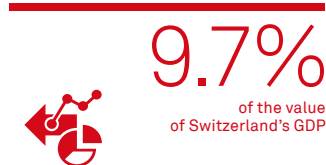




KEY FIGURES



Source: SIF, 2021

**SWITZERLAND AS A
FINANCIAL CENTER**

AT A GLANCE

Switzerland is one of the world's leading financial centers, whether it be for asset management, the insurance business or as a trading platform for commodities. Due to the high concentration of international and local financial service providers, companies from other industries have access to a sophisticated and liquid capital market, as well as state-of-the-art financial infrastructure. A broad range of services is also offered in the field of project financing and investment consultancy - for the assessment and evaluation of risks or for support during mergers and takeovers.

Switzerland's Key Activities as a Financial Center

Breakdown by number of employees per sector, 2020



Top Ten Companies

The five largest banks (based on balance sheet total) and the five largest insurance companies (based on gross premiums)

Banks

- UBS
- Credit Suisse
- Raiffeisen
- Zürcher Kantonalbank
- Postfinance

Insurance companies

- Zurich Insurance Group
- SwissRe
- Swiss Life
- Axa Vesicherung
- Helvetia

THE FINANCIAL SECTOR AS A SERVICE CENTER FOR COMPANIES

- Switzerland is one of the **world's leading financial centers** and is characterized by its innovative energy, stability and security. With a 9.7% share of the Swiss gross domestic product (GDP), the financial sector is one of the most important elements of the country's economy. Due to the size of the sector and its strong international integration, it is regarded as extremely attractive for both domestic and foreign companies seeking capital.
- Switzerland's financial sector is **highly diversified**, with a high concentration of banks and financial service providers of all different sizes and spanning different fields of activity. In addition to internationally oriented major and private banks, there are many local cantonal and regional banks, as well as asset managers and family offices. The broad range of services on offer includes tailored solutions for companies, which take into account their various unique requirements.

Overview of Switzerland's Role as a Banking Center

Number of banks in Switzerland according to category, 2020

Category	Number
Cantonal banks	24
Major banks	4
Regional banks and savings banks	59
Cooperative banks	1
Stock exchange banks	39
Non-Swiss owned banks	94
Private bankers	5
Other banks	17
Total	243

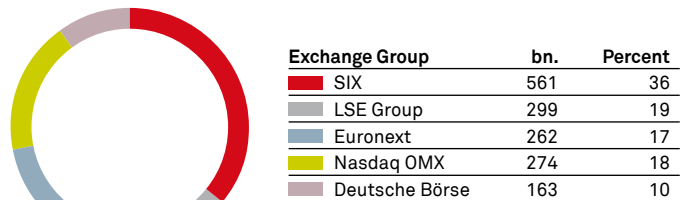
Source: Swissbanking, 2021

- Switzerland offers **one of the world's most modern financial infrastructures**, guaranteeing companies and private individuals reliable and secure processes for executing both domestic and international payment transactions.
- The sophistication of Switzerland's financial center provides companies and private individuals with a **broad range of consulting services to choose from**, whether it be for the financing of projects, real estate, exports and trade or for assessing and evaluating risks. Further solutions include various forms of capital procurement, risk transfer and mitigation, asset management, pension solutions for personnel, and support with mergers and takeovers or succession plans.

- Thanks to the country's flourishing financial center, companies based in Switzerland have ready **access to capital**. As a result of the relatively low reference interest rates and interest rate margins of Swiss banks, the borrowing costs in Switzerland are highly competitive compared to other countries.
- Companies considering an IPO are granted access to financially sound domestic and foreign investors via the **Swiss stock exchange (SIX)**. Switzerland is a particularly interesting stock exchange on which to trade for companies from the medtech industry. The Swiss stock exchange is considered the most **important life science stock exchange in Europe**.

The most prominent stock markets in the life sciences sector in Europe

Free Float Market Capitalization in EUR bn. (Health Care)



Sources: SIX und STOXX All Europe TMI, September 2021

- **BX Swiss** is an **affordable and issuer-friendly alternative stock exchange**, which is geared toward small and medium-sized companies, as well as real estate, investment and fund management companies.
- Thanks to the high concentration of companies in its financial services industry, Switzerland boasts a **large number of technical experts** (finance, accounting, trading, legal, etc.) whose expertise is made available to companies from other economic sectors.

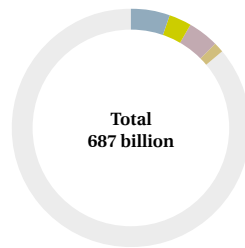
SWITZERLAND AS A TRADING CENTER

- Switzerland has become one of the world's leading commodities trading centers over the past few years. Several of the **commodities companies based in Switzerland are some of the largest companies in Switzerland with regard to turnover and are also market leaders on a global level.**
- The commodity sector is of great importance for the Swiss economy: The receipts from **merchant trading** amount to around 4.8% of the Swiss GDP.
- There are particularly close ties between the commodities trade and the financial sector. As commodity traders rely on financial services for the **hedging of risks**, Switzerland, with its sophisticated finance sector, is a particularly attractive location for these companies.
- There are numerous **logistics companies** active on the Swiss market that can provide companies from other industries with support relating to supply chain management and the international transportation of goods. These include global freight companies, inspection and certification companies, specialist consultancies and law firms.

Value Creation in CHF



Total effect of financial sector	95.5 billion
Rest of the Swiss economy	591.5 billion



Direct effect of banking sector	37.9 billion
Indirect effect of banking sector	20.7 billion
Direct effect of insurance sector	28.6 billion
Indirect effect of insurance sector	8.3 billion
Rest of the Swiss economy	591.5 billion

Source: BAK Economics, 2021

SWITZERLAND AS AN INSURANCE CENTER

- Along with its banks, the **insurance industry is one of Switzerland's most important economic sectors.** Swiss insurance companies make an above-average contribution to their home country's economic performance in comparison with other insurance industries around the world.
- As is the case with the country's banks, the Swiss insurance industry is **highly diversified**, with companies spanning different sizes and varying fields of activity. In addition to internationally oriented insurance groups, smaller national insurers play a key role in the industry.

Overview of Swiss Insurance Sector

Number of insurance companies in Switzerland by category, 2018

Category	Number
Indemnity insurance companies	114
Reinsurance companies	54
Life insurance companies	19
Health insurers (suppl. health insurance companies)	12
Total	199

Source: SIF, 2021

- Thanks to its high concentration of insurance companies, Switzerland offers **an impressive level of expertise** within the field and a high number of technical experts are on hand to support companies and private individuals in assessing and evaluating risks and to offer solutions relating to risk transfer and mitigation.
- Insurance companies allow private individuals and companies to carry out activities and make investments which could not otherwise be handled due to the excessive risks involved. They free up committed capacity, making it available for the assumption of new risks.

TESTIMONIAL



“There are many good reasons for which foreign companies take up residence in Switzerland; access to one of the world’s leading financial centers offering stability, liquidity, security and a favorable business environment is without doubt one of the major reasons. Many of our international customers appreciate the wide range of financing options, the non-discriminatory access to capital and the expertise and professionalism our experienced and well-connected international banks display when conducting financial market transactions.”

DR. FELIX W. EGLI, LLM
Legal Attorney and Partner, Vischer
www.vischer.com

CURRENT DEVELOPMENTS

- On 1 January 2020 the Federal Law on Tax Reform and AHV Financing (TRAF) entered into legal force. With this reform the Swiss tax system has been modernized and now offers companies an **attractive tax environment in line with internationally established tax practices** (see factsheet “Corporate Taxation” at www.s-ge.com/corporate-taxation).
- Switzerland has also taken regulatory measures in response to the financial crisis. Important legislative changes were effectuated, such as the Basel III framework, the adaptation of the Collective Investment Schemes, the regulation mitigating the issue of “too big to fail”, the regulation of financial market infrastructures (stock exchanges, central counterparties, central securities depositories) and the trading of derivatives. Furthermore, the Swiss Parliament has adopted the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA) in June 2018. The FinSA contains code of conduct provisions with which financial service providers must comply vis-à-vis their clients. The FinIA essentially harmonises the authorisation rules for financial service providers.
- In September 2020, the Federal Council decided to introduce the net stable funding ratio (NSFR). The NSFR complements the liquidity coverage ratio (LCR), which is designed to boost banks’ resilience in short-term liquidity crises, and aims to ensure stable funding over the long term. The amendment to the relevant ordinance came into force in July 2021.
- In 2021, SIX Digital Exchange (SDX), was authorized by the Swiss Financial Market Supervisory Authority – FINMA – to commence operations. This authorization enabled SDX to go live with the world’s first regulated, fully integrated digital trading, settlement, and custody infrastructure for digital assets. With these licenses, SDX will enjoy the highest Swiss standards of oversight and regulation, exactly the same as in the traditional Financial Market infrastructure owned and operated by SIX.

CONTACTS AND FURTHER INFORMATION

Authorities and regulators

[Swiss Federal Department of Finance](http://www.sfd.admin.ch)
efd.admin.ch

[State Secretariat for International Finance SIF](http://www.sif.admin.ch)
sif.admin.ch

[Swiss National Bank](http://www.snb.ch)
snb.ch

[Swiss Federal Financial Market Supervisory Authority FINMA](http://www.finma.ch)
finma.ch

Publications and tools

[Key Figures Swiss Financial Center](http://www.sif.admin.ch)
sif.admin.ch

[Trends in the Swiss Banking Industry](http://www.swissbanking.ch)
swissbanking.ch

[Information for Bank Clients](http://www.swissbanking.ch)
swissbanking.ch

[Economic Impact of the Swiss Financial Sector](http://www.bak-economics.com)
bak-economics.com

[Economy and Finance – an Essential Partnership](http://www.eda.admin.ch)
eda.admin.ch

Associations and networks

[Swiss Bankers Association](http://www.swissbanking.org)
swissbanking.org

[Swiss Shippers Council](http://www.swiss-shippers.ch)
swiss-shippers.ch

[Swiss Trading and Shipping Association STSA](http://www.stsa.swiss)
stsa.swiss

S-GE resources

[More fact sheets on Switzerland as a business location](http://www.s-ge.com/factsheets)
s-ge.com/factsheets

[More fact sheets on Switzerland as a business location](http://www.s-ge.com/factsheets)
s-ge.com/factsheets

WE OFFER FREE CONSULTATION

Are you expanding in Europe and considering Switzerland as a business location for your company? Here, you can get free advice and support through the entire evaluation and settlement process: we will connect you unbureaucratically with the cantonal business promotion agencies and provide you with expert contacts for practical issues such as taxes or real estate.

Get in touch with us: s-ge.com/invest