

Geneva as a financial centre: how a city of 200,000 came to manage the world's wealth

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Geneva has around 200,000 inhabitants in the city and just over half a million in the canton. By population it is a mid-sized town, smaller than Bristol or Bologna. By the assets managed from here, the commodity volumes traded here and the number of international organisations based here, it is a centre of the world economy. This article explains how those things came to sit in the same place, what holds them together, and where the structure is exposed.

1 A sediment, not a plan

A financial centre is never created by decision. Governments have tried: purpose-built districts, tax holidays, promotional agencies. What they produce is office space. What they cannot produce is the thing Geneva has, which is eight centuries of accumulated practice lying in layers, each younger one built on the older.

That matters for anyone assessing the centre's durability. Layers can be eroded, and single ones can be lost — Geneva lost its fairs in the fifteenth century and its stock exchange function in the twentieth — but the sediment as a whole is not replicable within a business cycle. Competing centres can buy buildings and cut taxes; they cannot buy a notarial tradition, an arbitration bar or four hundred years of family banking.

2 The first layer: trade

From the thirteenth to the fifteenth century Geneva was one of the great fair towns of Europe. Fairs are attested from 1187, and by the fourteenth century there were four a year: Epiphany, Easter, St Peter in Chains on 1 August, and All Saints, lasting first seven, then ten, finally fifteen days each.

Merchants came from Italy, Savoy, Burgundy, the Dauphiné, Provence and the Swiss Confederation.

Two features of those fairs shaped everything that followed. The first was the legal treatment of credit. In 1387 Bishop Adhémar Fabri had the liberties of the citizens recorded in writing, and those franchises expressly permitted lending at interest at reasonable rates — remarkably liberal for Western Europe at a time when the canonical prohibition was general. The second was the settlement function. The Italian companies that dominated the square used the bill of exchange, a single paper that combined transfer of funds, currency exchange and credit for its term. Geneva became one of the most important clearing places for bills between Italy and north-western Europe.

The fairs ended through politics. In 1462 Louis XI forbade French merchants to attend them, and by letters patent of 8 March 1463 endowed Lyon with four fairs of fifteen days on the same dates. The Medici moved their principal branch to Lyon by 1465; the Florentine houses followed. Geneva was left with roughly 5,000 inhabitants, a network of correspondents, notarial expertise and capital — and no flow of goods.

3 The second layer: the Reformation

In 1536 the city adopted the Reformation and became an independent republic. The conventional account — that Calvin permitted interest and thereby enabled capitalism — is inaccurate in both halves. Calvin denied that the biblical prohibitions were of general application, and at the same time tied admissibility to conditions: nothing from the poor man borrowing to live, nothing above the rate fixed by the authorities, nothing that leaves the debtor worse off, and no making a trade of it. The council translated this into maximum rates set by ordinance.

What the Reformation did deliver was people. Between 1549 and 1587 the city took in some 8,000 refugees, of whom around 3,000 settled permanently, against a population of about 13,150 in 1550. Printers, silk weavers, watchmakers, lawyers and merchants arrived with skills and, more importantly, with relatives and correspondents in Lyon, Antwerp, Frankfurt and London. A refugee network of that kind is a bank in waiting: people who trust one another across borders can settle payments, draw bills and move information faster than the market.

4 The third layer: banking

Out of the Huguenot families of the Refuge grew what historians call the *Banque protestante*. In the eighteenth century Geneva houses financed the French crown, English funds and Dutch issues, and developed techniques that would today be called portfolio construction and structured products. The most famous of them, the pooling of French life annuities written on the lives of selected children and sold in tradable shares, was a securitisation in everything but name.

The capital came from the *Fabrique* — watchmaking and goldsmithing — and from trade. It went abroad because Geneva is small and offered little scope for investment in land. The oldest houses still on the square date from this period: Lombard Odier from 1796, Pictet from 1805, Mirabaud from 1819.

The nineteenth century added institutions: the Caisse d'Épargne in 1816, the Banque de Genève in 1848, the stock exchange in 1850 — the first in Switzerland. The twentieth century added the specialisation that still defines the centre, private wealth management, and the statute that defined its reputation for three generations, Article 47 of the Banking Act of 1934.

5 The fourth layer: commodity trading

Commodity trading arrived after 1945, first with grain — Cargill established itself in Geneva in 1956 through its Tradax subsidiary — then with oil in the 1970s, then with metals. It is today the largest layer in economic terms.

The Federal Statistical Office published monetary values for the sector for the first time in November 2025. For 2024 it reports value added of around 19.2 billion francs, 2.3 per cent of total Swiss value added, of which 58.4 per cent in Geneva, 27 per cent in Zug, 6.5 per cent in Vaud, 3.6 per cent in Ticino and 2.3 per cent in Zurich. By commodity, fuels account for 41.5 per cent, minerals and metals 33 per cent, grain, tobacco, seeds and feed 6.4 per cent, chemicals 5.2 per cent.

6 The figures for the centre

Indicator	Value	Year
Employment in the financial sector, canton of Geneva	just under 38,000	2025
Share of cantonal gross domestic product	12.9 %	2025

Indicator	Value	Year
Share of cantonal tax revenue	about 23 %	2025
Banks in the canton	121 → 80	2014 → 2024
Banking jobs in the canton	19,415 → 17,639	2014 → 2024
Assets managed by Swiss private banks	about 3,500 bn francs	2025
Median cost-income ratio, Swiss private banks	75.6 % → 78.2 %	2024 → 2025
Profit tax rate, canton of Geneva	14.70 %	2026

Two readings of these numbers are possible and both are correct. Consolidation is real: a third of the banks have gone in ten years. And the business is growing: assets under management reached a record in 2025. What has changed is the margin. More assets at thinner margins forces decisions about size, and those decisions bear hardest on the mid-sized houses, whose profit fell by around 46 per cent in 2025 while the large houses lost 6 per cent and the small ones 5 per cent.

7 What holds the layers together

The cluster. Trading houses, financing banks, inspection companies, shipbrokers, insurers, arbitral institutions and specialised law firms sit within walking distance. A trader can arrange finance, charter a vessel, insure a cargo, obtain a legal opinion and start an arbitration without leaving the lake shore. This proximity is why the withdrawal of several banks from trade finance after 2020 was perceived in Geneva as a graver threat than tax competition from the Gulf.

Language. French connects Geneva with France, Belgium, Luxembourg, Quebec and much of Africa. The Swiss network of double taxation conventions includes francophone partners from France (1966) and Belgium (1978) to Morocco (1993), Tunisia (1994), Algeria (2006), Egypt (1987) and Côte d'Ivoire (1987), each with an authentic French text. For a client in Abidjan or Casablanca the adviser, the administration and the treaty speak the same language — a position Zurich, London and Singapore do not hold in the same way.

Legal certainty. A predictable civil law, a functioning regime of attachment and enforcement under the Debt Enforcement and Bankruptcy Act, an arbitration law confined to a few grounds of challenge, and courts that decide within manageable periods. For creditors this combination is

decisive: an award obtained in Geneva can be secured against assets in Geneva.

8 Where the structure is exposed

Each strength has a corresponding vulnerability, and they are not hypothetical.

- **The cluster thins.** Every bank that leaves trade finance reduces the density that makes the centre worth choosing, and each departure makes the next one easier. Before the war in Ukraine, 50 to 60 per cent of Russian crude was traded through Switzerland; from January to July 2023 companies in the free zones of Dubai took more than half of the volumes leaving the four large Russian ports, some 14 billion dollars' worth, and the number of Swiss companies registered at the Dubai Multi Commodities Centre grew by 30 per cent in two years.
- **Language loses weight** as English becomes the working tongue of compliance, documentation and supervision, and as the francophone advantage is left unmeasured. No statistic records the language of client relationships; the centre therefore cannot demonstrate an advantage it plainly has.
- **Legal certainty costs more.** Regulation operates as a filter by size: fixed costs for compliance, risk management, audit and technology arise irrespective of assets, and below a threshold the business no longer carries them. Of 1,864 applications for asset manager licences, 1,532 had been granted by February 2025, and some 1,060 firms had told FINMA beforehand that they would not apply.

9 How to use this portal

The material is organised along three axes. By place: Zurich, Geneva, Zug, Basel, and Switzerland across all four. By subject: banking and wealth management, capital markets, insurance and pensions, commodity trading, trade finance, anti-money laundering, sanctions, tax and transparency, group structures, crypto assets and digital assets, succession and trusts, regulation, disputes, white-collar crime, financial history and international organisations. And by form: *Fundamentals* explain a subject from the ground up, *Practice* sets out review steps, *Timeline* places dates in context, *Glossary* defines terms, and *Figures and Statistics* collects official numbers with their sources.

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Every article names its sources with dates, and figures carry their reference year. Where official measures diverge — as they do for the weight of commodity trading, where two official figures differ by a factor of three — the divergence appears in the text and is explained. That is the standard the four underlying handbooks set, and it is the standard applied here.

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.

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