

What Strategic Priorities for the Swiss Private Banks?



Berne, January 26, 2017

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Association de
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Vereinigung
Schweizerischer Privatbanken

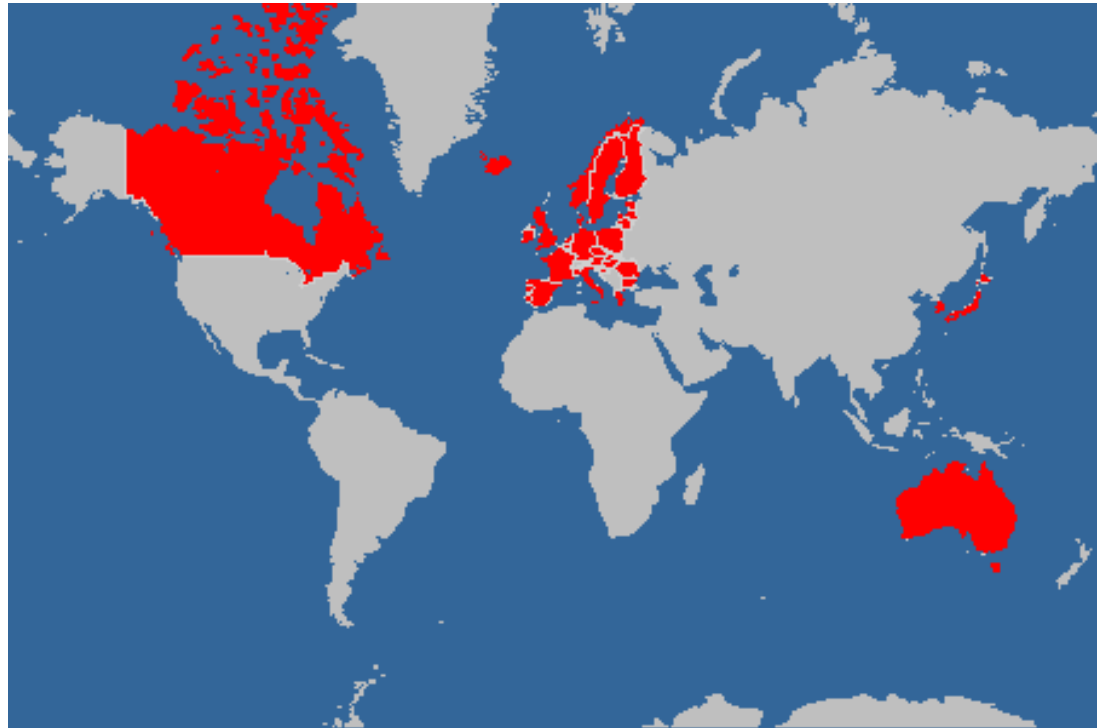
Association of Swiss Private Banks

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

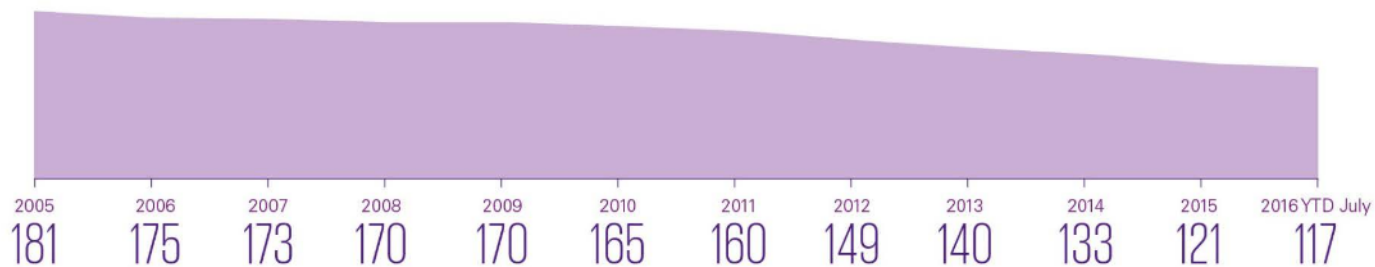
Some of the new standards defined by Switzerland in order to render its regulation compatible with those of its commercial partners :

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

1 in 10 Swiss Private Banks did not survive 2015

One year later, one in ten private banks fewer

Number of Private Banks in Switzerland



- 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.

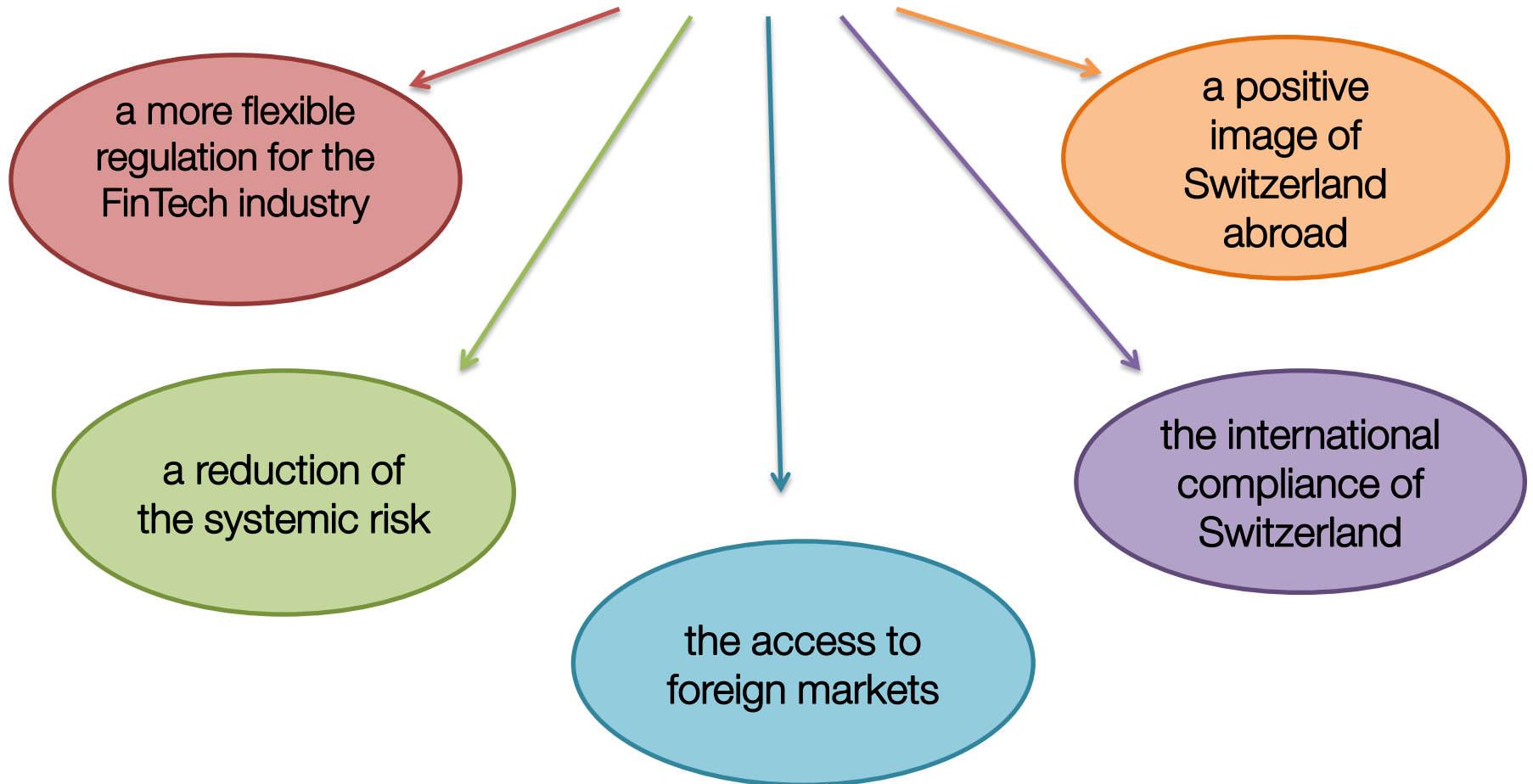
Degradation of the Swiss financial centres in the international competition

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

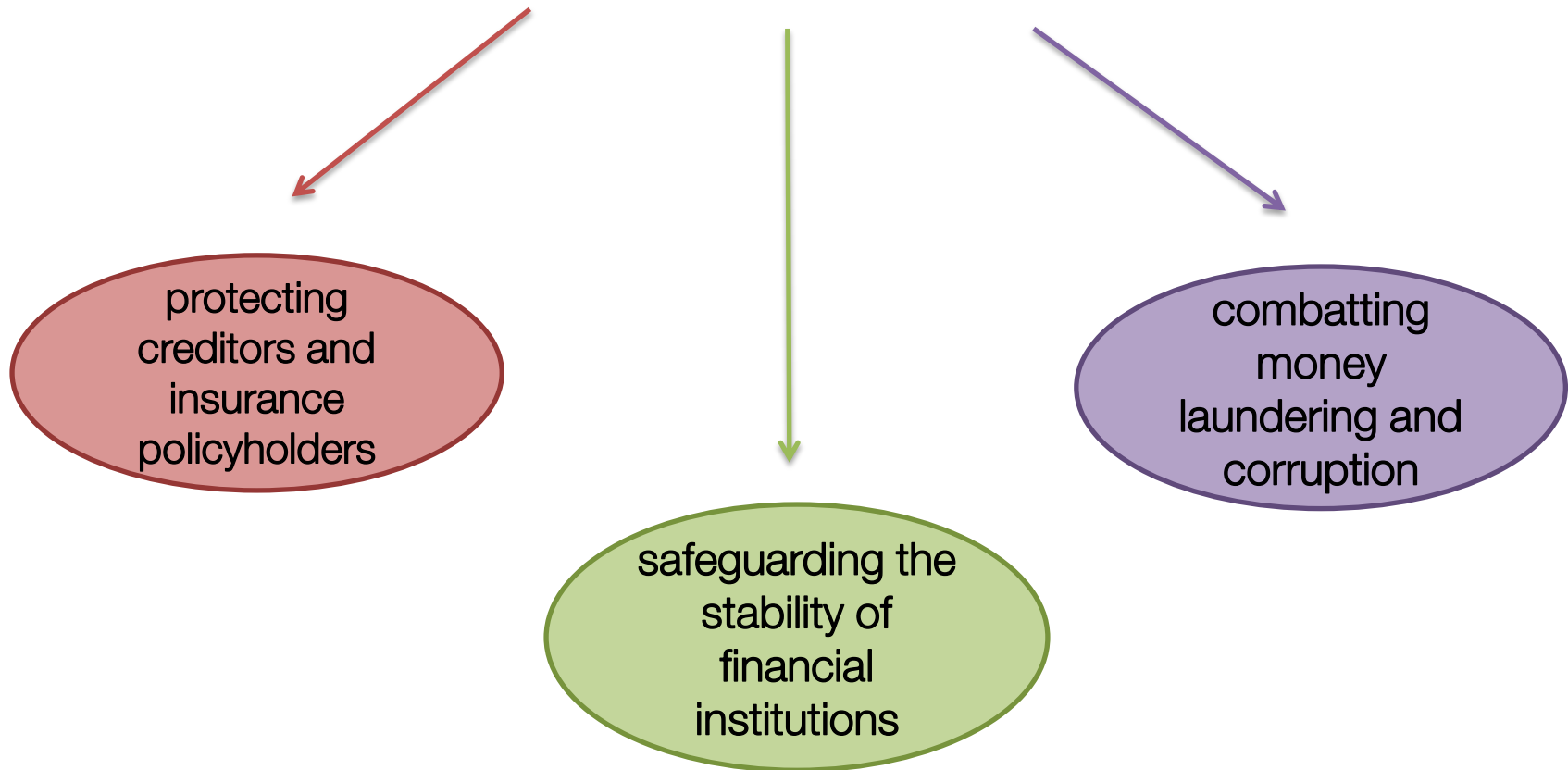
The Federal Council Policy

Ensure the competitiveness of the Swiss financial centre by means of



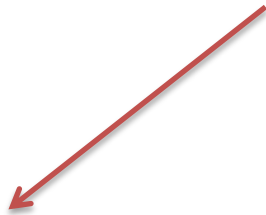
FINMA's strategic objectives (I)

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



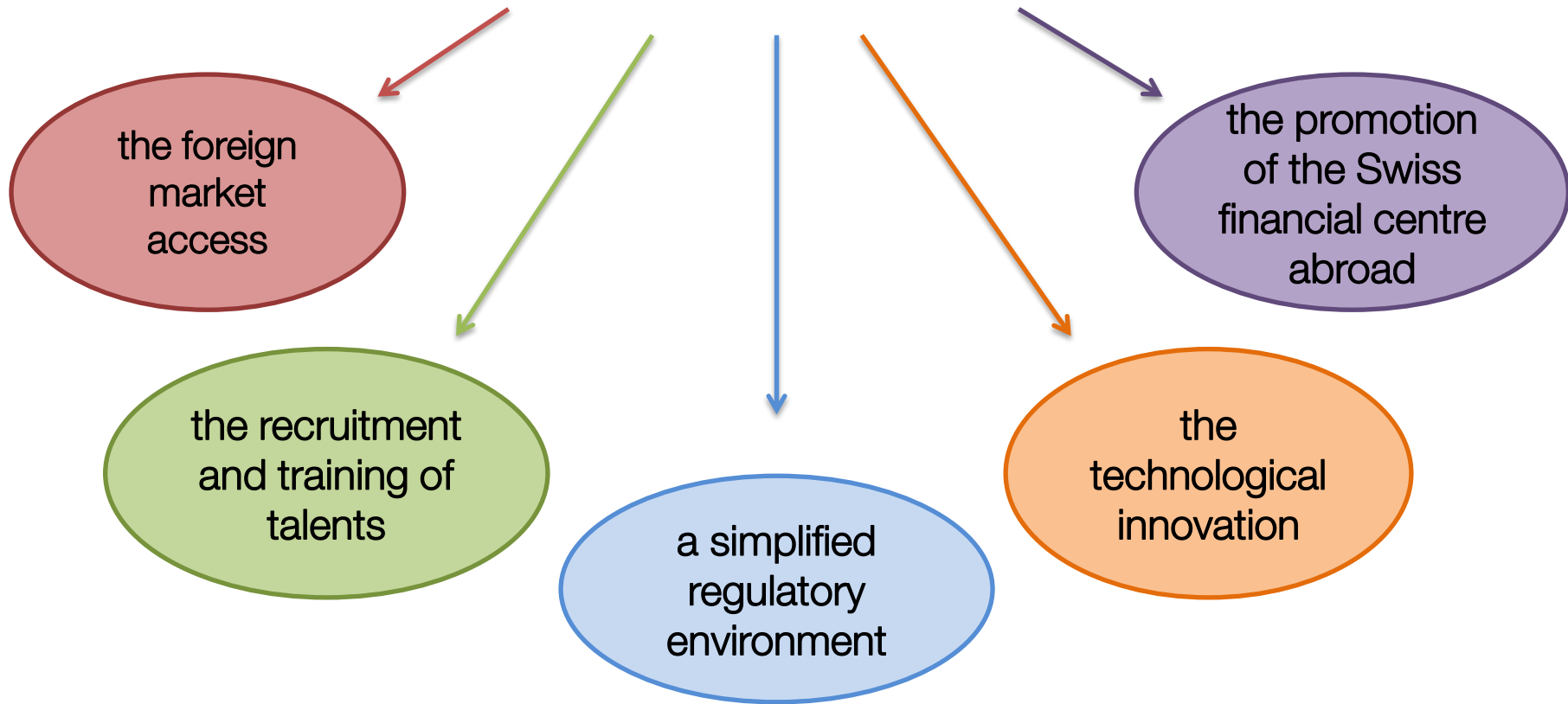
Reduction of regulatory
barriers for innovative
financial service providers



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

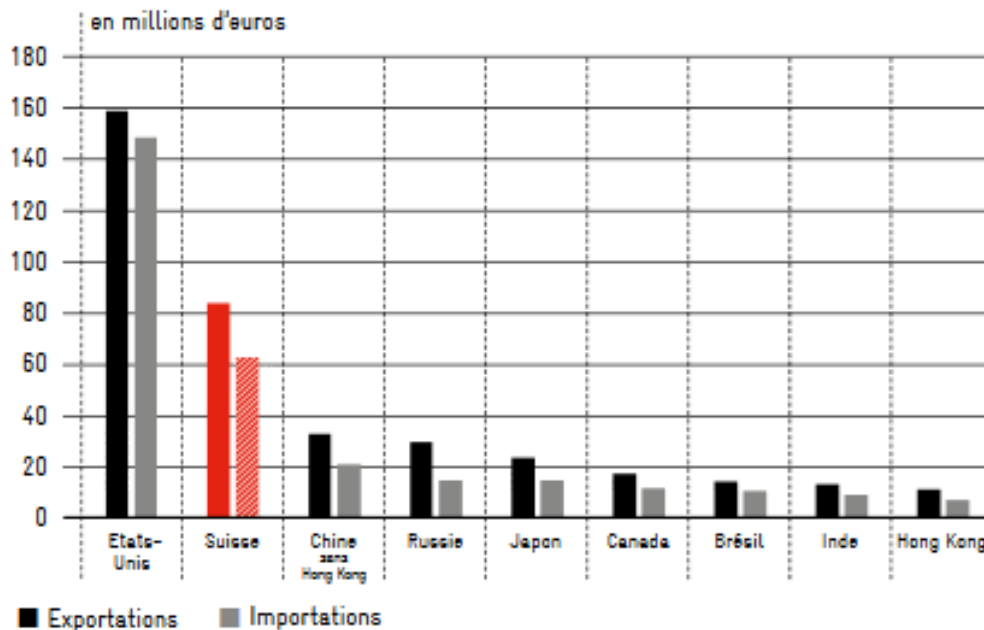


5,3 billion in federal taxes a year

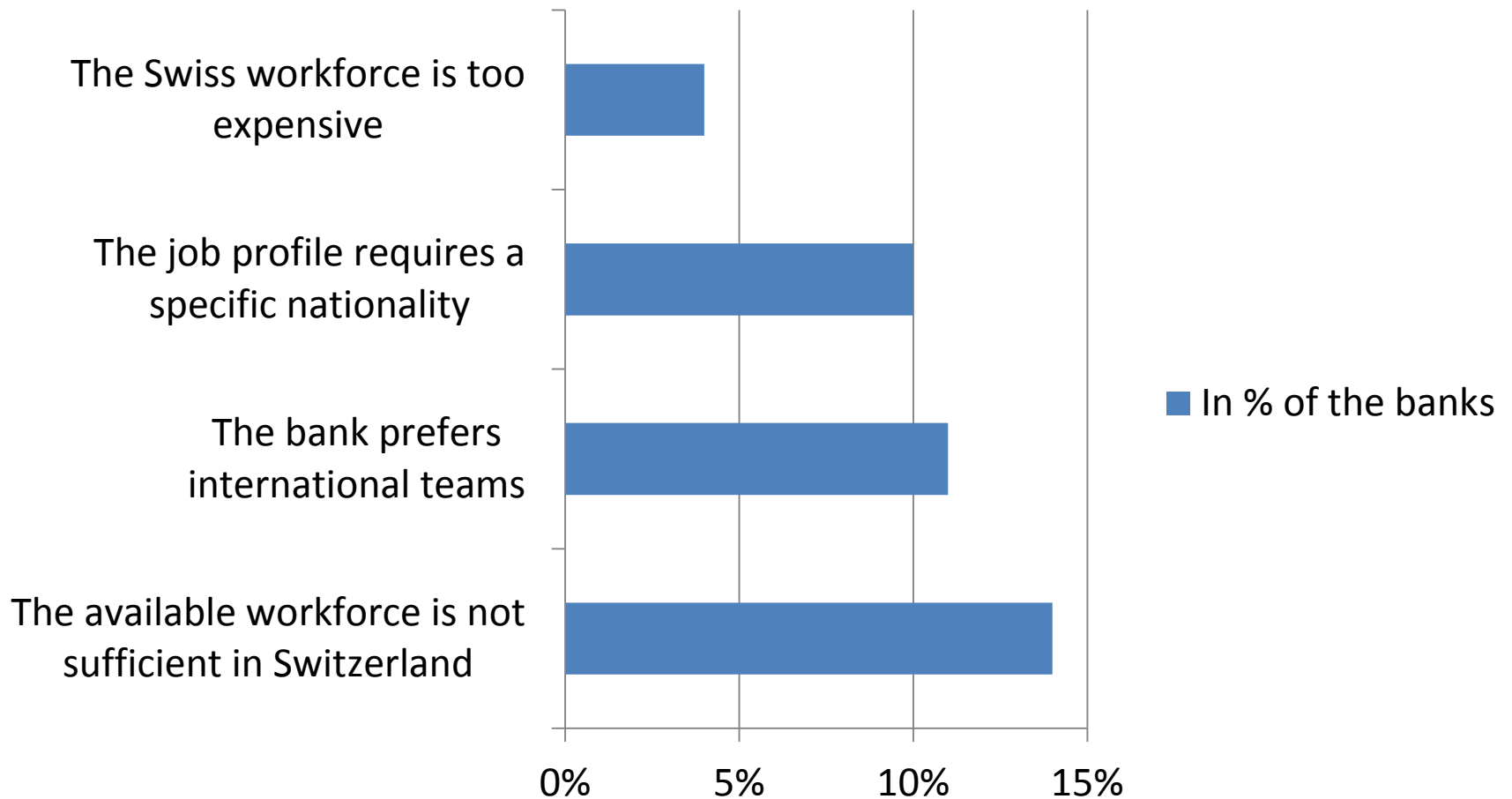
Switzerland is the second largest trading partner of the EU for services

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

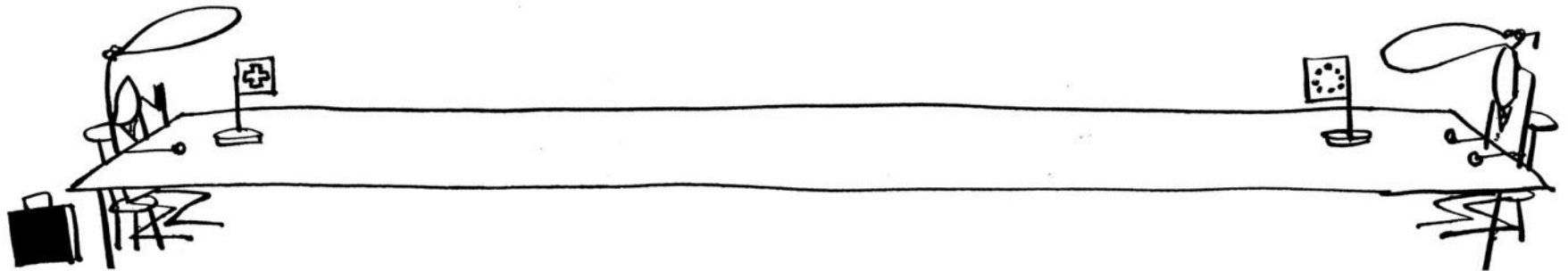
... VOUS
M'ENTENDEZ
TOUJOURS ? ...

... VOUS ME
COMPRENEZ
TOUJOURS ? ...

FMIA

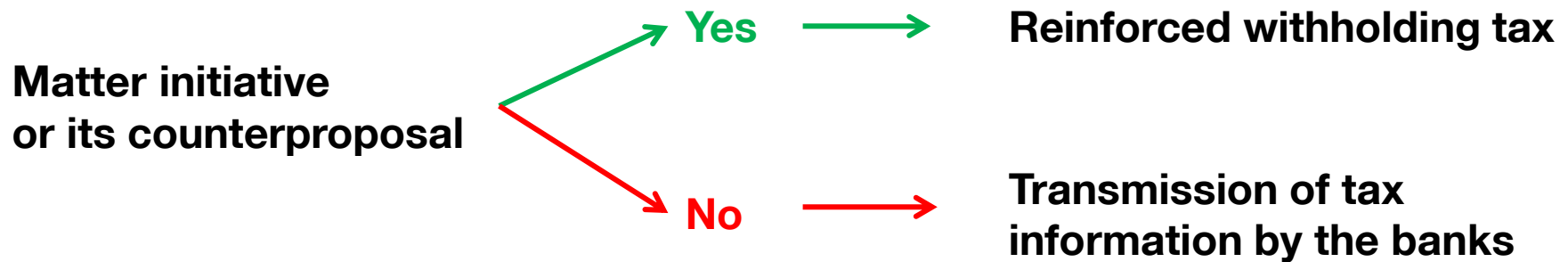
FinSA

FinIA



MIX & REMIX

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



Thank you for your attention!

