

2016

The Swiss banking sector

Swiss value to the UK

Switzerland and the UK

Switzerland and the United Kingdom have benefitted from a close relationship for many years. Both nations boast world leading financial centres and mutually benefit from their close economic ties.

This document highlights just some of the ways Switzerland and the UK benefit from their economic relationship.



Switzerland and the UK enjoy a strong trading relationship. There are more than 80 flights linking the UK and Switzerland every day.

Switzerland is the 8th largest foreign direct investor into the UK. It contributes 3.7% of the total stock of FDI into the UK.

As a result of this inward investment, there are around 2,000 Swiss companies operating in the UK. They support the creation of almost 200,000 jobs in the UK.

Bilateral trade between the UK and Switzerland is worth over GBP 33.9 bn a year. Switzerland provides a fast growing market for UK exports – from GBP 4.9 bn in 2010 up to GBP 20.1 bn in 2014.

As at the end of 2015, Swiss direct investments in the UK stood at GBP 38.3 bn or 5.6% of all Swiss direct investments abroad, making the UK the fourth most important destination for Swiss direct investments.

Furthermore, Switzerland is currently ranked as prime country on the global talent competitiveness Index issued by INSEAD and is number one in the current Global Competitiveness Report issued by the World Economic Forum (WEF).

A snapshot of the Swiss financial centre

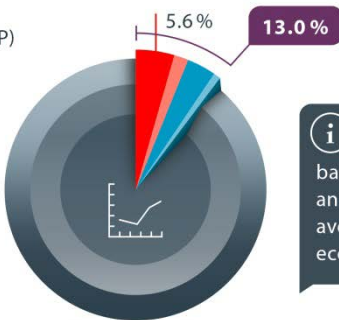
Switzerland's banking sector accounts for 6% of Switzerland's GDP according to the latest figures.

Legend

- Direct effect of banking sector
- Indirect effect of banking sector
- Financial market effect of banking sector
- Direct effect of insurance sector
- Indirect effect of insurance sector
- Financial market effect of insurance sector
- Total effect of financial centre
- Overall economy Switzerland

Added value (GBP)

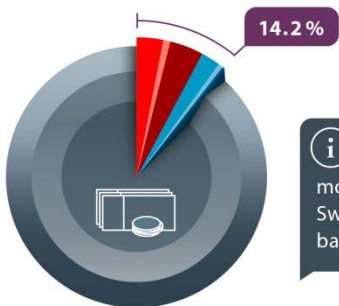
- 24 bn
- 10 bn
- 18 bn
- 4 bn
- 35 bn
- 422 bn



i «Labour productivity in the banking sector is at GBP 80 per person and per hour. This is 1.5 times the average productivity of the overall economy.»

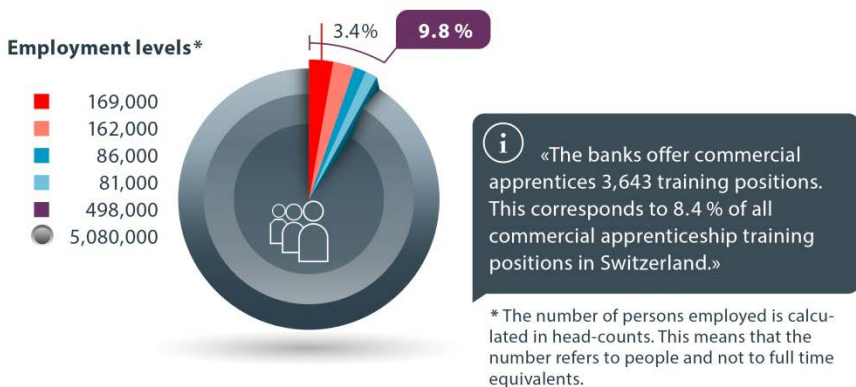
Taxes (GBP)

- 3.6 bn
- 1 bn
- 4.3 bn
- 2.6 bn
- 0.5 bn
- 0.5 bn
- 13 bn
- 91.5 bn



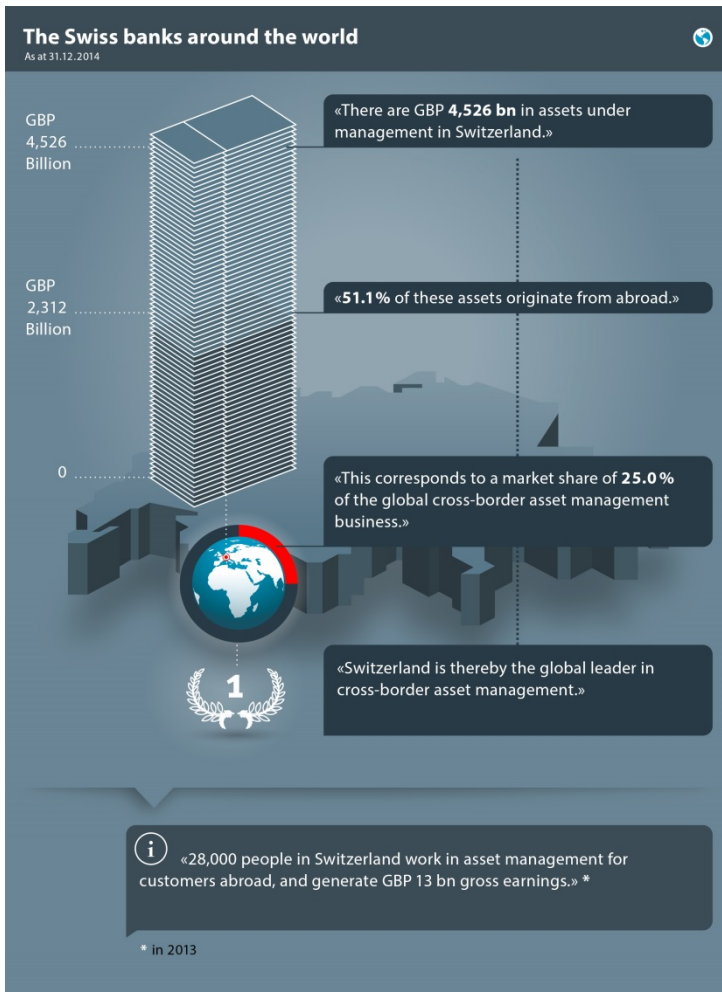
i «The financial centre accounts more than 14% of all taxes paid in Switzerland, over 10% is from the banking sector.»

Swiss banks are major investors in supporting youth employment providing apprenticeships to nearly 4,000 people.



The Swiss banks around the world

Swiss banks are highly attractive to global clients. Half of the GBP 4,500 bn assets currently managed in Swiss banks originate from overseas. This gives Switzerland a 25% market share in global cross-border asset management business, making Switzerland a global leader in the field.



Likewise, foreign banks including a number of British banks, form an important part of the Swiss banking industry, providing 12% of all bank balance sheet assets held in Switzerland. The 11¹ British banks in Switzerland hold a balance sheet of GBP 35.3 bn or 18.5% of the aggregated balance sheet of all foreign banks in Switzerland. They manage GBP 2.5 bn assets.

The four core values of the Swiss financial centre are **stability, responsibility, universality and excellence.**

Banks in Switzerland had a credit balance towards British banks amounting to GBP 545 bn or 37.6% of all credits at foreign banks and liabilities of GBP 616 bn, 20.08% of all liabilities at foreign banks, as at 31.12.2014.

¹ Coutts was bought by Union Bancaire Privée (UBP SA) in March 2015 which reduces the number to 10 banks today.

Financial centre strategy

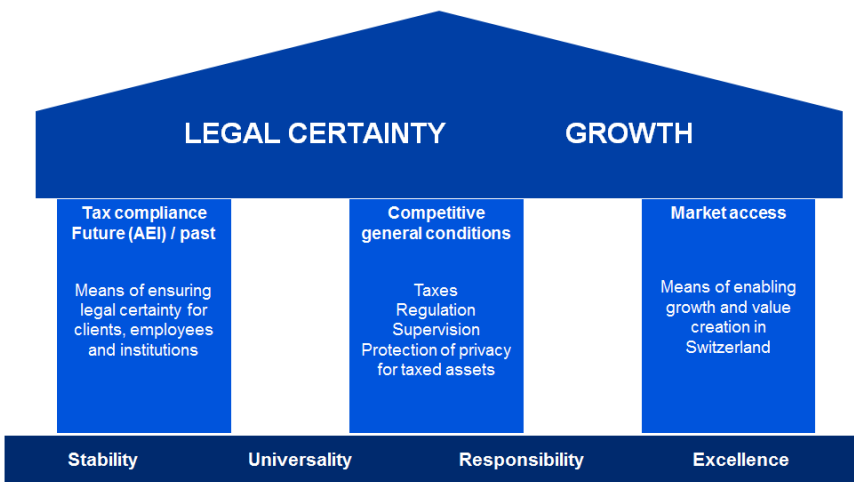
The Swiss Bankers Association (SBA) and Swiss banks are focused on two main objectives; legal certainty and growth. Competitive framework conditions in the areas of taxation, supervision and regulation are necessary in order to continue to preserve and create jobs and added value in Switzerland into the future.

Swiss banks only want to acquire and manage tax-compliant assets. We are currently supporting clients in the transition to tax compliance and transparency in order to solve problems arising from the past.

Switzerland has made many efforts to improve global transparency in tax matters. The banks in Switzerland are committed to adopting the OECD Common Reporting Standard which will implement the new rules on automatic exchange of tax relevant information.

Switzerland actively participates in international standard setting bodies such as the OECD and the FSB. International standards should be implemented swiftly, without adding any harmful "Swiss finish".

Ensuring open market access in the EU, the most important foreign market for Swiss banks, is very important. We are seeking negotiations for better market access with important member states and working towards equivalence with EU rules where appropriate.



The Swiss Bankers Association

The Swiss Bankers Association is the leading professional organisation of the Swiss financial centre. Our main purpose is to maintain and promote the best possible framework conditions for the Swiss financial centre both at home and abroad. Today we have 310 institutional members and approximately 18,200 individual members. Our institutional members consist of licensed banks, securities dealers and auditing companies active in Switzerland and Liechtenstein.

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<http://www.swissbanking.org/home/blog.htm>

<http://niu.ws/swissbanking>

Sources

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BAKBASEL, BCG, FSO, FFA, SNB, SBA calculations, figures from 2014 / 2015

Images:

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Further information:

BAKBASEL study: http://shopsba.ch/1100005_e.pdf

2015 Banking Barometer: http://shopsba.ch/1100003_e.pdf

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