

Consequences for Zurich's client base and business models

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

The transformation of the years 2008 to 2018 changed the economics of Swiss private banking without destroying it. At the end of 2024, the banks in Switzerland managed more than CHF 9,200 billion in assets, and the Swiss Bankers Association described the country as the world's leading location for cross-border wealth management.¹ Its Banking Barometer puts the cross-border assets of private clients at CHF 2,427 billion, or about USD 2.7 trillion. The share of assets belonging to clients domiciled abroad declined from 51.1 per cent in 2014 to 45.5 per cent in 2024, although their absolute volume grew by more than CHF 800 billion over the decade.² These figures confirm that the end of secrecy for foreign clients did not end the demand for Swiss wealth management. Clients continued to value stability, legal certainty, a strong currency and professional expertise, which were now offered to declared money.

The composition of the client base changed nonetheless. Clients from neighbouring European states, who had formed the core of the traditional offshore business, regularised their assets and in many cases repatriated them, or moved them to domestic banks and to the Swiss banks' onshore subsidiaries in their home countries. Their place was taken to a considerable extent by clients from emerging markets, the Middle East, Latin America and Asia, whose motives for holding assets in Switzerland lay more in political risk and diversification than in tax. At the same time, the largest banks built up their wealth management operations in Asia, a development that the Credit Suisse plea of 2025 shows was itself not free of legacy risk.

The structure of the industry consolidated. According to an analysis by Avenir Suisse based on data of the Swiss National Bank, the number of Swiss banks fell from 326 in 1987 to 149 in 2022.³ At the end of 2024, 230 banks of all categories, including foreign-controlled institutions, were

active in Switzerland, six fewer than a year earlier.⁴ The decline had many causes, among them the pressure on margins, the rising costs of regulation and technology, and the succession problems of smaller institutions. The end of banking secrecy for foreign clients added to these a direct and an indirect effect. The direct effect lay in the disappearance of undeclared assets and the fees they had generated. The indirect effect lay in the cost of the American programme, of internal investigations, of tax compliance checks and of the reporting systems required by FATCA and the automatic exchange. For a small private bank in Zurich with a few billion francs under management, these costs could make independence untenable.

The business model changed accordingly. The advantage of secrecy was replaced by the demand for advice. Cross-border wealth planning, which requires knowledge of the tax and succession law of the client's home state, became a core competence of the leading Zurich institutions and of the independent advisers who work with them. Banks defined target markets and restricted their activity to countries whose regulatory and tax rules they could master. Many developed country-specific service models that determine which products may be offered to residents of a given state and how client advisers may communicate with them. Onboarding procedures became longer and more thorough, with tax compliance forming part of the assessment of each new relationship. These practices are now so familiar that it is easy to forget how recent they are.

The reputation of the city changed with the business. For decades, the image of the “gnomes of Zurich”, discussed in Part F, had combined admiration for financial competence with suspicion of secrecy. After 2009, Zurich had to present itself as a centre that competed on quality and compliance. The image has not been fully rebuilt, because each new data leak or legacy case revives the older associations. The comparison with Geneva is instructive. In Geneva, the HSBC data taken by Hervé Falciani and the later “SwissLeaks” disclosures struck the private banking community of the city, while in Zurich the great banks bore the weight of the American cases. On 27 November 2015 the Federal Criminal Court in Bellinzona sentenced Falciani in absentia to five years' imprisonment for aggravated economic espionage in connection with the data of about 106,000 clients of the Geneva private bank of HSBC.⁵ The two cities thus arrived at a similar outcome from different starting points.

1 Notes

1. Swiss Bankers Association, “Banking Barometer 2025: Switzerland confirms its position as the world's leading location for cross-border

asset management”, <https://www.swissbanking.ch/en/media-politics/news/banking-barometer-2025-switzerland-confirms-its-position-as-the-worlds-leading-location-for-cross-border-asset-management>. ↩

2. Swiss Bankers Association, Banking Barometer 2025: Economic trends in the Swiss banking industry, https://www.swissbanking.ch/_Resources/Persistent/6/6/7/a/667ae8199cc6fed8ad857c5579e4d2e52a454b50/Banking-barometer_2025_EN.pdf. ↩
3. Avenir Suisse, “The figure: 177 banks”, <https://www.avenir-suisse.ch/en/number/the-figure-177-banks/>. The figures exclude foreign-controlled banks. ↩
4. Swiss Bankers Association, Banking Barometer 2025 (n. above). ↩
5. “Falciani lands five-year jail sentence”, [swissinfo.ch](https://www.swissinfo.ch/eng/business/bank-whistleblower_falciani-lands-five-years-jail-sentence/41805356), 27 November 2015, https://www.swissinfo.ch/eng/business/bank-whistleblower_falciani-lands-five-years-jail-sentence/41805356. ↩

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