

The Geneva Stock Exchange

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In the middle of the nineteenth century, securities transactions grew in Geneva, driven by the rise of joint-stock companies and public loans. Brokers gathered to trade securities, and the need for an organised market made itself felt. The Geneva Stock Exchange was created in 1857; it is presented as the first stock exchange to have come into being in Switzerland, and the partners of the house founded by Henri Hentsch were among those who worked towards its creation.¹

A stock exchange performs several functions. It brings buy and sell orders together in a single place, which facilitates price formation. It publishes quotations that inform investors. It lays down trading and settlement rules that make transactions secure. It enables companies and states to raise capital by offering investors the possibility of reselling their securities. In this way it contributes to the liquidity of investments and to the attractiveness of the financial centre.

The Geneva Stock Exchange listed shares of banks, insurance companies, railways and industrial companies, as well as Swiss and foreign bonds. It attracted investors from Geneva, Switzerland and abroad. The private bankers executed their clients' orders there and placed issues on it.

The creation of the exchange illustrates once again the role of Geneva's bankers in building the infrastructure of the financial centre. Like the merchants of the medieval fairs, who needed rules, judges and money-changers, the bankers of the nineteenth century needed an organised market in order to practise their trade. Market infrastructure is a collective good, which private actors help to create because they profit from it.

The Geneva Stock Exchange had a long history before being absorbed, at the end of the twentieth century, into the Swiss electronic exchange.² The Fondation Genève Place Financière was, moreover, created in 1991 by the 80 member banks of the Geneva Stock Exchange.³ The memory of the

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Geneva exchange thus lives on in the very organisation of the financial centre.

1 Notes

1. Les Hénokiens, “Banque Lombard Odier & Cie SA (1796)”, henokiens.com (accessed September 2026). ↩
2. Dictionnaire historique de la Suisse (DHS; Historical Dictionary of Switzerland), art. “Bourses”: exchange trading in the shares of limited companies begins in Geneva in 1850; a trading floor (corbeille) is inaugurated in 1855 and recognised by the Council of State in 1856; the exchanges of Basel (1876) and Zurich (recognised by the state in 1884) are placed under cantonal supervision; “in summer 1996, trading in shares and bonds was fully computerised and open outcry belonged to the past”. ↩
3. Fondation Genève Place Financière, presentation, geneve-finance.ch (accessed September 2026). ↩

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