

## Savings banks, mortgages and the regional banks

*Dr Alexander Ressos, TEP  
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),  
Solicitor (England & Wales)*

Alongside the big banks, the cantonal banks and the private banks, a network of smaller banks served the population of the Basel region: savings banks, regional banks and local banks in the towns and villages of Basel-Landschaft. They collected savings deposits, granted mortgages and lent to small businesses and farmers. Their business was local, conservative and based on personal knowledge of their clients.<sup>1</sup>

The mortgage was the central product of these banks. Swiss households financed their homes largely with mortgages. Over time, Swiss mortgage practice developed characteristic features. Mortgages were often not amortised, or amortised only partially, so that households carried large mortgage debts for decades. The interest on mortgages was deductible from taxable income, while the imputed rental value of owner-occupied homes was taxed as income, a system that encouraged households to maintain their mortgage debt. The Swiss parliament decided in 2024 to abolish the taxation of imputed rental value together with the deduction of mortgage interest, subject to a referendum on the associated property tax on second homes.<sup>2</sup>

The regional banks of Switzerland suffered heavily in the real estate crisis of the early 1990s, when property prices fell sharply after a speculative boom. Many of them failed or were absorbed by larger banks. The failure of the Spar- und Leihkasse Thun in 1991, which left its depositors without access to their savings, shocked the Swiss public and led to the introduction of deposit protection.<sup>3</sup> Several regional banks of the Basel region merged or were absorbed. Today, the deposit protection scheme of the Swiss banks, *esisuisse*, guarantees deposits up to one hundred thousand francs per client and bank, under the rules of the Banking Act.<sup>4</sup>

## 1 Notes

1. On the savings banks and regional banks of the Basel region in the nineteenth and twentieth centuries, see the literature on Swiss regional banking. To be verified. ↩
2. On the taxation of imputed rental value (Eigenmietwert) and the deductibility of mortgage interest in Switzerland, and the parliamentary decision of 2024 to abolish the system (accepted in the popular vote of 28 September 2025 on the cantonal property tax on second homes), see the federal tax legislation. Status to be verified. ↩
3. On the Swiss regional bank crisis of the early 1990s and the closure of the Spar- und Leihkasse Thun in October 1991, see the literature on Swiss banking history. To be verified. ↩
4. On the Swiss deposit protection scheme (esisuisse), which protects deposits up to CHF 100,000 per client and bank under Art. 37a ff. Banking Act, see the publications of esisuisse. To be verified. ↩

---

*For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.*

Online version: [helveticaregister.com/basel-savings-banks-mortgages-and-the-regional-banks](https://helveticaregister.com/basel-savings-banks-mortgages-and-the-regional-banks)