

## The consolidation of the financial centre

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Over the past decade, the Geneva financial centre has undergone a marked consolidation. According to the Fondation Genève Place Financière, the number of banks present in Geneva fell from 121 in 2014 to 80 in 2024, and the number of banking jobs from 19,415 to 17,639 over the same period.<sup>1</sup> The decline in the number of institutions is therefore much steeper than the decline in employment, which reflects a concentration of activities in larger institutions.

Several factors account for this consolidation. The first is the end of banking secrecy towards foreign tax authorities, which deprived certain institutions of part of their clientele and of their business model. The second is the cost of regulation and compliance, which weighs proportionately more heavily on small institutions. The third is the pressure on margins, resulting from competition, price transparency and the fall in interest rates over a long period. The fourth is the necessary investment in technology, which only institutions of a certain size can bear. The fifth is the United States sanctions, which hit numerous institutions and prompted certain foreign groups to withdraw.

Consolidation takes several forms. Foreign banks sell their Swiss wealth management businesses to Swiss or foreign institutions. Swiss banks merge or are absorbed. Some institutions convert themselves into independent asset managers, subject to a less demanding regime than that applicable to banks. Others simply cease their activities.<sup>2</sup>

The movement also affects employment. The Fondation Genève Place Financière states that the financial sector as a whole generates more than 38,000 jobs and accounts for 12.9 per cent of cantonal gross domestic product.<sup>3</sup> Banking consolidation goes hand in hand with a redistribution of jobs between banks, independent asset managers, trading companies, technology providers and compliance functions.

**Worked example.** Two wealth management banks each manage CHF 5 billion and each bear fixed compliance and technology costs of CHF 20 million a year. Measured against assets, these costs amount to 0.40 per cent for each of them. After their merger, if the fixed costs of the combined entity come to CHF 30 million, they represent only 0.30 per cent of the CHF 10 billion in assets, which frees up CHF 10 million a year. The figures are fictitious; they illustrate the economies of scale that drive consolidation.

## 1 Notes

1. Allnews, 21 October 2024, citing the director and the chairman of the Fondation Genève Place Financière. ↩
2. Wikipedia (en), art. “Union Bancaire Privée”: acquisition of Coutts & Co International (Royal Bank of Scotland group) in 2015, of Banque Carnegie Luxembourg and ACPI in 2018, of Millennium Banque Privée and Danske Bank International in 2021; UBP, press release of 5 August 2024: agreements for the acquisition of Société Générale Private Banking Suisse and SG Kleinwort Hambros, representing some CHF 25 billion in assets, closing expected in the first quarter of 2025. KPMG, Clarity on Swiss Private Banks 2025 (press release of 26 June 2025): 83 private banks in 2024 (85 the previous year), fewer than 80 expected by the end of 2025; around 76 institutions have disappeared since 2010. ↩
3. Fondation Genève Place Financière, presentation, [geneve-finance.ch](https://geneve-finance.ch) (accessed September 2026). ↩

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