

The consolidation of the banks

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

The banking sector has consolidated for three decades, a trend that will continue. The number of banks in Ticino fell from 45 in 2016 to 39 in 2024.¹ Between 2016 and 2024 the number of branches fell from 194 to 159, with the big bank network shrinking after the merger of UBS and Credit Suisse.² Chapter E.I has described the institutions that remain and the strategies of the main groups: the cantonal bank BancaStato, the Raiffeisen group, UBS, the private banks with roots in Ticino such as Cornèr, PKB, Banca del Ceresio, Banca del Sempione and Banca Zarattini, the Italian-owned banks and the Lugano offices of Zurich and Geneva institutions. Further consolidation will come from three sources. Foreign parent banks may decide that a Swiss subsidiary no longer fits their strategy, as Italian banking groups have done in several cases. Smaller private banks may merge because the fixed costs of regulation, technology and compliance rise faster than revenue. Branch networks of domestic banks will shrink further as clients use digital channels.

Against this trend stand new entries. BG Suisse Private Bank, a subsidiary of Banca Generali, obtained a Swiss banking licence in October 2023, the first new licence for an Italian financial institution in fifteen years, and Sygnum opened a branch in Lugano in 2025.³ New entries of this kind show that Lugano remains attractive for institutions that target Italian clients or specialize in Kryptowerte und Digital Assets. The balance between exits and entries is one of the triggers that will reveal which scenario is materializing.

1 The collapse of Credit Suisse and the reform of capital rules

The most important event for the Swiss banking sector in the last decade was the collapse of Credit Suisse. On 19 March 2023 the Federal Council, the Swiss National Bank and FINMA announced the takeover of Credit

The consolidation of the banks

Suisse by UBS. The Confederation provided a public liquidity backstop of up to CHF 100 billion with a federal default guarantee, the SNB granted additional emergency liquidity assistance, and a loss protection guarantee of CHF 9 billion was given to UBS. Additional Tier 1 instruments of Credit Suisse with a nominal value of CHF 16 billion were written off. After UBS terminated the loss protection guarantee on 11 August 2023, the Confederation reported that it earned about CHF 200 million in premiums and fees without incurring losses.⁴ For Ticino the merger meant the absorption of the Credit Suisse branches into UBS, the closure of the former Credit Suisse office in Chiasso's Piazza Indipendenza in January 2025 and the reduction of the big bank network described in Chapter E.I.⁵ The historic connection between Credit Suisse and Ticino, which Chapter D.III traced back to the Chiasso scandal of 1977, came to an end.

On 6 June 2025 the Federal Council presented its package of measures to strengthen banking stability. Its core is the requirement that systemically important banks fully deduct the carrying value of their foreign subsidiaries from the CET1 capital of the Swiss parent bank. The package also introduced a senior managers regime that allows variable remuneration to be clawed back, measures to improve the provision of collateral to the SNB and new powers for FINMA, including early intervention and pecuniary fines.⁶ On 22 April 2026 the Federal Council adopted the dispatch on the revision of the Banking Act. It estimated that full capital backing of foreign participations would strengthen the CET1 capital of the parent bank of UBS by about USD 20 billion and bring the group's CET1 ratio to about 15.5 per cent. It also amended the Capital Adequacy Ordinance with effect from 1 January 2027 and proposed a transitional period of seven years for the statutory requirement.⁷

The parliamentary debate has been contentious. On 31 August 2026 the Economic Affairs and Taxation Committee of the Council of States proposed, by ten votes to two with one abstention, that foreign participations be backed by 50 per cent CET1 and 50 per cent AT1 instruments, the latter redesigned to convert earlier than in 2023.⁸ In its session of September 2026 the Council of States decided instead on a requirement of 90 per cent CET1. UBS stated on 23 September 2026 that this would require about USD 16 billion of additional CET1 capital for foreign holdings, which together with other regulatory changes and the capital already announced in connection with the Credit Suisse acquisition would amount to about USD 33 billion, and described the decision as no compromise.⁹ Since the National Council must still deliberate, the final rules are not expected before the end of 2026 and possibly later.

For the practitioner. The capital debate concerns UBS directly, but it affects every financial firm in Ticino. - Banks that use UBS for custody, clearing or correspondent services should monitor the bank's pricing and risk appetite during the transition. - Independent asset managers with a high concentration of client assets at one big bank should review their custodian diversification. - Smaller banks that compete with UBS for Italian clients may gain market share if UBS reduces its activity in less profitable segments. - The senior managers regime and FINMA's new powers to impose fines will, once in force, apply to all banks and will raise the standard of documentation of responsibilities.

2 Effects on Ticino

The effects of the reform on Lugano are indirect but significant. UBS is the only big bank in Ticino since the merger and employs several hundred persons in the canton.¹⁰ Higher capital requirements raise the cost of the bank's international business and may influence where it books its wealth management. If capital becomes more expensive for activities conducted through foreign subsidiaries, booking assets in Switzerland may become relatively more attractive, which would benefit Swiss booking centres including Lugano. If UBS reduces its activities or moves functions abroad, the Ticino operations may shrink. A second effect concerns the competitive structure. The disappearance of Credit Suisse removed one of two competitors in the big bank segment and created opportunities for private banks, cantonal banks and foreign banks to take over clients and staff. The founding of the Ticino Finance Association in February 2025 by a former Credit Suisse banker together with other finance professionals illustrates a longer movement of people from the large banks to independent firms. Its founder had left Credit Suisse in 2019 to set up his own investment firm.¹¹

3 Notes

1. USTAT, 12 Denaro e banche (above). ↩
2. USTAT, 12 Denaro e banche (above) (194 branches in 2016, 159 in 2024; big bank branches 26 in 2023 and 22 in 2024, reflecting "la fusione delle due grandi banche svizzere"). ↩
3. finews.ch/ticino, 3 August 2024, <https://www.finews.ch/ticino/63777-general-banca-bg-suisse-private-bank-renato-santi-ticino-chiasso-gian-maria-mossa> ("Dall'ottobre 2023, BG (Suisse) è in possesso della necessaria licenza FINMA [...], segnando la prima volta in 15 anni che un istituto

finanziario italiano riceve tale autorizzazione"); "Sygnum è arrivato a Lugano", [finews.ch/ticino](https://www.finews.ch/ticino/66790-sygnum-e-arrivato-a-lugano), March 2025, <https://www.finews.ch/ticino/66790-sygnum-e-arrivato-a-lugano>; [finews.ch/ticino](https://www.finews.ch/ticino/66790-sygnum-e-arrivato-a-lugano), 4 July 2025 (above). ↩

4. Federal Department of Finance, "Credit Suisse", <https://efd.admin.ch/en/credit-suisse-en>. ↩
5. "Chiude i battenti la sede dell'ex Credit Suisse in Piazza Indipendenza", [tio.ch](https://www.tio.ch/ticino/cronaca/1810369/chiude-i-battenti-la-sede-dell-ex-credit-suisse-in-piazza-indipendenza), 20 January 2025, <https://www.tio.ch/ticino/cronaca/1810369/chiude-i-battenti-la-sede-dell-ex-credit-suisse-in-piazza-indipendenza> (31 January 2025 as the last day in the building for about 120 employees, now with UBS). ↩
6. Federal Council, "Federal Council draws lessons from Credit Suisse crisis and defines measures for banking stability", 6 June 2025, <https://www.admin.ch/en/newsb/ty6FlsBuspE-AXC9CILJt>. ↩
7. Federal Council, "Too-big-to-fail regulations: Federal Council adopts dispatch and Capital Adequacy Ordinance", 22 April 2026, https://www.admin.ch/en/newsb/_9e8qd5sXEzLww7dK3H_9; Advestra, "Too-Big-To-Fail Reforms: Federal Council Adopts Dispatch And Amends The Capital Adequacy Ordinance", Mondaq, 22 April 2026, <https://www.mondaq.com/too-big-to-fail-reforms-federal-council-adopts-dispatch-and-amends-the-capital-adequacy-ordinance/1778798> (phasing in from a deduction of 65 per cent). ↩
8. "Schärfere Kapitalvorschriften: Ständeratskommission kommt UBS entgegen", SRF, 31 August 2026, <https://www.srf.ch/news/schweiz/schaerfere-kapitalvorschriften-staenderatskommission-kommt-ubs-entgegen>; Börsen-Zeitung, 11 August 2026, <https://www.boersen-zeitung.de/banken-finanzen/schweizer-kommission-vertagt-entscheidung-ueber-strengere-ubs-kapitalvorgaben-2>, on the postponement of the committee's deliberations and the current backing of about 60 per cent. ↩
9. UBS, "Stellungnahme von UBS zum Beschluss des Ständerats zur Bankenregulierung", 23 September 2026, <https://www.ubs.com/global/de/media/display-page-ndp/de-20260923-banking-regulation.html> ("90% hartem Kernkapital (CET1); "zusätzliches CET1-Kapital in Höhe von rund 16 Mrd. US-Dollar"; "kein Kompromiss"). ↩
10. "UBS: The Ermotti Connection Plays in Ticino", [finews.com](https://www.finews.com/news/english-news/59918-), 27 October 2023, <https://www.finews.com/news/english-news/59918->

ubs-luca-pedrotti-sergio-ermotti-connection-marzio-grassi-remocrameri-claudio-scrafone (about 400 UBS employees and nearly 290 Credit Suisse employees in Ticino before the integration). ↩

11. "Ex banchiere di Credit Suisse lancia la Ticino Finance Association",
finews.ch/ticino, February 2025,
<https://www.finews.ch/ticino/66389-ex-banchiere-di-credit-suisse-lancia-la-ticino-finance-association-pascal-cortesi-tifa-valeur-arthur-vayloyan>. ↩

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/lugano-the-consolidation-of-the-banks