasel.ch)

> Publikationen > Berichte & Studien  
> Schweizer Finanzsektor

Key figures Swiss Financial Centre 2014  
[www.efd.admin.ch](http://www.efd.admin.ch)  
> Documentation > Publications > Brochures

Commodity Trading Companies  
[www.kpmg.com](http://www.kpmg.com)  
> Research > Search: Commodity Trading Companies

The economic importance of the Swiss financial sector  
[www.swissbanking.org](http://www.swissbanking.org)  
> Publications > Publications

FAQs for opening a bank account in Switzerland  
[www.swissbanking.org](http://www.swissbanking.org)  
> Financial Center > FAQ > Opening a bank account

### Associations and Networks

Swiss Bankers Association  
[www.swissbanking.org](http://www.swissbanking.org)

Swiss Shippers Council  
[www.swiss-shippers.ch](http://www.swiss-shippers.ch)

Swiss Trading and Shipping Association  
[www.stsaswiss.ch](http://www.stsaswiss.ch)

### S-GE Resources

Handbook for investors  
[www.s-ge.com/handbookforinvestors](http://www.s-ge.com/handbookforinvestors)