

Retail banking and the cantonal bank in the Geneva model

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The business model of the financial centre cannot be reduced to international wealth management. Commercial and retail banking constitutes, according to the Fondation Genève Place Financière, the third pillar of the sector, alongside wealth management and trade finance.¹ It serves the households and businesses of the canton: current accounts, savings, mortgage loans, corporate lending, payments.

The Banque cantonale de Genève, born of the merger of the canton's savings bank and mortgage bank, occupies a central place in this pillar.² Its history, marked by a serious crisis at the end of the 1990s that led to a costly intervention by the canton, illustrates the risks of property lending and of the governance of public banks. Today it serves a local client base while developing wealth management and trade finance activities.

Retail banking follows a business model different from that of wealth management: it rests more heavily on the interest margin, on the volume of transactions and on the control of distribution costs. It is exposed to credit risk, in particular property risk, in a canton where prices are high. It contributes to the stability of the financial centre by offering residents and businesses essential services, and it constitutes a point of entry to wealth management for clients whose wealth is growing.

1 Notes

1. Fondation Genève Place Financière, presentation, [geneve-finance.ch](https://www.geneve-finance.ch) (accessed September 2026). ↩

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2. Banque cantonale de Genève created on 1 January 1994 by the merger of the Caisse d'épargne de la République et canton de Genève (1816) and the Banque hypothécaire du canton de Genève (1847), a merger approved in a cantonal vote on 6 June 1993 by 88% of the votes; BCGE, "L'histoire de la BCGE", bcge.ch (accessed September 2026). ↩

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