

## Two Swiss banks set merger amid further attrition in Alpine banking

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Two Swiss banks, Arner Bank and Geneva Swiss Bank, also known as GS Banque, have agreed to merge, starting 2019 off with further consolidation in Swiss financial services.

Terms of the tie-up will not be available until March but GS looks to be in the driving seat. The combined entity will be headed by GS chief executive Grégoire Pennone.

Last year, eight Swiss private banks were bought or sold, including Notenstein La Roche. This arm of the Raiffeisen group was bought by Vontobel for CHF700 million.

Climbing costs, the challenge of technology and the historic shift away from the traditional Swiss offshore model amid the clampdown on tax evasion have all been buffeting Swiss banking.

The two merging banks, in a statement, said they wanted further to develop their asset management business and strengthen their presence in target markets. The deal will result in a new entity with around CHF 2 billion under management.

Arner, based in Lugano, is controlled by the Schraemli, Del Bue and Sicorilli Borrelli families.

It was caught in a controversy several years ago when a Mexican businessman Alejandro Garcia wanted to acquire Arner and turn into a commercial bank specialising in trade finance. But in 2016 the offer, from Mr Garcia's Zurich-based agriculture and trading conglomerate, IXE Group, was abandoned.

Millenium Associates exclusively advised Arner on its merger with GS.

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