

• Swiss Banking

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Swiss banks receive good marks

Basel, April 06, 2017 – The level of trust enjoyed by the primary banks of Swiss citizens has once again increased, reaching an historically high level. This was revealed in a representative survey commissioned by the Swiss Bankers Association (SBA). According to the survey results, the banks are considered particularly solid and reliable; bank employees are viewed as competent. The progress made by the financial centre is recognised: almost half of respondents feel the banks enjoy a good and professional reputation internationally. In the view of the Swiss population, the banks will be among the winners in the trend towards digitalisation. Data protection and a high level of protection of privacy are considered important issues by the respondents. The Swiss population also recognises the importance of the banks for Switzerland as a business location; some, however, are concerned about the competitiveness of the country's banks at the international level.

Survey 2017: Satisfaction and confidence in banks higher than before financial crisis

- Confidence in primary bank at historically high level
- Banks seen as a winner in trend towards digitalisation
- Survey respondents want high level of protection of privacy and data protection
- Financial centre seen as very important to Swiss economy
- Majority feels banks must remain competitive at international level

M.I.S. Trend, a market and opinion research institute, was commissioned by the SBA to survey 1,000 Swiss citizens in January 2017 regarding their attitudes towards the banking sector and the overall importance of banks for the Swiss economy. 95 percent of the people surveyed consider their bank trustworthy, which is even higher than before the financial crisis. The Swiss give the banks good marks particularly in terms of solidity and reliability, as well as competent banking staff.

In overall terms, 85 percent of the Swiss once again gave their banks good to very good marks, and only a very small percentage of 2 percent is unsatisfied with their primary bank. Like in the last survey, the overall image of banks was positive. Accordingly, every second person surveyed (49%) has a very positive or positive attitude towards the Swiss banks, which represents only a marginal change since 2015. In addition, 41 percent clearly attested to the good and professional reputation of the Swiss financial centre at the international level, which is 10 percent higher than in the last survey.

Digitalisation: opportunities, but also risks

This year's survey for the first time examined whether the Swiss banks are considered well-prepared in terms of technological innovation and for the challenge presented by digitalisation. A majority of 65 percent is of the opinion that the banks will be among the winners in the trend towards digitalisation. The Swiss therefore see the banks as well on track to meet these challenges. To ensure that this remains the case, 58 percent are in favour of improving basic and further training in the areas of mathematics and natural sciences. However, the population also recognises the risks of digitalisation. 86 percent consider the risks arising from criminal cyber-attacks as quite high to very high. 39 percent fear a loss of jobs in the banking sector as a result of automation. Overall, however, the Swiss feel very optimistic about the future of the banks.

Protection of privacy strongly embedded

A significant majority of the population (87%) wants its financial privacy protected from third-parties. 71 percent assume, however, that the protection of personal financial information will be weakened in future, although three-quarters of respondents say that the protection thereof is quite important to very important.

Respondents were surveyed for the second time about the role the population attributes to bank client confidentiality. For 35 percent, it is above all a means to protect financial privacy vis-à-vis private individuals and companies. Despite the automatic exchange of information with countries abroad, which will be introduced in 2018, one-quarter of respondents (24%) still believe

that it protects tax evaders abroad. When asked about the future of bank client confidentiality in Switzerland, opinions are divided: at 39 percent, the current regulation enjoys the greatest support by a slight margin. Over one-third (35%) is in favour of the automatic exchange of information in Switzerland, and one-fifth is of the opinion that all clients of a Swiss bank should be able to decide for themselves whether their bank provides their account information to the tax authorities.

Contribution of the banks to the overall Swiss economy seen as considerable

More than half of the Swiss population (52%) recognises the contribution that banks make to the overall economy. The importance of the banks as a sector of the economy is highly-recognised particularly in the Ticino (70%) and the French-speaking part of Switzerland (58%). In German-speaking Switzerland, on the other hand, this level is slightly lower (49%). What stands out in particular is the importance of the sector for the job market. For 47 percent of all respondents surveyed across Switzerland, there is no doubt that the jobs in the banking sector are important (+3%).

Banks' ability to compete internationally important

94 percent of survey respondents consider it quite or very important that the banks are competitive at the international level. At the same time, half of the people surveyed are of the opinion that Swiss banks and the financial centre are more competitive than, for example, competitors in the United Kingdom, Singapore or Luxembourg. According to the respondents, economic and political stability as well as banking-related training are competitive advantages for the Swiss financial centre.

However, the Swiss are somewhat less optimistic about the future: almost one-quarter (23%) believe that the situation will worsen in the next five years, while 53 percent believe the level of competitiveness will remain the same (- 6%).

Positive overall assessment

The predominantly positive results in terms of trust and standing, recognition of the economic role of the banks, and the importance of international competitiveness indicate that the banks enjoy support from the Swiss population. Claude-Alain Margelisch, CEO of the SBA, says: "The survey results show that people place a very high level of trust in their primary bank, which is pleasing. In order to ensure this remains the case, we will continue to advocate for the best possible framework conditions in Switzerland and abroad."

Methodology and random sampling

Since 1995, the SBA has regularly conducted a representative survey. The random sampling comprises 1,000 Swiss citizens (500 from German-speaking Switzerland, 300 from French-speaking Switzerland, 200 from the Ticino, weighted according to the demographic ratio of each language region) aged 18 and over (with no upper age limit). The sampling error is no greater than maximum +/- 3.1%. The random sampling has not changed significantly compared to previous years and the questionnaire was amended only marginally. The consistency in survey methodology therefore allows for reliable long-term comparisons. The survey was conducted from 3 to 24 January 2017 by the independent research institute M.I.S Trend SA, Lausanne/Bern.

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