

The Zurich banking centre

*Facts and figures
2015/2016 edition*



Foreword

Zurich's banking centre is of key importance to the region and a significant contributor to its economic value creation. It also plays a pivotal role as an employer, educator, lender, customer, taxpayer, and promoter of cultural institutions.

The banking centre is currently in a phase of historic change. With business models being realigned and new regulations implemented, it is essential to establish the right operating environment for the financial sector and safeguard Zurich's locational advantages for the future. The common goal for all those involved must be to position the financial centre as stable and forward-looking, thus enabling it to maintain its appeal both internationally and locally and continue to play an important economic role in the Zurich region.

The Canton of Zurich and the Zurich Banking Association work to create the conditions in which the banking centre can flourish. They also endeavour to promote a reasoned debate on its future with publications such as this, which we hope you enjoy reading.

Zurich, January 2015



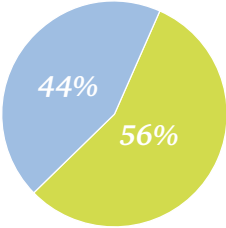
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A key player in Zurich's economy

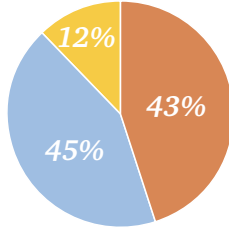
Nominal gross value creation in the banking sector in Switzerland: CHF 28.9 bn (2013)



- Zurich region
- Rest of Switzerland

Source: BAKBASEL

Nominal gross value creation in the Zurich financial centre: CHF 28.0 bn (2013)



- Banks
- Insurance companies
- Other financial service providers

The Zurich financial centre, which covers the cantons of Zurich, Schwyz and Zug, is an economic mainstay of the region, with around **one in every five Swiss francs of economic value created** here linked directly to its activities. If the products and services of suppliers are also taken into account, it is estimated that **one in every three francs of economic value** is indirectly generated by the financial centre.

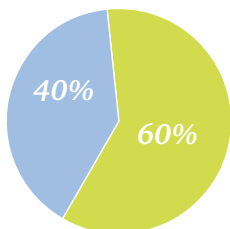
In 2013, banks alone contributed some CHF 12.6 billion to the local economy (45% of the contribution of the Zurich financial centre as a whole), which translates into nearly **9% of the economic activity in the region**.

Having declined during the crisis years, the economic value created by the banking sector has been showing positive annual growth rates again since 2012.

The banking centre generates around 9% of the Zurich region's gross domestic product

Banks as employers

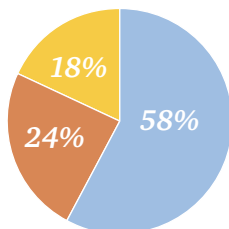
Employed in banking sector in Switzerland: 141,800 (2013)



■ Zurich region
■ Rest of Switzerland

Source: BAKBASEL

Employed in the Zurich financial centre: 97,500 (2013)



■ Banks ■ Insurance companies
■ Other financial service providers

Banking is **one of the Zurich region's most important industries**. Banks directly employ around **57,000 people**, corresponding to 5% of all jobs in the area. As such, they are a key pillar of the local labour market. Taking **indirect effects** into account, it is estimated that as many as **one in ten jobs** in the Zurich region are dependent on the banking sector.

The Zurich financial centre as a whole – comprising banks, insurance companies and other financial service providers – supports around **97,500 jobs**, thus **directly employing 9% of the entire labour force** in the region.

Banks provide around 57,000 jobs in the Zurich region

Education and training



The availability of **highly qualified staff** is one of the most important competitive factors for any economic location.

Zurich's banks therefore invest heavily in **attractive training opportunities** for young employees. These range from commercial and IT apprenticeships to introductions to banking for high-school graduates, work experience for students, and training programmes for university graduates. All in all, the banking sector in the Zurich region **provides vocational training to some 2,500 young people**, with around 930 commercial apprentices and 310 bank IT apprentices in the Canton of Zurich alone.

Along with practical research and top-level academic education, **professional training and development** is another significant factor in the success of the financial sector. Thanks to the high quality of training available in and around Zurich, bank employees are able to constantly broaden their skills and keep up to date with the latest developments.

The Zurich banking sector provides around 2,500 young people with vocational training

Banks as lenders



Zurich is a highly attractive location for businesses. One reason is that – thanks to the large number of banks – companies both large and small can benefit from a **comprehensive range of funding options** at attractive conditions, as well as a wide range of financial services. The total volume of loans granted in the Zurich region is estimated at around **CHF 100 billion**.

Local banks can cater to all the needs of businesses in the region, from simple current accounts, payment services and export financing through to advice and support for mergers and acquisitions.

Every year, **young businesses** in the Zurich area are supported by **venture capital**, helping the region remain a centre for innovation and a job creator in important sectors of the future.

SMEs in the region depend on solid lending institutions with expert banking knowledge

Locations and infrastructure

Number of branches (Cantons Zurich, Zug, Schwyz, 2013)

Cantonal banks	27 %	138
Big banks	22.5 %	115
Regional and savings banks	10.9 %	56
Raiffeisen banks	5.5 %	28
Stock exchange banks	5.7 %	29
Other banks	7.8 %	40
Foreign-controlled banks	15.5 %	79
Branches of foreign banks	3.9 %	20
Private bankers	1.2 %	6
Total:		511

Source: SNB

There are some 280 banks in Switzerland. Around a third have their head office in the Zurich region, with **total assets in excess of CHF 2,000 billion** as of 2013. The big banks account for more than half this figure.

The Swiss financial centre is underpinned by a **solid and reliable financial infrastructure**, including aspects such as the operation of electronic exchanges, settlement and custody of securities, the provision of reference and market data, processing of credit and debit cards, and interbank payment transactions in Swiss francs and euros.

In total, the Zurich region is home to around 510 offices of various banking institutions

Zurich and the world

Global Financial Centres Index 2015



Rank 2015	City	Rating	Change in ranking since 2014	Change in rating since 2014
1.	New York	786	+1	+7
2.	London	784	-1	-10
3.	Hong Kong	761	-	+2
4.	Singapore	751	-	-
5.	Zurich	730	+1	+12
6.	Tokyo	722	-1	+2
7.	Seoul	718	+3	+17
8.	Boston	715	-1	+1
9.	Geneva	713	-1	+3
10.	San Francisco	711	+2	+14

Zurich is one of the world's leading financial centres in the world. It ranked fifth in the Global Financial Centres Index 2015 and second in Europe.

The services our banks provide are also in demand abroad, with **exports of financial services consistently exceeding CHF 15 billion in recent years.**

Wealth management is one of the main pillars of the Swiss banking sector. At the end of 2013, **assets under management in Switzerland totalled CHF 5,170 billion**, with CHF 2,350 billion coming from domestic clients.

Switzerland remains **the largest financial centre for international clients** in cross-border wealth management. It has continued to defend this leading position successfully, despite the increasing international competitive pressure and the expected implementation of an automatic exchange of information on tax data with foreign countries.

Zurich is one of the top five global financial centres

Public commitment

The Zurich banking centre makes a significant contribution to the high quality of life in the region, with a whole host of local institutions and events receiving significant support from banks, such as:

KUNSTHAUS ZÜRICH

OPERNHAUS
ZÜRICH



Schauspielhaus
Zürich



ZÜRICH
FILM FESTIVAL



Zürcher Theater Spektakel

Veranstalterin: Stadt Zürich Kultur



Kunstmuseum Winterthur

moods
im schiffbau

As well as traditional sponsorship activities, banks are committed to enhancing Zurich as a location in many other ways, for example via **foundations, cultural and educational funds**, and **support for social institutions**. Many employees involved in banking also work pro bono for administrative bodies and associations and volunteer in their communities.

Banks provide invaluable support to Zurich's rich cultural life

Success factors of the banking centre



The **attractive operating environment** is a significant factor in the success of Zurich's banking centre. It offers political and economic stability, legal certainty, healthy public finances coupled with comparatively moderate taxes and the stable Swiss currency, as well as premier services backed by a strong service culture.

The Zurich region also boasts top-flight educational institutions and a flexible job market with highly qualified workers. The high quality of life and well developed infrastructure – with excellent links to the airport and first-rate public transport – make the region one of the **most attractive business locations in the world**.

Maintaining these success factors will be essential in **securing a strong and stable financial centre** over the long term. This will benefit not only the institutions themselves, but also the greater Zurich area as a whole.

Zurich's outstanding advantages as a location must be maintained

History



In the nineteenth century Zurich grew to become the biggest city in Switzerland, transforming itself into a **leading centre of finance and research**. To meet the rising demand for investment capital generated by the building and maintenance of railway lines, **Alfred Escher** formed the Schweizerische Kreditanstalt (Swiss Credit Institution) in 1856.

Zurich's rise to become one of the most important international financial centres began after the Second World War, thanks in no small part to the **comprehensive wealth management** services provided to affluent clients from Switzerland and abroad. From the mid-1950s, the internationalisation of the financial system helped bolster the growth of the banking centre yet further.

Following the financial crisis in 2008/2009, and the systematic **realignment of its business model** in cross-border client advice, the banking centre in Zurich is undergoing fundamental change.

Zurich's roots as a banking centre stretch back more than 250 years

1755

Bank Leu & Co. founded in Zurich – the first traditional Swiss bank

1848

Modern Switzerland established with the ratification of the Federal Constitution

1850

Creation of the Swiss franc as a single national currency

1856

Schweizerische Kreditanstalt (Swiss Credit Institution) founded in Zurich by Alfred Escher

1870

Foundation of Zürcher Kantonalbank

1902

Foundation of the Zurich Banking Association

1907

The Swiss National Bank commences business operations in Berne and Zurich

from the mid-1950s

Beginning of Zurich's rise to prominence as an international financial centre

from 1980

Establishment of specialised financial institutions in the Zurich area. Zurich's importance as a financial centre continues to grow

1990/1998

Consolidation of the banking centre, triggered by the Swiss real estate and

regional bank crisis. Today's big banks establish themselves as leading Swiss universal banks with global operations

2008/2009

The global financial crisis also impacts the Zurich banking centre, with banks having to strengthen their equity capital as part of Basel III

2009

Switzerland adopts the OECD standard on administrative assistance in tax matters, thus paving the way for a fiscally compliant and competitive financial centre

2011/2012

Parliament passes the amendment to the Banking Act to address the "too big to fail" issue, and this is then put into force by the Federal Council as of 1 March 2012

2013

The tax treaties with the UK and Austria come into force on 1 January 2013. The US also sets up a program to enable Swiss banks to resolve the tax issues relating to their US business

2014

The banks agree on a tightening in the self-regulation measures governing mortgage financing. The Federal Council also submits the Federal Financial Services Act for consultation. The aim is to ensure a uniform, product-neutral regulation of distribution, and to bring the Swiss legal framework in line with other countries

Business and Economic Development Division

The Business and Economic Development Division of the Office for Economy and Labour (AWA) of the Canton of Zurich is a point of contact for businesses which are located in the canton or looking to move there, and supports those branches of the economy in the Zurich area which are resolutely focused on future development. It provides information and support as well as facilitating and networking, acting as a conduit between finance, research and public administration.

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Zurich Banking Association

The Zurich Banking Association represents the interests of the region's financial centre vis-à-vis the authorities, politicians and the general public. It seeks to maintain and create jobs in the sector, and also supports the education and training of employees within the Zurich financial centre. The Zurich Banking Association has around 50 members, representing some 50,000 employees.

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ZURICH
BANKING ASSOCIATION



**Canton of Zurich
Department for Economic Affairs
Office for Economy and Labour**

