

Smaller private banks should sell out or specialize - M&A expert

April 1, 2011

A mergers-and-acquisition expert Thursday urged smaller Swiss private banks to seek niches or sell out, saying rising costs amid a slew of new regulations and a dwindling home market will push smaller players out of money-management for the wealthy.

"Small banks have a challenging future. Most should close down and save the headache, unless they can find a niche, [or] let business run for years until gradually it dies or [pursue] another solution in terms of investment or product specialization," MilleniumAssociates founder Ray Soudah told a business audience.

Many Swiss banks are seeking business outside Switzerland in higher-growth economies, namely Asia, the Middle East and Latin America. Smaller banks face a double-whammy of higher costs to meet regulatory requirements as well as a slow decline in business due to higher scrutiny of Switzerland as an offshore haven.

Print View by: EUBankers.net