

Is Switzerland the country of bankers?

Switzerland factcheck

Jobs associated with a country are not legion. Yet, everybody has heard of the traditional 'swiss banker'.

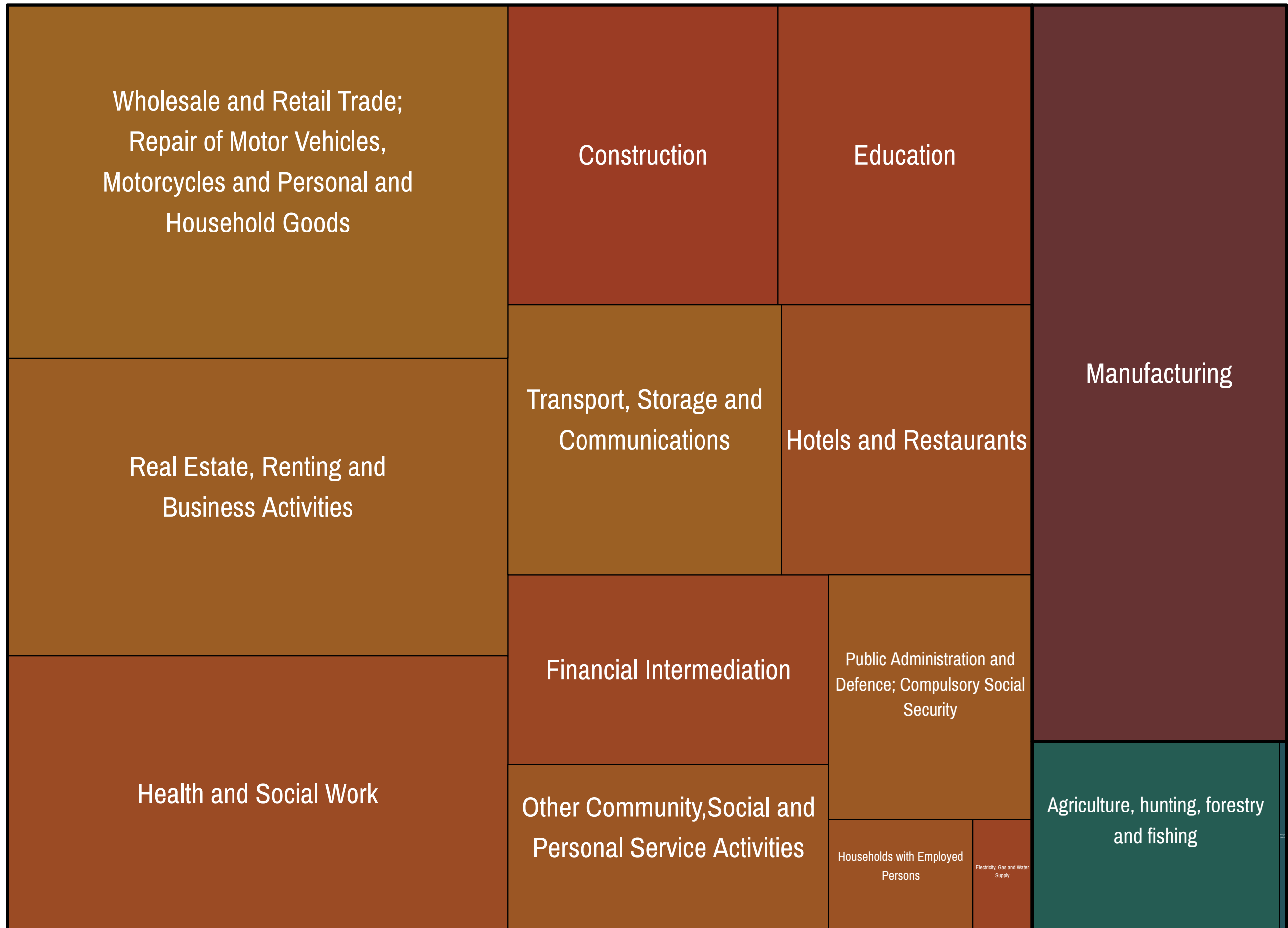
In the news, books or movies, swiss banks are omnipresent. Bank secrecy, tax evasion, US fines, they have been lately the target of numerous controversies.

Is the stereotype of Switzerland country of bankers nevertheless well-deserved? The answer in figures.

banks and employment

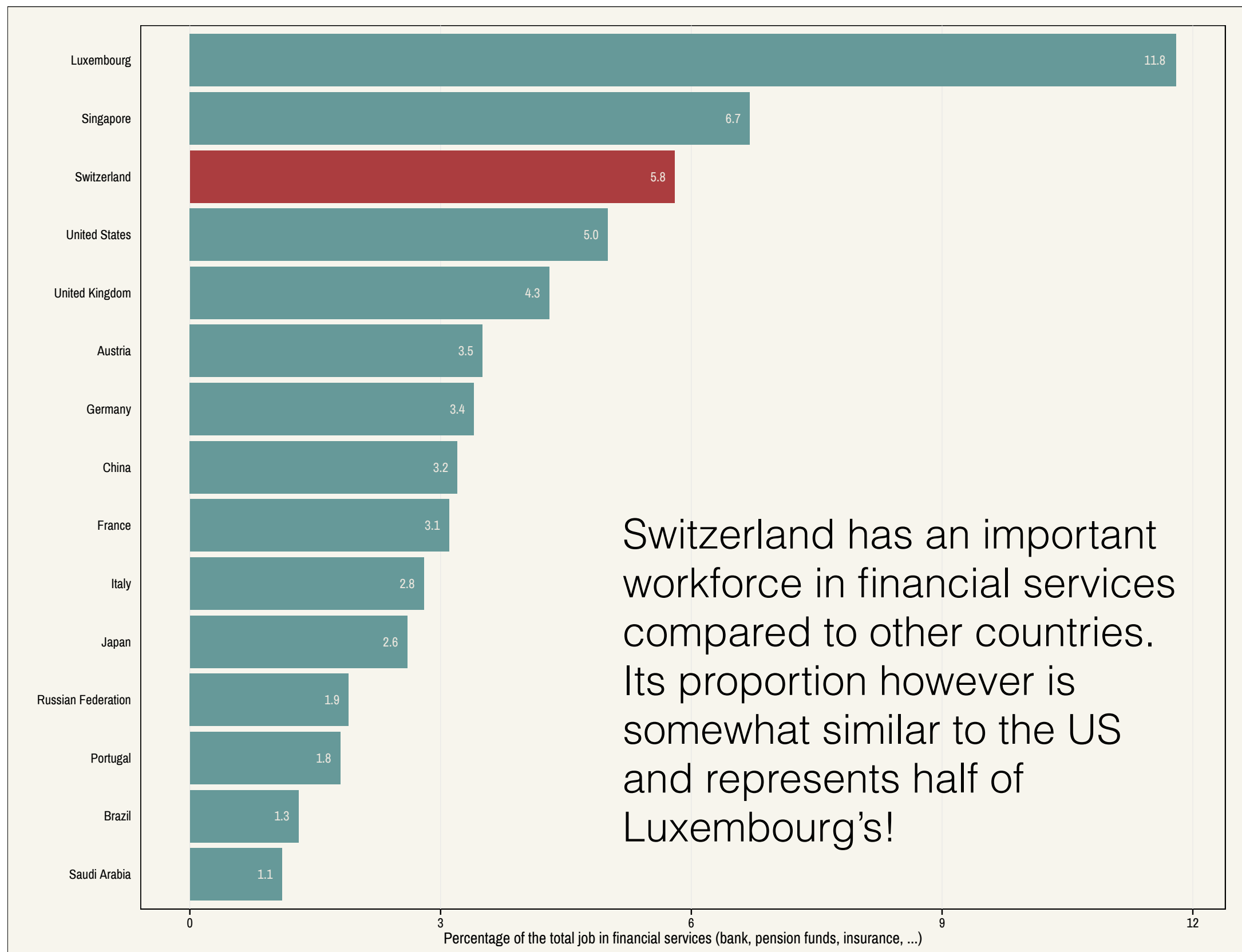
How prevalent really is the swiss banker? The following graphic represents all the jobs in Switzerland by economic divisions in 2008, areas are proportional to the number of jobs.

4.5 millions of job in Switzerland, their repartition by economic activity



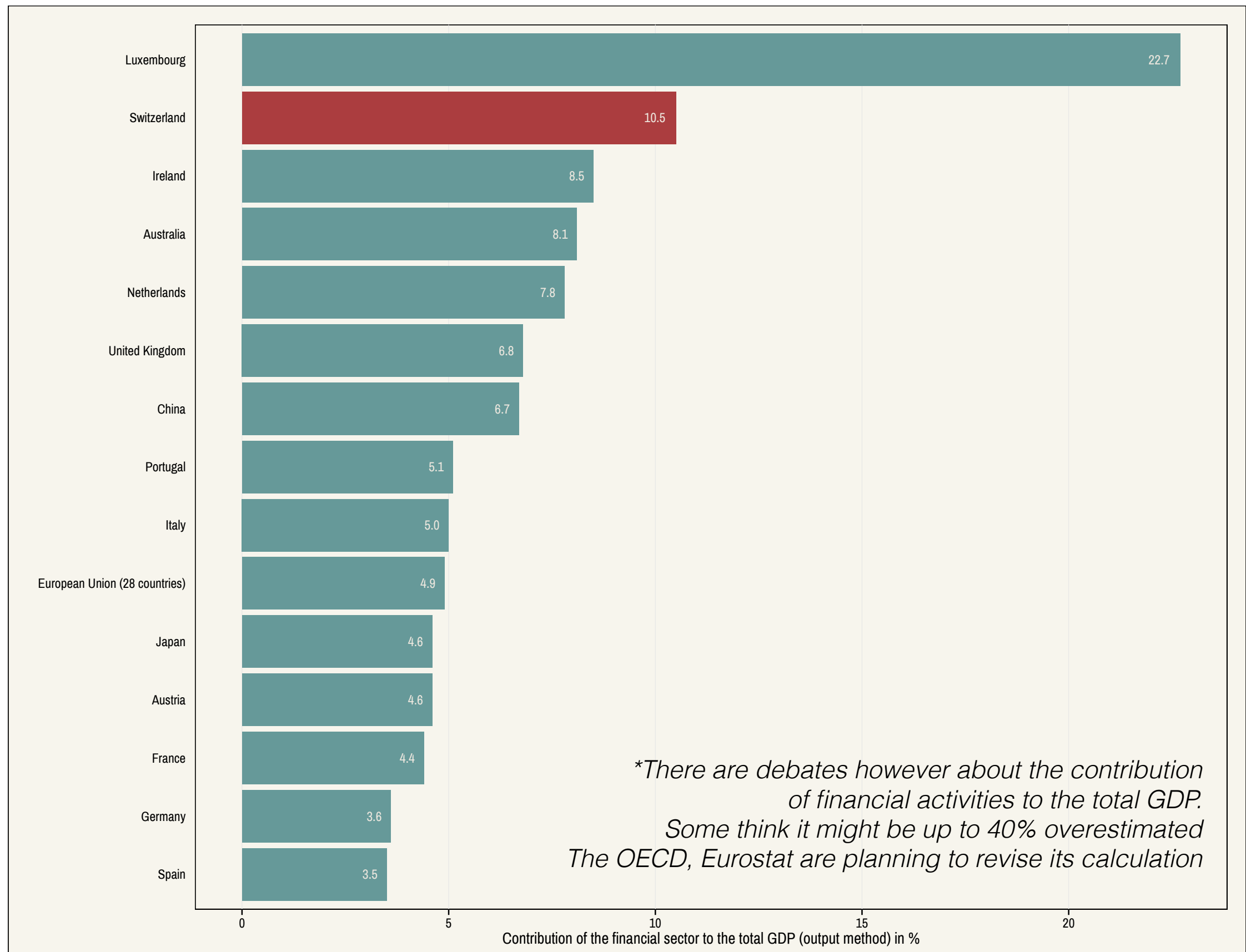
- In the previous chart, there is no specific category for just bankers, but *Financial Intermediation* covers all jobs in financial services: banks, insurance, pension funds, ...
- So out of the total swiss workforce, 5.8% works in financial services, that is 1 out 17 people. A workforce somewhat inferior to education or to the hotel and restaurant industry.
- Out of the whole workforce in financial services, about a third is working for an insurance company.

How does Switzerland's jobs in financial services compare with other countries?



Banks and economy

What proportion of the GDP does the *financial services* represent?



If it is indisputable that the financial activities has an important role in the swiss economy, how do swiss financial companies rank worldwide?

- Swiss banks are no heavy weights ranking “only” 21st and 35th of the largest bank by market capitalisation (UBS and Credit Suisse, \$78 and 51 billions respectively)
- Considering the insurance companies, Switzerland does slight better on the worldwide ranking, 7th and 17th (Zurich and Swiss RE, \$39 and 23 billions market capitalisation respectively)

...so what is the big deal with swiss banks?

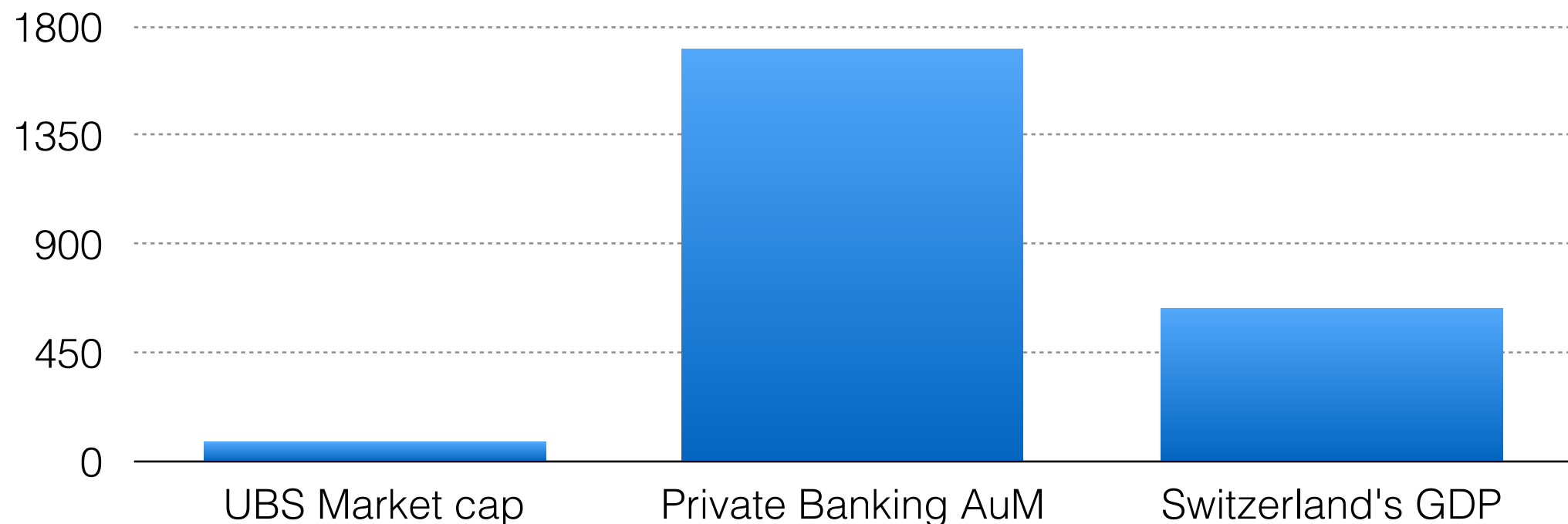
- There is one area of financial services where Switzerland is the world leader: private banking (or wealth management)

“The term “private” refers to customer service rendered on a more personal basis than in mass-market retail banking, usually via dedicated bank advisers. It does not refer to a private bank, which is a non-incorporated banking institution”

- In the international ranking of private banking by assets under management, Switzerland has 6 private banks in the top 20.

Private banking

- UBS was in 2013 the top private banker in term of asset under management with more than \$1.7 trillions, that is more than 20 times UBS' market capitalisation, 3 times Switzerland's GDP



Private banking

- In 2012, it was estimated that the total asset under management in swiss private banking to be CHF 5.5 trillions (equivalent to more than a third of the total GDP of the EU or the US)
- More than half of those assets in private banking are “offshore”, i.e. coming from foreign countries.