OliverWyman

# THE SWISS BANKING SECTOR

## Role and relevance for Switzerland

Independent reference study
commissioned by Swiss Banking

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# EXECUTIVE SUMMARY

**The Swiss banking sector is a cornerstone of the economy with 5% direct contribution to Swiss GDP in 2024 and significant contributions to employment, consumption, career development, and public finances.** Banks in Switzerland have ca. 158’000 FTEs on their payroll, which corresponds to 4% of total employment. Factoring in indirect employment through increased demand from companies outside the banking sector, every banking sector job supports one additional position outside it. The banking sector fosters diverse career opportunities through a competitive recruitment strategy and apprenticeship programs. And, financial institutions are a substantial contributor to public finances, accounting for an approximate CHF ~21 billion in total direct and indirect taxes in 2023 — or about 13% of total tax revenues — of which roughly CHF ~9 billion are direct tax revenues.

**The range of products and services provided and the multitude of interlinkages both within and outside the sector, allows banks and other financial service providers and clients to benefit from network effects.** Banks play a central role herein as service providers and intermediaries. Collaboration between large and smaller financial service providers leads to improved offerings and broad access to a variety of financial products. Smaller institutions often leverage the cooperative environment and specialize in specific areas. Systemically important banks, due to their size, can offer the entire range of services, including those for larger clients and those with more complex needs, thereby enabling highly specialized career paths for their employees. International activities of the larger banks provide scale and investment and cost synergies, while providing access to international markets. Overall, the banking sector is a well-developed ecosystem that enables capital flows and access to goods and services, reinforcing Switzerland’s status as a leading global financial centre.

**Switzerland’s position as a financial centre provides significant benefits to the real economy.** Banks in Switzerland support the economy through the full suite of banking products and services at competitive prices. The financial services industry is the leading contributor to the Swiss current account surplus, accounting for 45% of the total in 2023. Compared to European competitors, Swiss Small and Medium Enterprises (SMEs) enjoy superior access to financing at lower average financing costs, primarily due to lower nominal (and real) interest rates. Wealth management not only generates significant economic value added through the management of client assets, but also plays a crucial role for lending activities by providing funding through client deposits. Additionally, the real economy benefits from a strong Swiss franc, low inflation, and comparatively low risk premiums. This is also a reflection of the stable economic and political conditions in Switzerland. Additionally, the inflow of foreign capital increases the availability of funds. Besides financing, banks in Switzerland provide access to financial products to facilitate international trade to both Small and Medium Enterprises and Multinational Companies (MNCs).

**The financial sector supports economic growth as foreign capital — particularly related to wealth management — is made available to fund local industries, thereby lowering financing costs.** Switzerland ranks highest among peers in financial openness as measured by the ratio of foreign assets and liabilities to GDP. Equally, Switzerland's reputation as a "safe haven" is in evidence as the country experiences high capital inflows during times of global distress. Switzerland is the leading hub for cross-border wealth management with USD 2.7 trillion of assets managed in 2023. This creates a virtuous cycle that strengthens the Swiss economy and enables the country to effectively manage global wealth without causing significant distortions from the influx of foreign funds into the Swiss economy, such as the real estate market.

**The Swiss financial sector plays a pivotal role in positioning Switzerland as a global leader in innovation.** A key element is the burgeoning start-up sector which has seen a 14% annual growth in the number of companies from 2015 to 2024. Financial institutions, including the infrastructure provider SIX, facilitate innovation by collaborating with start-ups, particularly within the FinTech industry, and deploying innovative solutions like advances in digital payments and blockchain technologies. Additionally, the robust ecosystem of banks and venture capital firms in Switzerland provides funding for start-ups. This relationship between traditional financial players and innovative start-ups not only enhances Switzerland's position as an international innovation hub but also ensures that the financial sector remains at the forefront of technological advancements.

**Switzerland plays an important role in global financial governance, leveraging its status as a major financial hub to influence international policymaking.** As a member of multilateral organizations such as the Basel Committee on Banking Supervision (BCBS), Switzerland actively participates in shaping global financial standards, which, while non-binding, significantly enhance cross-border business operations and domestic financial stability. The country's strong representation in such forums is bolstered by its robust financial sector, which includes global systemically important banks (G-SIBs) like UBS. However, Switzerland must continuously earn its place in these forums, as demonstrated by its initial exclusion from the Group of 20 (G20) following the 2008 financial crisis. The Swiss financial sector not only advocates for national interests but also enhances the country's economic and political relevance on the global stage, providing a crucial "seat at the table" that benefits both the financial community and the broader Swiss economy.

**An internationally coordinated, targeted regulatory framework protects stability and ensures a level playing field.** Stability of the banking sector is important and a key enabler for Swiss institutions to seize opportunities in high-growth areas abroad. An internationally recognised regulatory framework is necessary that provides the necessary guardrails to protect the banking sector and the overall economy from risks. The international alignment of Swiss rules has consistently been acknowledged by peer reviews of the Basel Committee for Banking Supervision and the Financial Stability Board. Switzerland has a robust capital and liquidity framework for banks that is aligned with global standards. Also, macro-prudential policies address domestic risks and have effectively prevented the accumulation of excessive risks in real estate, a key asset class in the Swiss economy. For systemic banks, additional buffers are required, consistent with approaches followed by other peer countries in Europe and beyond. Regulatory guidelines should continue to follow internationally accepted standards. Proportionate compliance and constructive regulatory relationships should be prioritised. While important to embrace international activities, it's equally essential to carefully assess the potential risks associated with them. Switzerland should consider its capacity and willingness to manage these risks by weighing associated costs and benefits.

**The importance and structure of the banking sector for Switzerland comes with will continue to require adequate attention.** Compared to a banking sector that is predominantly focused on domestic lending, an internationally oriented banking sector comes with additional complexity, but also has advantages regarding diversification and resilience. Banking sectors of many other countries are also dominated by a small number of domestic players that are considered "systemic". This is the case in Switzerland, too, where the largest bank — also due to its international business activities — makes up for about 40% of the sector's overall size in terms of balance sheet. The Swiss franc's status as a safe haven not only brings advantages in terms of financing costs but can at times pose a challenge for the (export-oriented) real economy due to the strengthening of the currency during times of uncertainty. However, these effects are limited, as the financial sector also supports other industries through its services and creates employment beyond finance. Overall, the Swiss economy is well diversified. Furthermore, Switzerland has demonstrated its ability and willingness to use available levers, in particular monetary and fiscal policy, to mitigate negative side effects.

**A fundamental prerequisite for a stable financial centre in Switzerland is trust — in the stability of banks in Switzerland, the rule of law and institutions, and the safety of the Swiss franc.** Recent geopolitical developments have an impact on economic and financial risks. In such an environment, the role of banks in Switzerland in supporting Swiss companies in export markets and providing financing is of great importance. Switzerland's continued success as an international financial centre will depend on a strong economy, a stable banking sector, an internationally oriented business environment, and its continued appeal as a wealth management destination for clients in growth markets. The Swiss banking sector has demonstrated adaptability over the years. The key to success remains a commitment to internationally leading products and services and to innovation. Only through this can it effectively address competitive pressures from established foreign competitors and technology companies. A balanced, Switzerland-focused, and internationally recognized regulatory framework is essential to protect the stability and competitiveness of banks and the economy.

# METHODOLOGY

**The objective of this study is to provide an independent and factual review of the value a well-diversified and internationally leading banking sector provides to Switzerland and its economy.** To do so, the report formulates arguments that are applicable to Switzerland's economic context, while maintaining a general applicability. The approach covers a comprehensive analysis of the composition of the Swiss financial sector, which establishes Switzerland's economy as a globally renowned financial centre, and an examination of the benefits this brings to the broader Swiss economy. The terms financial sector, financial centre and banking sector are used in the report. Financial sector refers to the wide universe of firms providing financial services (e.g. banks, insurers, asset managers). Financial centre refers to a location where there is a prominent concentration of financial services firms, which benefit from the network effects of being in the same area. Banking sector covers entities with a banking license.

**Data gathered to substantiate findings has been collected from publicly available sources, giving primacy to regulatory publications, to ensure traceability.** The study follows the classification established by the Swiss National Bank (SNB) to provide a consistent framework for analysis**.** To set common ground for discussion, the study is based on recognizable figures with limited transformation, generally directly collected from regulatory and financial institution publications. While the insights from an analysis conducted with private or bank-level data could have been valuable, priority has been given to public verifiable sources. Additionally, the study makes use of recent reports published by regulators and private institutions to triangulate the conclusions reached and to avoid duplication of analytical efforts.

**This study begins with an overview of the Swiss banking sector, followed by an analysis on the relevance of the Swiss financial sector for the broader Swiss economy.** This includes a detailed examination of the role of the banking sector within the Swiss financial ecosystem. The report then explores the relevance of the Swiss financial sector, discussing its relation to the domestic economy, international investments, and its role in global financial governance and innovation. Finally, the report concludes with an outlook for the Swiss banking sector, including the associated risks.

# THE SWISS BANKING SECTOR

## SWITZERLAND AS AN INTERNATIONAL FINANCIAL CENTRE

**Within the global financial system, business activities tend to concentrate in a small number of international financial centres, acting as global or regional hubs.** A financial centre is defined as a location that is home to a significant concentration of financial institutions, services, and markets. These centres typically provide a range of financial services, including banking, investment, insurance, and asset management, along with firms providing support services to financial institutions.

**Some countries have financial centres that are significantly larger than needed to provide financial services to the domestic economy**. Many countries have financial centres that cater to the needs of their local economies while more complex services — often required only by institutional and wealthy clients — are provided by international financial institutions. In other certain countries, financial centres extend their services beyond their national borders. These international centres feature capital markets that facilitate transactions, attract talent globally, and maintain a financial market infrastructure that efficiently meets the sophisticated needs of international business.

**International financial centres have emerged over time due to a combination of fundamental factors.** These factors include economic and political stability, innovative mindsets that cater to the needs of investors and those seeking financing, and adequate regulation along with legal certainty and well-developed judicial institutions. Another factor of particular importance for financial centres are network effects, meaning that, when more people use a product or service, its value increases. As financial centres bring together various services and skills across borders, they allow for a higher degree of specialization. The development of network effects is a challenge for smaller financial centres that want to grow.

**Switzerland is considered an international financial centre, especially in wealth and asset management.** Financial institutions based in Switzerland offer a full spectrum of financial services, with leading players across the entire financial value chain, including pension funds, insurers, reinsurers, banks, private equity and private debt funds, wealth managers, asset managers, custodians, clearinghouses, stock exchanges, and security brokers. The financial sector[1] contributed 9.1% of GDP[2] in 2023, ranking Switzerland fourth in the world, between

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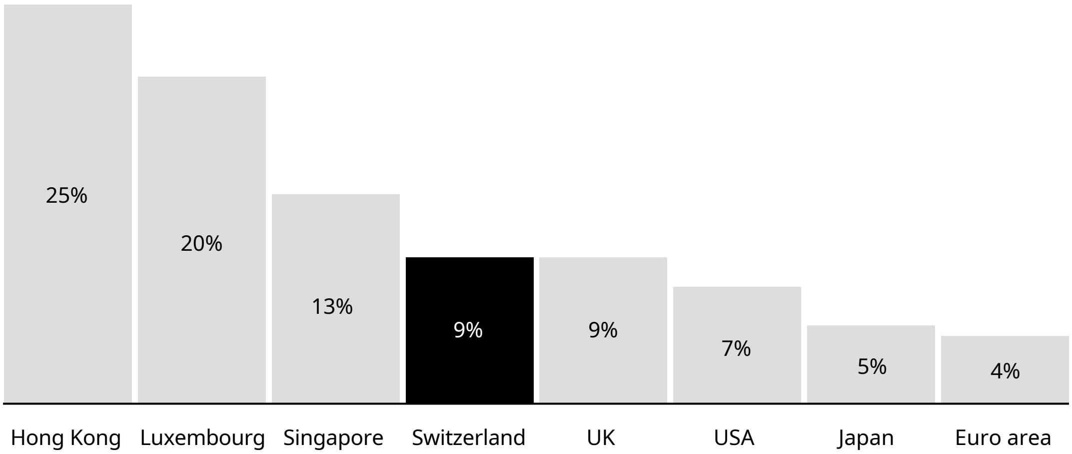
[1] The Swiss financial sector is defined by the Federal Department of Statistics to comprise of both banking services (NOGA 64, 661 and 663) and insurance services (NOGA 65 and 662).

[2] Gross domestic product — total monetary value of all finished goods and services produced within a country during a specific time period.

Singapore and the UK, other countries hosting leading financial centres (Exhibit 1).[3] The Swiss financial sector is a global leader in wealth and asset management, with USD 2.7 trillion in cross-border managed wealth in 2023, ranking first globally, ahead of financial centres such as Hong Kong, Singapore, the UK, and the US.[4] Overall, comparing these figures to the size of Switzerland in terms of population (rank 101 worldwide) or size of the economy (rank 20 by GDP), highlights the importance of financial services for the Swiss economy.

**Exhibit 1: Contribution of the Swiss financial sector to GDP compared to key countries (2023)**



Sources: Various[5], Oliver Wyman analysis

**In 2024, the Swiss financial sector was the fifth-largest contributor by economic activity, adding CHF 74 billion to GDP (Exhibit 2).** Of the contribution to financial sector GDP, banking services represented 57%, with other financial players such as insurers and related services contributing the remaining 43%. The contribution of the Swiss financial sector to GDP peaked at 12.3% just before the Global Financial Crisis (GFC) in 2007. Since then, the sector's share of GDP has trended downward. This can be largely attributed to banks significantly reducing their investment banking activities abroad in the post-GFC environment. Additionally, the Swiss wealth management industry faced a decline in margins and profitability following the effective abolition of banking secrecy and increasing global competition. Nevertheless, the Swiss financial sector remains globally reputable today, particularly due to its high-quality wealth management and private banking services to wealthy foreign clients (High Net Worth Individuals or HNWIs). This global perception has endured despite the effects of recent economic crises and banking sector consolidation.[6]

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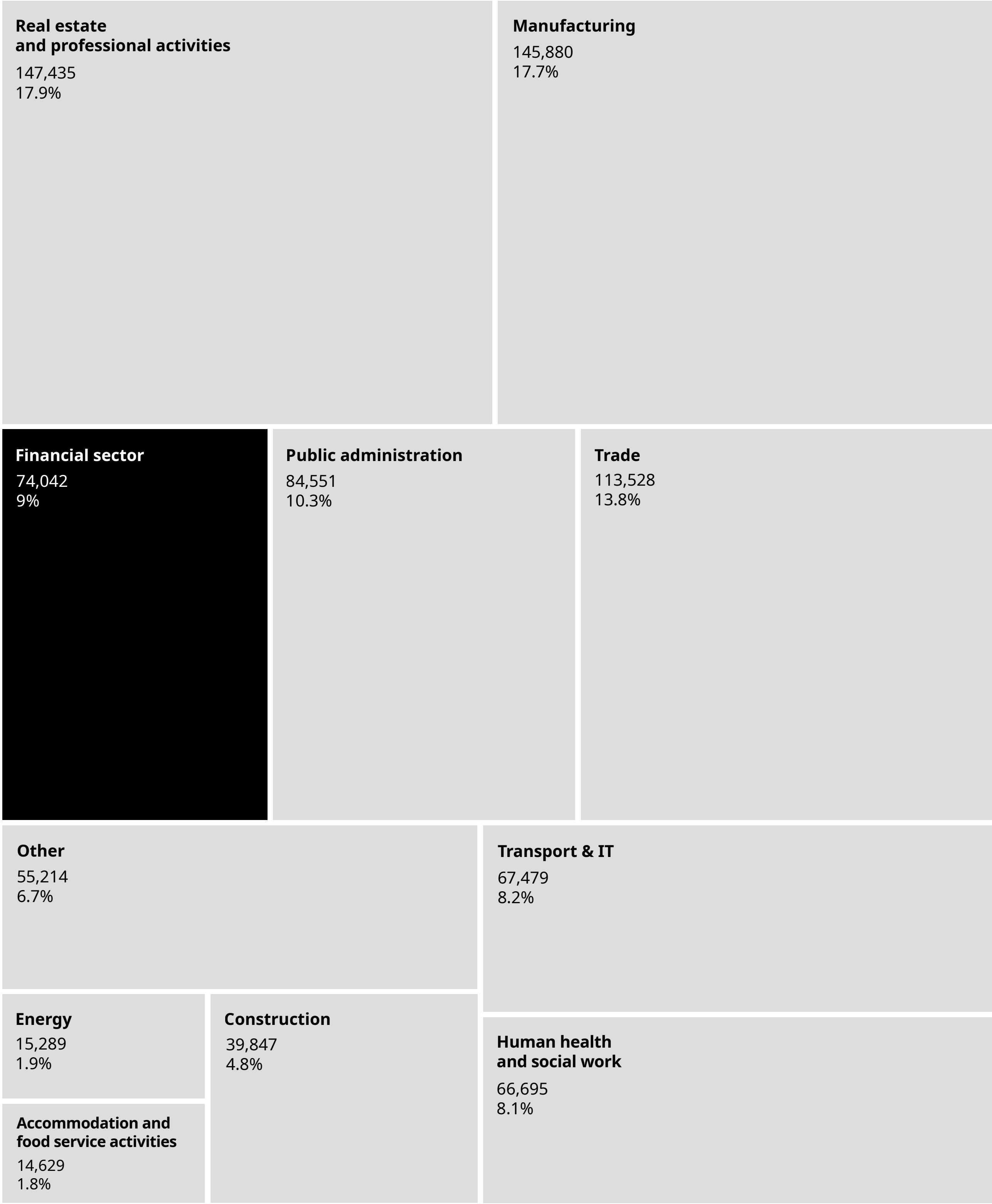
[3] Hong Kong Census and Statistics department; Eurostat; Singapore Ministry of Trade & Industry; Swiss State Secretariat for International Finance; UK Office for National Statistics; Cabinet Office Japan; US Bureau of Economic Analysis.

[4] Morgan Stanley/Oliver Wyman. "Longevity Unlocked: Retiring in the Age of Aging" (2024); cross-border managed wealth refers to household financial assets that are booked offshore (booking-centre-based approach).

[5] Hong Kong Census and Statistics department; Eurostat; Singapore Ministry of Trade & Industry; Swiss State Secretariat for International Finance; UK Office for National Statistics; Cabinet Office Japan; US Bureau of Economic Analysis.

[6] Z/Yen Group. "The Global Financial Centres Index."

**Exhibit 2: Value added (nominal GDP) by economic activity in Switzerland (2024, CHF millions, % of GDP)**



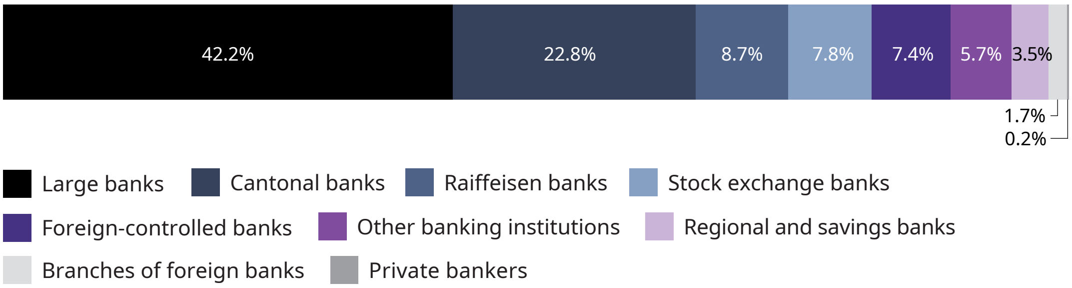
Sources: SECO, Federal Statistical Office, Oliver Wyman analysis

# THE BANKS IN SWITZERLAND

**Banking has been a salient feature of the Swiss economy historically. The Swiss banking sector began to emerge in the 18th century, with the establishment of the first savings and regional banks, as well as private banks.** The formal recognition of Swiss neutrality in 1815 and the foundation of the Swiss Confederation in 1848 enhanced the country's stability, attracting significant capital inflows into the financial sector. The 19th century also marked the creation of cantonal banks and larger industrial financing banks. The banks in Switzerland played a significant role in the industrialization of the country, financing important projects, including the Gotthard railway tunnel with domestic and international funding sources. Beginning in the mid-20th century, regulatory changes, especially the formal establishment of Swiss banking secrecy, enhanced the appeal of the Swiss economy to foreign investors seeking stability in a bipolar geopolitical environment. As a result, Switzerland became a highly desirable country for conducting business. This period also marked the emergence of Switzerland as an international wealth management centre.

**Currently, Swiss banking is a cornerstone of the Swiss financial sector, characterized by an overall balance sheet of approximately CHF3.4 trillion[7].** The sector can be divided into nine key bank categories (as defined by the SNB) that differ in size, business model, and ownership structure (Exhibit 3). Large banks represent the most significant portion, accounting for 42% of the total balance sheet. Currently, this category includes only UBS. Large banks are categorized by their comprehensive range of services, catering to diverse local and international financial needs. Cantonal, Raiffeisen, and regional banks account for approximately 35% of the banking sector balance sheet. These banks serve corporate and retail clients with savings and mortgage products. Remaining categories account for 23% of the overall balance sheet. These include stock exchange banks (7.8%), private banks (0.2%), foreign banks (9.1%), and other banking institutions (5.7%).

**Exhibit 3: Proportion of banking sector balance sheet of categories of Banks in Switzerland (2023)**



Source: SNB, Oliver Wyman analysis

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[7] SNB BNS. "Key Figures for All Bank Categories — Annual (Group Perspective) — Balance Sheet Total (September 26, 2024)."

## INFOBOX | TIMELINE AND EVOLUTION OF THE SWISS FINANCIAL SECTOR

### MID-18TH CENTURY

Early origins of the Swiss banking sector — The establishment of Bank Leu as first ”modern bank” in Switzerland marked the beginning of the Swiss banking sector. Savings and regional banks emerged later in the 18th century, primarily to support industrial workers,[8] along with private banks such as Lombard Odier in 1796.[9]

### EARLY-19TH CENTURY

Establishment of neutrality leading to capital inflow — Swiss neutrality was formally recognized in 1815 at the Congress of Vienna, primarily in relation to involvement within armed conflicts.[10] This contributed to Switzerland’s perceived stability, leading to large capital inflows.[11] The first cantonal bank was founded in 1816, in Geneva, under the name Caisse d’Epargne.[12]

### MID-TO-LATE 19TH CENTURY

Founding and establishment of larger industrial financing banks — The development of Swiss banking in the 19th century was closely linked to industrial development, particularly with the 1850 establishment of the Swiss Federal Railways, which increased demand for capital market and bank financing from domestic and international investors.[13] This era saw the emergence of major banks such as the Swiss Credit Institution (Schweizerische Kreditanstalt; SKA) in 1856 and the Swiss Bank Corporation (Bankverein, SBV) in 1872, which later merged with the Union Bank of Switzerland (SBG) in 1998 to form UBS.[14]

### EARLY-20TH CENTURY

Emergence of formal banking institutions, laws and regulations — The Swiss National Bank (SNB) was established in 1907 as Switzerland’s central bank. The Great Depression of the 1930s significantly impacted the Swiss financial sector, leading to bank failures, reduced demand for financial services, and regulatory reforms, including the establishment of the Federal Banking Commission (Eidgenössische Bankenkommission) in 1934.

### MID-TO-LATE 20TH CENTURY

Internationalization of Swiss financial services and laws — Switzerland’s banking secrecy rules, linked to the 1934 Federal Act on Banks and Savings Banks, were reinforced in 1980, attracting foreign clients seeking financial discretion in a volatile world.[15] In the following decades, the banking sector became more international, expanding services like private banking and wealth management to clients from abroad. Amid political and economic volatility, Switzerland became a prominent provider of banking services, partly because of its perceived stability.

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[8] SIX. “Exhibition: From the Very First Bank to Neobanks — SIX.”

[9] Herger, Nils. “Switzerland and its Banks — A Short History” (2023).

[10] Federal Department of Foreign Affairs. “Presence Switzerland: Neutrality.”

[11] Wehler, Hans-Ulrich. “The Economic History of Switzerland: 1800-1914.”

[12] Swiss Cantonal Banks Association. “Portrait: Regional Commitment — Regional Banking.”

[13] SNB. “The Swiss National Bank, 1907-2007” (June 22, 2007).

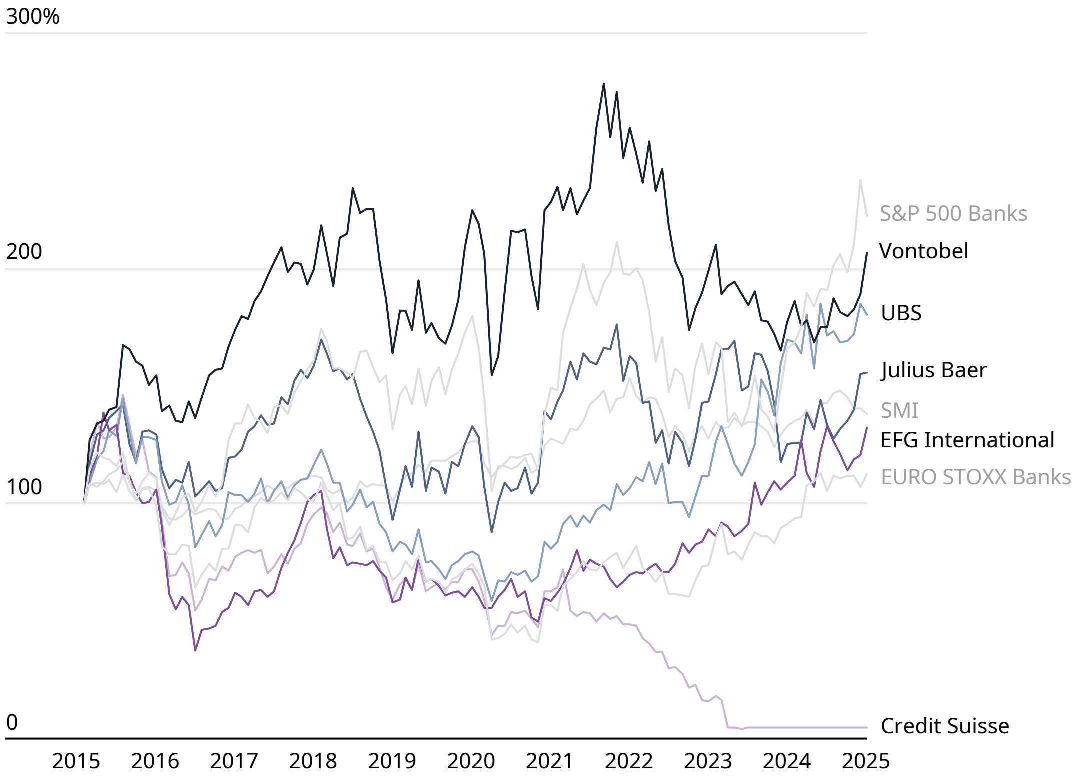
[14] UBS. “Our firm: Roots of UBS.”

[15] Cassis, Youssef. “Capitals of Capital: A History of International Financial Centres 1780-2005” (November 23, 2006).

**Swiss bank stocks have performed strongly in recent times (2015-2024), with selected listed banks in Switzerlandoutperforming EU banks but underperforming US banks (Exhibit 4).** The development of share prices is important not only from the perspective of investors, but also as an independent assessment of the stability and earnings generation capacity of banks. Following the GFC and euro sovereign crisis, US-based banks have been able to regain market capitalization over recent years thanks to a well-performing economy, while banks in the EU have been trailing given low economic growth, legacy costs, the zero-interest rate environment, and cumbersome implementation of banking and other regulation.[16] Despite being impacted by the introduction of tax transparency and a high cost environment, banks in Switzerland have benefited from the stable economic environment and also thanks to many banks leveraging a global business model (Exhibit 5). The shares of UBS, Julius Baer, Vontobel, and EFG have outperformed bank stock indices such as EURO STOXX Banks. However, American banks (proxied by the S&P 500 Banks Index) outperformed most banks in Switzerland in the same period.

**Exhibit 4: Stock market performance of banks in Switzerland and banking indices (2015-2024)**

**Indexed stock performance**
(2015 = 100%)



Source: S&P Capital IQ, Oliver Wyman analysis

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[16] Oliver Wyman/European Banking Federation. “The EU Banking Regulatory Framework and Its Impact on Banks” (January 2023).

### Exhibit 5: Overview of the Swiss banking sector by bank category and key figures (2023)[17,18]

| **Archetype**<br>*SNB Categorisation* | **Description** | **# of Banks**<br>(% of total) | **Total Balance sheet in CHF Bn**<br>(% of total) | **Avg. balance sheet in CHF Bn** | **Examples** |
|---|---|---|---|---|---|
| **Large scale universal banks**<br>*Large banks* | Banks operating within, but often outside of, Switzerland<br>Typically offering all types of business | 1<br>(0.5%) | 1 445.4<br>(42.2%) | 1 445.4 | UBS |
| **State-owned regional retail banks**<br>*Cantonal banks* | State-backed regional retail banks operating in 'Swiss cantons' Focused on savings and mortgages businesses, with some regional asset management business offered | 24<br>(10.9%) | 780.1<br>(22.8%) | 32.5 | Zürcher Kantonalbank<br>BCV<br>Luzerner Kantonalbank |
| **Cooperative banks**<br>*Raiffeisen banks* | Swiss cooperative banks operating across Switzerland<br>Focused on interest rate business with mortgages and corporate loans, as well as customer deposits | 1<br>(0.5%) | 297.1<br>(8.7%) | 297.1 | Raiffeisen |
| **Traditional regional retail banks**<br>*Regional and savings banks* | Regional retail banks with traditional offerings<br>Focused on interest rate business with mortgages / corporate loans, and customer savings and deposits | 58<br>(26.2%) | 120.7<br>(3.5%) | 2.1 | Baloise<br>Valiant |
| **Stock exchange banks**<br>*Stock exchange banks* | Stock exchange banks operate mainly in the field of wealth management, serving clients both inside and outside Switzerland | 34<br>(15.4%) | 266.7<br>(7.8%) | 7.8 | Pictet<br>Julius Baer |
| **Private banks**<br>*Private bankers* | Banks serving private or high net worth (HNW) clients (residential and non-residential clients)<br>Focused on asset and wealth management services | 5<br>(2.3%) | 5.8<br>(0.2%) | 1.2 | Bordier<br>Reichmuth & Co Privatbankiers |
| **Foreign-controlled banks**<br>*Foreign-controlled banks* | Independent Banks in Switzerland owned by foreign interests<br>Typically operate in all fields of business with some focusing on asset management / investment banking | 61<br>(27.6%) | 252.5<br>(7.4%) | 4.1 | JPMorgan Chase<br>Barclays<br>BNP Paribas |

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17 All data is for year-end 2023.

18 Raiffeisen consists of 218 legally independent institutions that operate under a cooperative model and are subject to consolidated supervision.

| **Archetype**<br>*SNB Categorisation* | **Description** | **# of Banks** (% of total) | **Total Balance sheet in CHF Bn** (% of total) | **Avg. balance sheet in CHF Bn** | **Examples** |
|---|---|---|---|---|---|
| **Branches of foreign banks**<br>*Branches of foreign banks* | HQ outside of Switzerland, mainly serve clients abroad<br>Typically operate in most fields of business but can offer specialised services to Swiss clients | 24<br>(10.9%) | 58.1<br>(1.7%) | 2.4 | Deutsche Bank<br>Goldman Sachs |
| **Other banks**<br>*Other banking institutions* | Covers all banks not covered elsewhere | 13<br>(5.9%) | 195.5<br>(5.7%) | 15.0 | Migros Bank<br>PostFinance |
| Total / Average | | 221<br>(100%) | 3 421.8<br>(100%) | 15.5 | |

Source: SNB, Oliver Wyman analysis

# THE CORE ROLE OF BANKING IN THE SWISS FINANCIAL SYSTEM

**At its core, the banking sector provides intermediation between counterparties, with a significant amount of this intermediation taking place between banks.** The financial sector is highly diverse and offers numerous services. Key business lines include: (1) lending (loans, mortgages, overdrafts and trade finance); (2) deposit services; (3) savings and wealth management (investment management and advice); (4) capital markets (bond trading, securities trading, wholesale debt and capital raising on public markets); (5) hedging of risk, such as from foreign exchange and interest rates and (6) payments (merchant services and credit-card services). The scale of some of these services cannot be understated; as an example, the Swiss debt capital market is almost as large as the national GDP.[19] However, not all financial service providers offer all these and other services to their clients, despite having the necessary licenses. Instead, they may choose to specialize in specific areas to better meet the needs of their clients and source non-core services and products from other financial service providers. Such “bank-to-bank” services include brokerage and custody, advisory (for example, raising funds through capital markets and providing investment advice), and balance sheet services (for example, treasury products).

**Given increasingly demanding clients, the complexity of banking products, and the importance of technology and scale, banks rely on a network of suppliers, banks, and other firms to provide services to the economy.** Today, even simple banking products such as payments, lending, and brokerage have a complexity that at first sight might not be obvious. For example, retail payments with cards are provided by a network of payment schemes and providers, communication networks, and banks. In the case of brokerage and custody, banks require scale to spread high operating costs. Consequently, this service is mainly provided by larger banks and outsourced by smaller players. The large scale of the Swiss financial centre allows for larger symbiotic relationships between financial services providers and stronger network effects, and clients to benefit through enhanced service, lower costs, and access to a wider range of financial products.

**Beneficial spillovers are particularly high in wealth management.** The process begins with a client-relationship manager, typically employed by a bank or a pure-play wealth manager, who establishes and manages the client relationship. The client’s assets are then allocated based on the wealth manager’s investment advice into securities (for example, shares and bonds) or funds. Funds, in turn, are serviced by fund managers or the bank’s own asset management arm. Within asset management, a portfolio manager oversees the fund and engages with sell-side firms (such as brokers, the sales and trading arm of broker/dealers, or investment banks) to execute the buying and selling of securities. Affluent wealth management clients also require more complex and bespoke financial services such as private placements or derivatives for risk management. Oftentimes, wealth management clients leverage their

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[19] End of year figures; SMEs considered as companies with up to 249 employees; Figures show utilised lending volumes, not total commitments.

investments though loans. This front-to-back value chain illustrates the complexity and level of interconnectivity required within the financial sector to meet client needs in wealth management. Oftentimes, these value chains have a significant cross-border component. For example, funds are managed and administered by large international asset managers (as in the case of passive index funds) or out of jurisdictions with a favourable regulatory and tax treatment (such as Luxembourg). Smaller banks often function as clients of larger banks to gain access to investment products and market expertise as well as intra-sector services. Still, the large concentration of banks in Switzerland allows many elements of the value chain to be provided within the country, securing the corresponding GDP contribution.

**In classical lending and deposit taking, the degree of network effects is lower.** Lending activities cover loan underwriting, loan servicing, and collections, for a variety of end uses (such as mortgage lending, consumer finance, trade finance, and project finance). Financial services providers often specialize in specific lending activities, depending on their intended use. A significant portion of their value chain is typically internalized (except for credit scoring and the collection of non-performing loans), leading to limited intra-sector services. In Switzerland, there is a market for ”Pfandbriefe”, a specialized type of covered bond that facilitates funding through capital market sources. Banks in Switzerland usually hold the loans they issue on their balance sheet until maturity, meaning securitization (the conversion of an asset, particularly loans, into marketable securities) plays a limited role domestically. However, bank-to-bank services in this space are important. They include support with balance sheet management (such as securitization or inter-bank lending), enhancement of offering for cross-border transactions (for example, foreign exchange payments) and hedging of risks (such as interest-rate or foreign exchange risk). In these cases, larger banks often provide smaller peers access to products to make their lending offerings more attractive and efficient.

**Consistent with the principle of service exchange, significant capital and talent flows also take place, resulting in additional sector network effects.** As value chains become increasingly intertwined, clients switch between different service providers, resulting in further capital flows and overall better access to capital (such as private banking clients investing in a local hedge fund on the recommendation of their portfolio manager). Additionally, the presence of large financial service providers enhance access to industry talent, with specialized human capital being a key competitive factor in attracting more financial service providers (Exhibit 6). In Switzerland, there is notable flow of talent between firms within the financial sector, as observed by the migration of employees between the different actors in the industry.[20] The primary source of talent in the financial sector comes from banking participants that invest heavily in training and education.[21]

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[20] Analysis based upon data sourced from LinkedIn on 31.01.2025 for Swiss domiciled employees across seven financial peers.

[21] UBS. “2023 Annual Report”; in 2023 UBS invested more than USD 100 million on training activities alone, on top of partnerships the bank maintains with Switzerland’s leading academic institutions (such as ETH, HSG, UZH).

**Exhibit 6: Overview of talent migration, by count, for a subset of key Swiss financial sector actors (2025, # of employee migration)[22]**

Former employer

Current employer

| | UBS | JP Morgan | ZKB | Pictet | LGT | Zurich | Swiss Re |
|---|---|---|---|---|---|---|---|
| **UBS** | - | 202 | 280 | 20 | 20 | 281 | 167 |
| **JP Morgan** | 68 | - | 1 | 3 | 0 | 3 | 1 |
| **ZKB** | 550 | 9 | - | 6 | 4 | 50 | 38 |
| **Pictet** | 116 | 52 | 6 | - | 0 | 9 | 3 |
| **LGT** | 30 | 7 | 3 | 2 | - | 6 | 4 |
| **Zurich** | 197 | 12 | 35 | 2 | 2 | - | 154 |
| **Swiss Re** | 167 | 10 | 10 | 2 | 5 | 132 | - |

Note: Results were generated by comparing the employment history of listed employees using LinkedIn Recruiter Search, manually analysing current and previous positions for two companies at a time

Source: LinkedIn, Oliver Wyman analysis

**Technological developments have a significant impact on the way the financial industry is shaped.** Challenger banks have successfully used their digital prowess to break into traditional value chains and enter the market, initially with a narrow product shelf at highly competitive pricing (such as credit card or payment solutions) that are easily scalable. Further, technology companies without a specific financial sector background establish themselves as critical service providers for banks in the cloud or artificial intelligence (AI) space, introducing interdependencies. As seen in markets outside Switzerland, the role of banks within the overall value chain may be challenged in the future.

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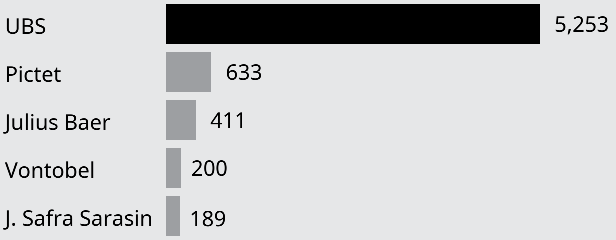
[22] Employment numbers cover global moves between firms as of January 31, 2025 (such as the move from JP Morgan London to Pictet Geneva).

# INFOBOX | OVERVIEW OF THE SWISS WEALTH AND ASSET MANAGEMENT INDUSTRY

## DEFINITIONS

Wealth management is a comprehensive service that integrates financial planning and investment management, tailored for HNW individuals and their families, with the goal of preserving and growing their wealth over time. In contrast, asset management specifically focuses on the strategic allocation of assets and the management of investment portfolios, primarily for institutional clients such as pension funds, endowments, and corporations. The objective of asset management is to achieve long-term growth and returns while adhering to risk management standards and regulatory compliance.

**Exhibit 7: Banks in Switzerland ranked by total AUM (2024, CHF billions)[27]**



Source: Zurich University of Applied Sciences, Oliver Wyman analysis

## LANDSCAPE

Switzerland is home to a robust wealth and asset management industry. The industry is made up of a diverse spectrum of both small and large participants who offer a wide range of products and services (Exhibit 7). One large bank, UBS, dominates the landscape, as the biggest wealth manager in the world[23] and the biggest asset manager in Europe by assets under management (AUM).[24] UBS is estimated to have a 20-30% market share within wealth management and approximately a 40% market share in asset management[25] amongst Swiss providers.[26] Additionally, numerous further banks such as Pictet, Julius Baer, Vontobel, and J. Safra Sarasin contribute to the competitive environment with more specialized and tailored services.

## SCALE

Switzerland is the leading cross-border wealth management centre in the world,[28] ahead of major economies such as the United Kingdom and the United States, with approximately 96% of these assets managed by the large banks and private banks.[29] On the asset management side, CHF 3.1 trillion of managed assets were reported as of end of 2023, the third-largest in Europe, displaying the immense scale of funds flowing through and held in Switzerland as part of its mature and well-developed financial sector.[30] Of the total AUM in Switzerland in 2023, approximately 55% were of domestic origin, while 45% were of foreign origin,[31] displaying the international nature of the country's wealth and asset management industry.

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[23] Wealth Professional. "The world's top 10 wealth management firms by AUM" (May 2021).

[24] Thinking Ahead Institute. "The world's largest 500 asset managers" (October 2024).

[25] WEKO. "Stellungnahme der WEKO gemäss Artikel 10 Abs. 3KG und Empfehlungen gemäss Artikel 45 Abs. 2KG" (September 25, 2023).

[26] Banks in Switzerland, to a significant extent, also distribute investment products, including funds from foreign asset managers (such as BlackRock, Vanguard, Amundi, and others).

[27] Total AUM of a bank is comprised of both wealth management (domestic and international) and asset management assets.

[28] Morgan Stanley/Oliver Wyman. "Longevity Unlocked: Retiring in the Age of Aging" (2024); cross-border managed wealth refers to household financial assets that are booked offshore (booking-centre based approach).

[29] Zurich University of Applied Sciences. "Wealth Management in Switzerland — Edition 2" (March 2024).

[30] Asset Management Association Switzerland. "Asset Management Study 2024 — Growth, Global Reach and Economic impact."

[31] Swiss Banking. "Banking Barometer 2024."

## INFOBOX | **SWISS FINANCIAL MARKET INFRASTRUCTURE**

### DEFINITIONS

An efficient financial market infrastructure (FMI) is essential for a developed country's economy to function, including to support the daily payments and transactions that occur between companies and individuals. FMI is defined as a multilateral system among participating institutions, including the operator of the system, used for the purposed of clearing, settling, or recording payments, securities, derivatives, or other financial transactions.[32]

### LANDSCAPE

At the heart of the Swiss FMI landscape is SIX Group, an unlisted public limited company based in Zurich. SIX serves as the primary player in the Swiss financial ecosystem, encompassing stock exchanges, trading venues, central counterparties, central securities depositories, payment systems, and trade repositories. Owned by approximately 120 domestic and international financial institutions, SIX's ownership structure split is 34.5% large banks (UBS), 17.6% commercial and investment banks, 15.1% cantonal banks, and 8.5% regional and Raiffeisen banks[33]. The ownership and governance model contrasts the situation found in other countries, where FMIs are increasingly independently owned and pursue their own strategy and where banks and other financial firms are clients that have no specific say over the FMI's strategic direction.

### ROLE

FMIs play a critical role in the financial system and the broader economy, with the local financial sector heavily relying on their services. The purpose of the FMI is to make the financial centre more competitive, which is accomplished by lowering transaction costs and by improving the safety and stability of the financial system. While banks of all sizes need FMIs to transact with each other for their clients, small banks particularly benefit from FMIs as they would otherwise lose network effects or would need to buy vital services from larger competitors. At the same time, FMIs require a minimum scale to operate effectively and cost-efficiently. Size therefore matters. By bringing business to a joint platform that they could otherwise provide themselves, large banks are important pillars keeping the business model of a locally oriented FMI such as SIX viable.

### CHALLENGES

Being successful in the future will require SIX Group and the banks as its joint owners to subscribe to a shared vision and strategy. Even then, it remains to be seen if Swiss financial market infrastructure offerings scale well enough, either domestically or through offering services abroad, to refinance the necessary investments. Further, for some offerings, such as cash settlement, issues related to the strategic autonomy of the Swiss economy need to be considered.

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[32] Bank for International Settlements (BIS). "Principles for Financial market infrastructures."

[33] SIX. "Corporate governance."

# RELEVANCE OF THE SWISS FINANCIAL SECTOR

The financial sector plays a pivotal role in the stability of an economic system, shaping much of the interaction between the real economy and the financial economy. The real economy refers to the part of the economy that produces goods and services, as opposed to the financial economy, which relates to aspects such as financial markets, investments, and transactions.

## ROLE OF THE SWISS FINANCIAL SECTOR IN DRIVING GROWTH IN THE SWISS ECONOMY

### SWITZERLAND OPERATES AN INTERNATIONAL, EXPORT-ORIENTED ”REAL” ECONOMY

**Switzerland is a small, very open economy.** The business model of many Swiss companies is strongly export oriented, with an export-to-GDP ratio of 75%, significantly higher than other major European economies such as Germany (43%), France (34%), the United Kingdom (32%) or the US (11%).[34]

**Switzerland’s exports are driven by multinational corporations (MNCs) and small to medium-sized enterprises (SMEs).** It is not only MNCs that conduct international business in Switzerland. On the contrary, SMEs contribute significantly to the export orientation of the country (Exhibit 8). Swiss SMEs make up a third of the value of all Swiss exports, ahead of the equivalent proportions of peers such as in Germany (24%) or France (25%).[35] SMEs also play a significant role in the domestic economy, providing two-thirds of jobs in the country.[36]

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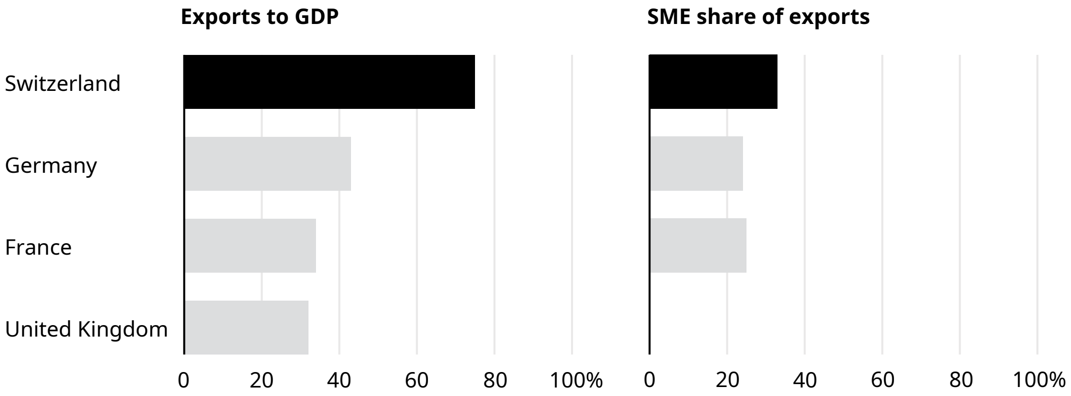
[34] World Bank. “Exports of goods and services (% of GDP)”. 2023.

[35] Eurostat. “International trade in goods by enterprise size”. October 2024.

[36] State Secretariat for Economic Affairs (SECO). “Figures on SMEs: Essential Points in Brief”.

**Exhibit 8: Exports of goods and services and SME share of total exports by selected European peers (2023; 2022)**



Sources: World Bank, Eurostat, Oliver Wyman analysis

**"Traditional" industries, such as manufacturing, represent a significant portion of the Swiss companies, requiring a well-diversified funding and investor base to serve their needs.** Around one-third of the Swiss economy is driven by traditional industries such as agriculture, mining, manufacturing, energy, and construction.[37] The remaining two-thirds of the Swiss economy cover mainly trade, professional services, and pharmaceuticals. This differentiation is important, as the type of business activity influences the type of financing required to support it. Traditional industries, such as manufacturing or power generation, are typically capital intensive but at the same time can have a relatively stable and predictable cash flow and often have real assets, from manufacturing plants to hydropower stations. Hence, they are better served by commercial banks, who rely on predictable cash flows and real estate collateral to grant loans. On the other hand, industries with larger firms that have significant research and development (such as pharmaceuticals) rely on capital market financing (dominated by UBS, Zürcher Kantonalbank and Raiffeisen) in addition to bank borrowing given the unpredictability of the associated cash flows and commensurate risks. Various sectors of the real economy depend on distinct services, leading them to engage with different banks that specialize in meeting their specific financial needs.

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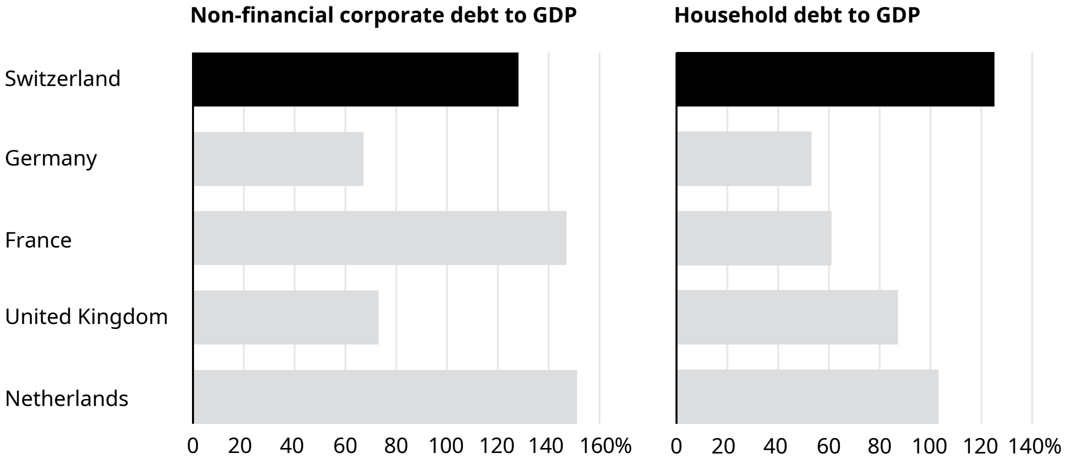
[37] State Secretariat for Economic Affairs (SECO). "GDP, Production Approach, Not Adjusted" (February 27, 2025; 2024 numbers).

## BANKING SERVICES ARE KEY FOR SWISS ECONOMIC GROWTH

**Compared to their European peers, external financing is more easily available for households and SMEs.** For households, the debt-to-GDP ratio, which compares the debt held to the value of goods and services an economy produces each year, stands at 125% (Exhibit 9). This is driven by housing finance, as in the Swiss market mortgages are only partially repaid. Non-financial corporate debt stands at 128% of GDP, showing that Swiss companies have good access to debt financing and use this in line with their needs. High debt ratios carry direct advantages such as leverage to enhance investment returns and tax-deductible interest payments while also stimulating wider economic growth. While risks remain, these are counterbalanced by above-average liquidity holdings.

**Exhibit 9: Debt-to-GDP ratios for Switzerland and selected European peers (2013-2023 average, % of GDP)[38]**



Source: IMF, Oliver Wyman analysis

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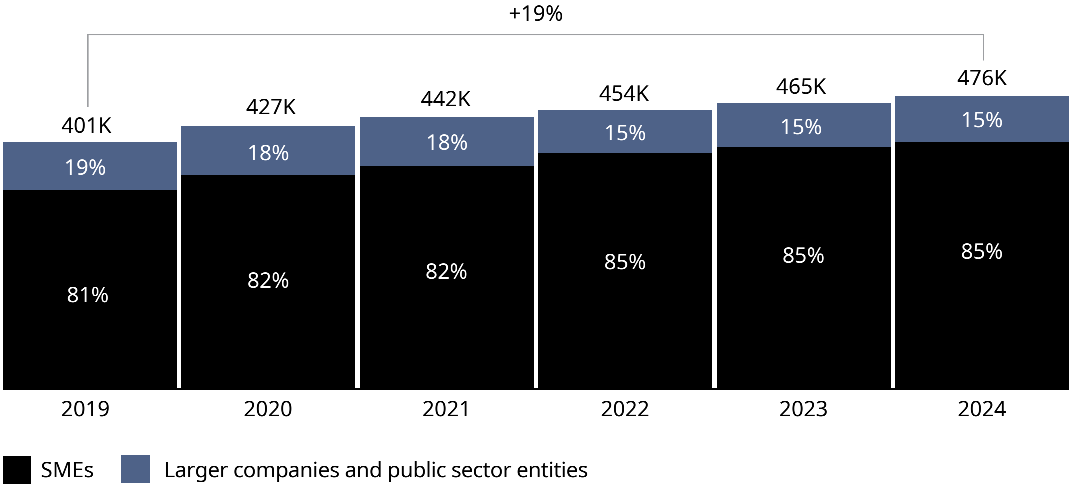
[38] Total stock of loans and debt securities as a share of GDP, i.e. including bank lending and bond financing.

**Compared to their European peers, Swiss SMEs have superior access to financing.** SMEs do not typically have access to capital market financing, so they rely on local bank lending, mainly from cantonal and large banks (Exhibit 10). Access to loans is driven by the lending standards of the banks and the quality and robustness of a borrower's financial status, which in turn strongly correlates with the health of the economy. When SMEs request a loan in Switzerland, they are more likely to receive it than their peers in other European countries. In 2021, the rejection rate in Switzerland was approximately 3% for SMEs[39], while in Europe the total rejection rate for all enterprises was 5.5%.[40] In line with this, in 2024 only 3% of Swiss SMEs reported issues or doubts with regards to obtaining financing,[41] as opposed to 6% of European firms.[42]

**Exhibit 10: Swiss bank lending by company type (2019-2024, CHF billions)[43]**



Source: SNB, Oliver Wyman analysis

**For MNCs and larger Swiss companies looking to raise funds on the capital markets, Banks in Switzerland facilitate large-scale capital-raising events, such as bond issuances on the debt markets or initial public offerings (IPOs) for equity financing.** While financial intermediation in Europe, including Switzerland, is — as opposed to the US — more bank-led, capital market financing plays an important and growing role. The Swiss debt capital market is almost the same size as Swiss GDP, with a Swiss bond market size of approximately CHF 790 billion in 2024.[44]

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39 State Secretariat for Economic Affairs (SECO). "Figures on SMEs: Sources of funds" (2021 data).

40 European Central Bank. "Share of rejected loan application-Overall-Enterprise, euro area (changing composition), Quarterly" (2021 average); rejection rate for SMEs only tracked 2022 onward in the euro area.

41 Konjunkturforschungsstelle. "Wie Schweizer Unternehmen ihre Investitionen finanzieren" (February 05, 2025; 2024 data).

42 European Central Bank. "Survey on the access to finance of enterprises" (2025; 2024 data).

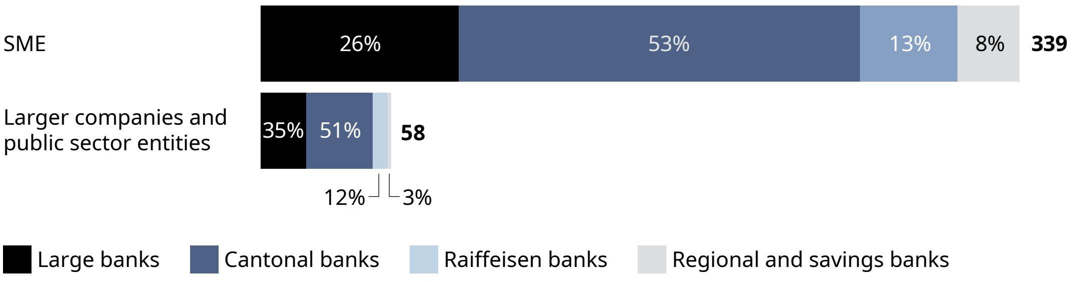
43 End of year figures; SMEs considered as companies with up to 249 employees; Figures show utilised lending volumes, not total commitments.

44 SIX. "Primary Swiss Debt Capital Market Information Q2 2024."

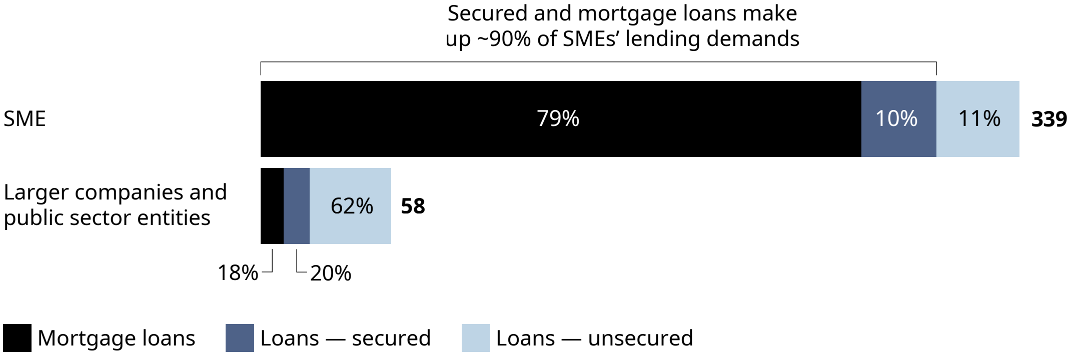
**There are many complementary relationships between Switzerland's banking system and the Swiss capital markets.** Given the specialized expertise and market network necessary, only a limited number of Banks in Switzerland support Swiss corporates and public institutions in raising debt capital in the market (Exhibit 11). Services provided by these banks include advisory, structuring, underwriting, and distribution of debt securities. On the equity financing side, banks support firms in their efforts to raise equity with investors. A notable recent example is UBS's involvement in the Galderma Group's IPO (CHF 14.5 billion market capitalization) on the Swiss Exchange in 2024, which marked Switzerland's biggest IPO since 2017 and was one of the world's largest deals that year.[45] Additionally, regionally networked Banks in Switzerland facilitate the expansion of Swiss export-oriented companies with an example being the Zürcher Kantonalbank's book running of the Stadler Rail IPO in 2019, with a CHF 4.2 billion market capitalization at the time.[46]

**Exhibit 11: Swiss bank lending by bank category, loan, and company type (2023, CHF billions)[47]**

**Swiss lending utilisation by bank category and company type (2023, CHF billions)**



**Swiss lending utilisation by loan and company type (2023, CHF billions)**



Source: SNB, Oliver Wyman analysis

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[45] SIX. "Galderma Listed Its Shares on SIX Swiss Exchange Today — Largest IPO Placement Volume in Switzerland since 2017" (March 22, 2024).

[46] SIX. "Stadler IPO — Grösster europäischer IPO seit Jahresbeginn" (April 12, 2024).

[47] Latest figures available as of end of May 2023; Figures show utilized lending volumes, not total commitments.

**Overall, the cost of borrowing appears to be lower in Switzerland than in European peers.** This is largely driven by two factors. Firstly, the central bank policy interest rate and sovereign borrowing cost (representing the so-called “risk-free rate”) in Switzerland has historically been lower than both the European Central Bank and Bank of England policy rates, due to the country’s stable economic and political environment, a strong Swiss franc, and low inflation. For example, at the end of 2024, central bank policy rates were 0.5% for Switzerland, 2.75% for the euro area, and 4.75% for the United Kingdom (Exhibit 12), reflecting gradual reductions after a peak in around 2023.[48] This is similarly reflected in the low interest rates of Swiss government bonds given the history of fiscal prudence and low inflation. Secondly, the credit worthiness of Swiss loans is comparably lower, leading to a lower ”risk premium” charged from Banks in Switzerland for loans. For example, the majority (approximately 90%) of the lending needs of Swiss SMEs are covered by mortgage loans and secured loans. Both loan types being backed by assets such as real estate in the case of default and support a low perceived risk of lending. Switzerland had nonperforming loans of 0.7% of the overall loan book in 2022, significantly lower than European peers such as France (2.1%), the Netherlands (1.6%), and Germany (1.2%).[49] The low rejection rates of loans in Switzerland, as mentioned earlier in this report, combined with the significance of low default rates, reflect a low underlying risk level and signal that banks and firms are partnering well in Switzerland. These components translate into an overall lower cost of lending, which can be observed by comparing the cost of borrowing for nonfinancial corporations in Switzerland versus European peers (Exhibit 13). When looking at these numbers, it is also important to note that in some of Switzerland’s neighbours, publicly funded development banks (such as KfW in Germany or Bpifrance in France) partially underwrite the risks of a substantial share of SME and corporate bank loans, effectively lowering average borrowing costs.

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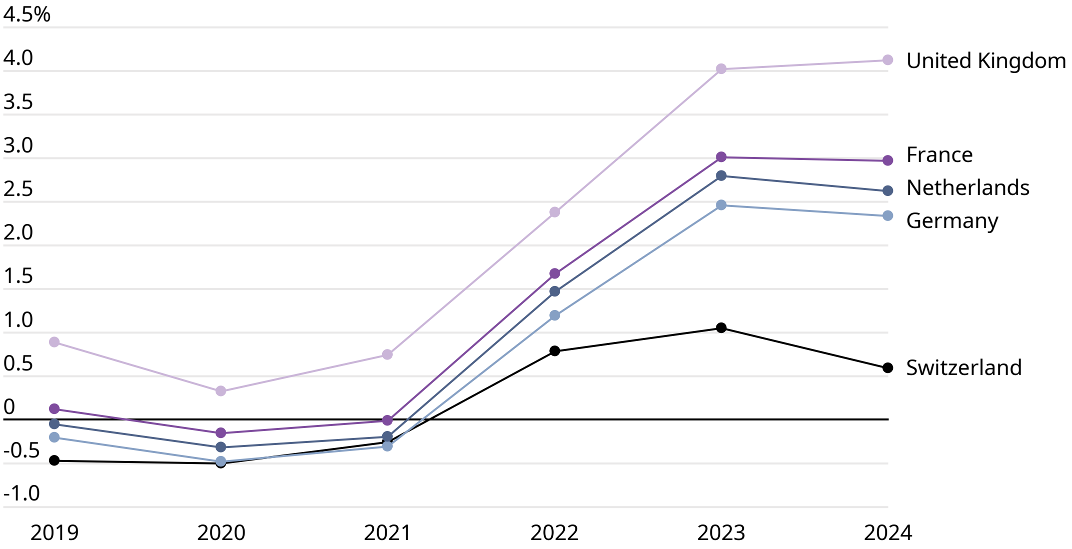
[48] Swiss National Bank. “Official interest rates” (December 2024).

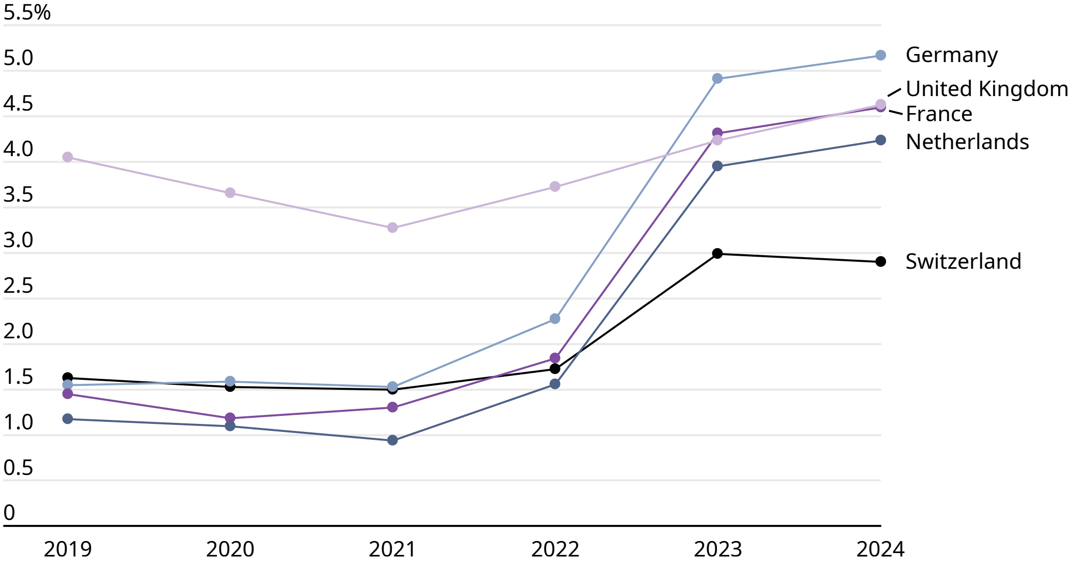
[49] World Bank. “Bank nonperforming loans to total gross loans (%)” (2022).

**Exhibit 12: Ten-year government bond yields (2019-2024, yearly average, %)**



Sources: Reuters, Refinitiv

**Exhibit 13: Nonfinancial corporation cost of borrowing (2019-2024, yearly average, %)[50]**



Sources: SNB, ECB, Bank of England

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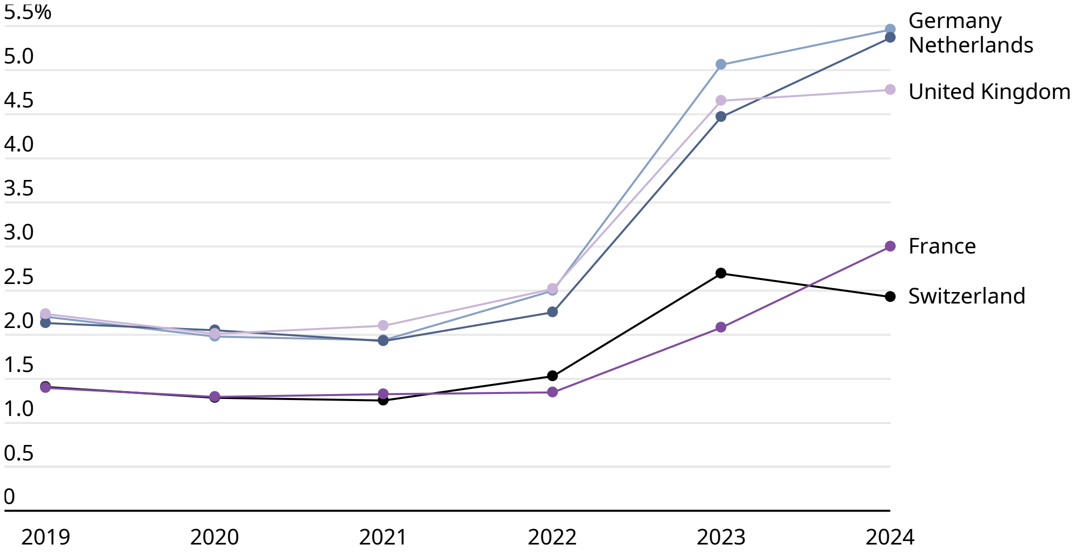
[50] European Central Bank. "MFI interest rates", nonfinancial corporations' composite cost of borrowing, a measure of the borrowing costs of nonfinancial corporations which is accurate and more comparable across countries. Yearly average taken for 2019-2024 from monthly data (Swiss National Bank). "Interest rates on new loan agreements, by product", investment loans with fixed interest rates to domestic nonfinancial corporations, such as working-capital loan with fixed term and pre-agreed fixed rate of interest, yearly average taken for 2019-2023 from monthly data, for 2024 average made up of monthly data until end of November 2024 (Bank of England). "Monthly average of UK resident monetary financial institutions' (excluding Central Bank) sterling-weighted average interest rate — other loans with a fixed rate to private nonfinancial corporations (in percent) not seasonally adjusted." Selected datasets chosen to maximize comparability across European peer set given data availability.

**Exhibit 14: Household mortgage rates, fixed interest with maturity up to one year (2019-2024, yearly average, %)**[51]



Sources: SNB, ECB, Bank of England

**In summary, the Swiss financial sector, driven by large and cantonal banks, supports the real economy with an attractive volume, ease of access, and cost of financing versus European peers.** This is mainly driven by: (1) a high relative level of credit provision (non-financial corporate debt stood at 128% of GDP in 2013-2023); (2) superior access to financing from the advanced and local financial sector; and (3) a low cost of lending due to the lower interest rate environment and riskiness of Swiss loans (2024 Swiss central bank rate was 0.5% compared relative to the euro area: 2.75%). Specifically, the large banks and cantonal banks play a crucial role in financing both Swiss SMEs and MNCs. Concretely, this benefits both individuals and corporates across the entire country. Whether in relation to house purchasing, rent prices[52], or obtaining a loan to start a business, Swiss residents benefit from the ecosystem provided by the banking sector.

**Banks not only benefit SMEs and corporates through lending but also by providing access to financial services.** This is particularly relevant for international exports, where risk management products are necessary to conduct business effectively. Large corporates typically have access to a wide range of financial entities that are willing to provide tailored products for their needs. SMEs, however, can often face limited access. The accessibility to sophisticated export-oriented services is a salient factor of the Swiss banking offering, and it's enabled by the strong network effects within the financial network (e.g. smaller banks benefiting from scale and access to international markets of larger entities).

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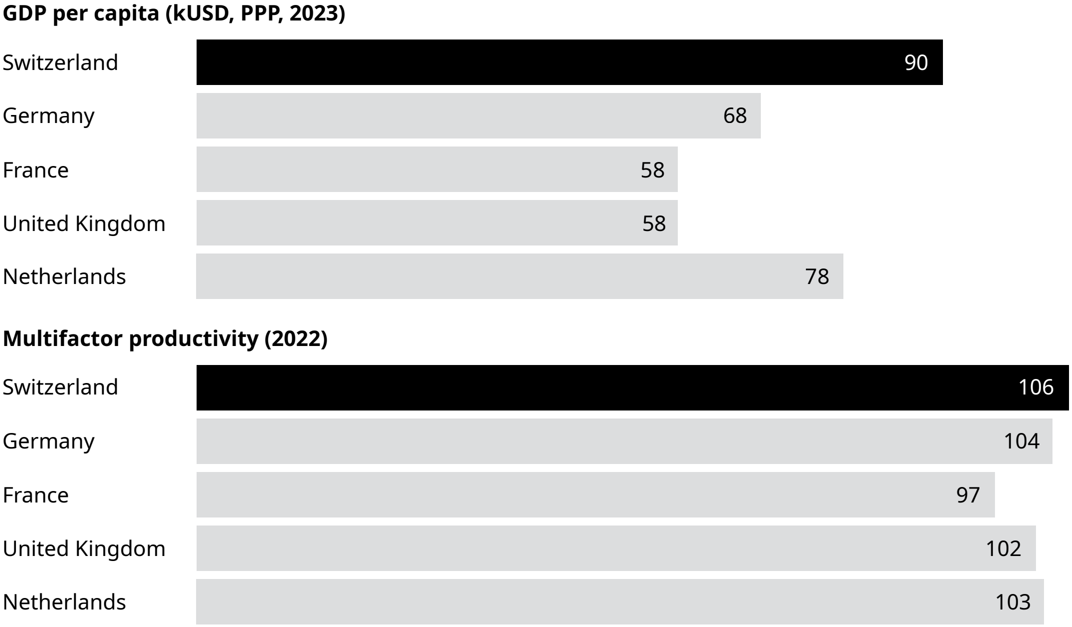
[51] For CH: Mortgages with fixed interest rates with a maturity of up to one year calculated with weighted average based on number of loans, 2024 data only up until end of November 2024. For UK: Granular data not available, average taken of all variable rate residential loans to individuals. For EU: Loans to households for house purchase with an original maturity of up to one year (outstanding amounts).

[52] Swiss rent prices are linked to national economic conditions via the "Referenzzinssatz," a mortgage reference rate set by the SNB. This rate provides the framework for landlords to increase rents and for tenants to request reductions.

**Exhibit 15: GDP per capita and multifactor productivity for Switzerland and selected European peers[53]**



Source: OECD, Oliver Wyman analysis

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[53] Multifactor productivity (MFP) reflects the overall efficiency with which labour and capital inputs are used together in the production process and measured relative to each country's MFP in 2015.

## INFOBOX | OVERVIEW OF KEY FINANCIAL SERVICES BANKS IN SWITZERLAND PROVIDE EXPORT-ORIENTED SWISS MNCS

### TRADE AND EXPORT FINANCE

Products designed to support businesses in managing the risks and financing needs associated with international trade

- Payment guarantees (such as letters of credit, export credit insurance, documentary collections)
- Financing solutions (such as trade finance loans)

### TREASURY BANKING/PAYMENTS AND CASH MANAGEMENT

Services that facilitate cross-border transactions and aid in managing liquidity

- Cash management services (such as management of multicurrency accounts)
- Payment solutions (such as electronic fund transfers (EFTs), international transfers such as SWIFT)
- Treasury management (such as software solutions for cash-flow management, reporting, and analytics)

### RISK MANAGEMENT (HEDGING)

Services that help businesses manage the risk associated with fluctuations in foreign exchange rates, commodity prices, and borrowing rates

- Borrowing rates (interest rates)
- Foreign exchange (FX)
- Commodity prices

# ROLE OF THE SWISS FINANCIAL SECTOR IN FACILITATING INTERNATIONAL TRADE AND INVESTMENTS

## THE FINANCIAL SECTOR IS AT THE NEXUS OF SWITZERLAND'S INTERNATIONAL TRADE AND INVESTMENT

**Switzerland is one of the most attractive countries in the world for international investments.** This is underscored by its consistently high levels of foreign direct investment (FDI) inflows, which reflect global confidence in the country's economic stability and growth prospects (Exhibit 16). Switzerland further exhibits a consistently favourable balance of payments, characterized by a surplus in the financial account, indicating a strong inflow of foreign capital and emphasising the country's position as a preferred destination for international investors. After Singapore, Switzerland also leads the world competitiveness ranking, a marker that highlights its robust infrastructure, skilled workforce, and innovative capacity — factors that are crucial for sustaining long-term economic growth and attracting further investment.[54]

**Switzerland not only attracts foreign investments, but also sees its companies actively investing abroad, allowing Swiss companies to leverage growth opportunities globally.** These international investments allow Swiss companies to diversify their operations, spreading risk across various markets and sectors, which helps stabilize the domestic economy against local economic fluctuations. Additionally, investing in foreign markets enable Swiss companies to tap into emerging sectors with high potential returns.

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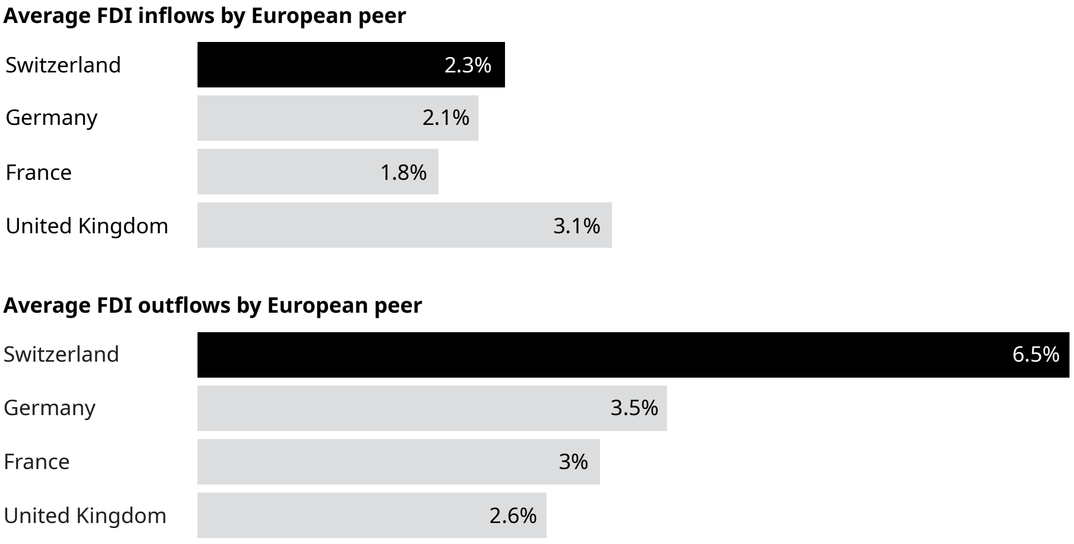
[54] International Institute for Management Development (IMD) "World Competitiveness Ranking" (2024).

**Exhibit 16: FDI inflows and outflows across Switzerland and European peers (2006-2023 average, % of GDP)**[55]



Sources: Eurostat, SNB, World Bank, Oliver Wyman analysis

**Financial services are at the core of Switzerland's inflows and outflows with foreign countries**. When looking at Switzerland's current account transactions of services, financial services consistently lead across sectors. Breaking these transactions down into receipts (value residents receive from non-residents) and expenses (value residents provide non-residents), Switzerland had receipts of around CHF 24 billion and expenses of around CHF 3 billion, resulting in net exports of CHF 21 billion in 2023. This makes financial services by far the country's largest services industry in exports, contributing to 45% of Switzerland's total current account surplus.[56] Additionally, when viewing these cross-border transactions by counterpart country, we see how internationally connected the Swiss financial service industry is across Europe (~60%), the Americas (~22%), Asia (~12%), Africa (~3%) and Oceania (~2%).[57]

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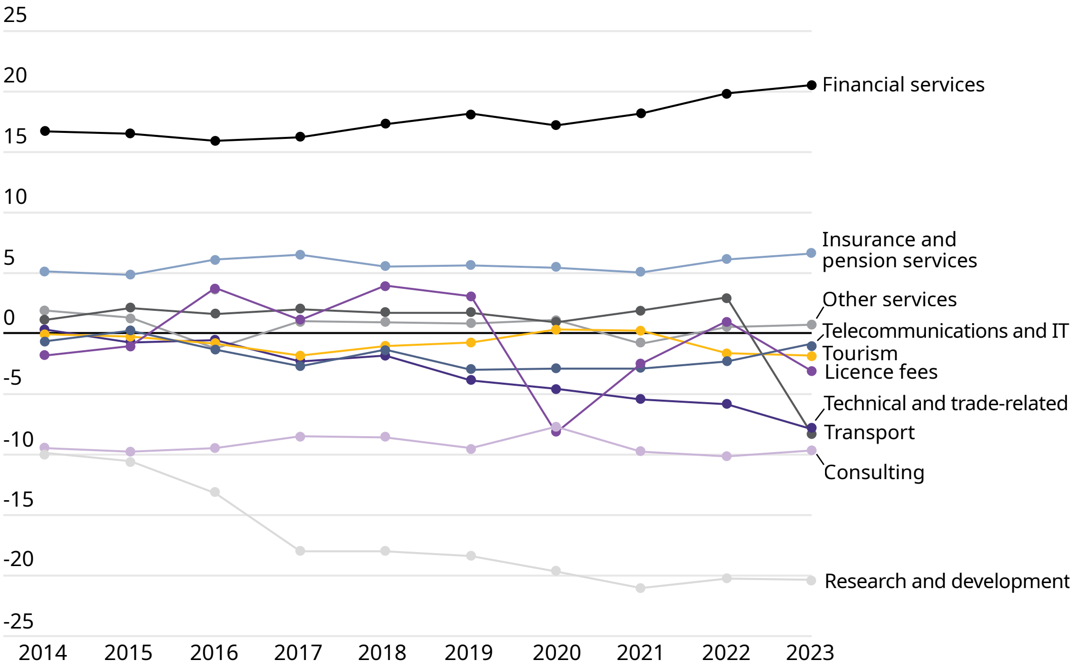
[55] FDI inflows represent direct investment flows into the country from non-residents and is recorded as a liability. FDI outflows represent direct investments outside of the reporting country by residents and is recorded as an asset.

[56] State Secretariat for International Finance. "Swiss financial centre" (April 30, 2024).

[57] SNB. "Swiss balance of payments — Current account services, by country — Year" (2023 data).

**Exhibit 17: Swiss services trade balance by sector (2014-2023, CHF billions)**[58]



Sources: SNB, SBA, Oliver Wyman analysis

**Switzerland's financial sector's place at the nexus of the global financial system is a key enabler for international investments.** By offering local expertise, Swiss globally connected financial institutions assist foreign investors in navigating the domestic market. Additionally, the financial sector provides liquidity, capital solutions, and financing, which facilitates efficient capital deployment for international investors. This stable financial centre attracts and sustains inflows of foreign capital into the country. To maintain this stability, Switzerland needs a strong regulatory framework that adheres to international banking standards and continuous risk assessments. A further example of this is the concept of financial openness, the ratio of foreign assets and liabilities to GDP. When considering a country's bank-related external assets as foreign assets, one can see how the banking sector contributes to the country's openness and international financial integration (Exhibit 18).[59] This figure demonstrates how the strength of Switzerland's financial centre and the significance of banks in the global landscape are instrumental in shaping the country's financial openness, particularly concerning bank-related positions.

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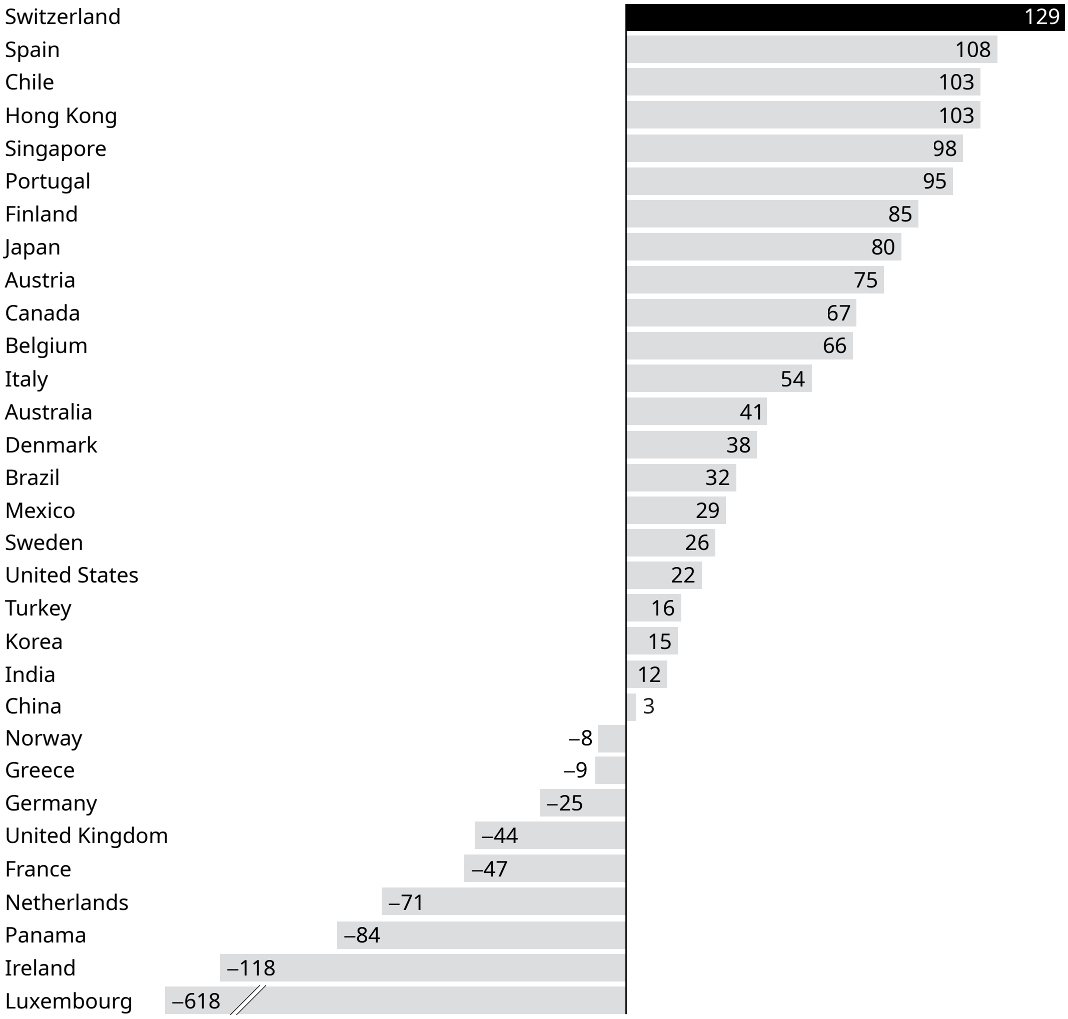
58 The current account reports transactions which result from the exchange of goods and services as well as from primary income (labour income, investment income) and secondary income (current transfers).

59 BIS. "BIS Quarterly Review — International banking and financial market developments" (March 2024).

**Exhibit 18: Change in financial openness when considering bank-related consolidated positions (2024, % of GDP)**[60]



Source: BIS, Oliver Wyman analysis

**Switzerland's position as a hub for international investments carries significant benefits for the domestic Swiss economy.** The inflow of foreign capital increases the availability of funds, which can lead to lower domestic financing costs. The lower financing cost stems from increased competition among lenders which, in turn, results in more favourable interest rates for businesses and consumers. Additionally, the steady stream of international investments fuels economic growth, providing the necessary capital for business expansion, innovation, and infrastructure development. Further, with banks and other financial firms intermediating these flows, they create earnings and contribute to GDP.

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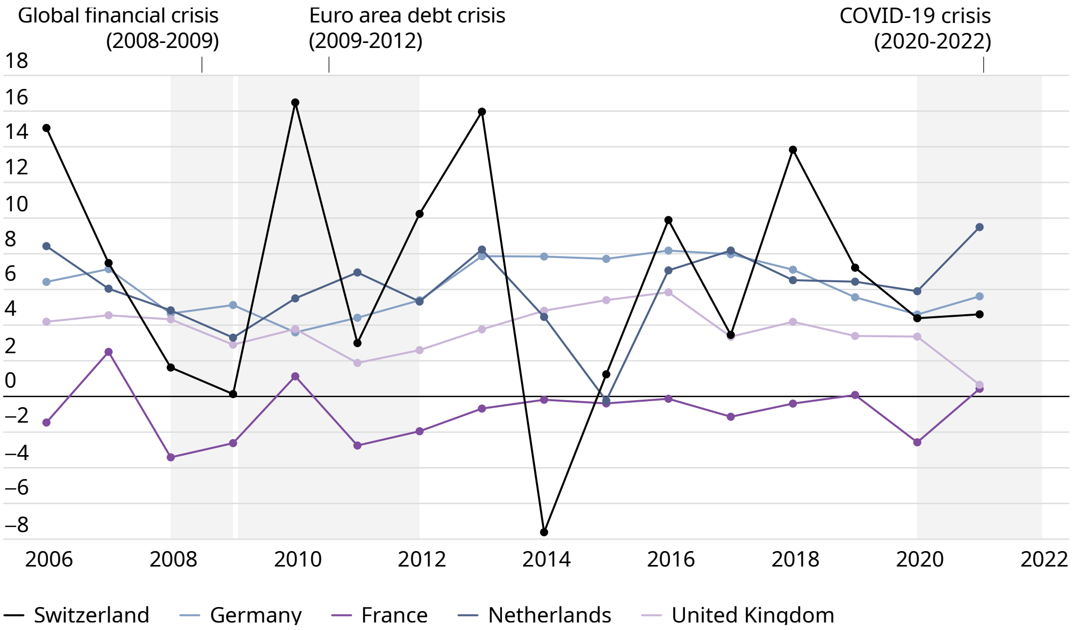
[60] Financial openness is defined as foreign assets and liabilities to GDP. Contribution of banking to a country's financial openness is measured when shifting from a residence-based measure to a measure that consolidates bank-related positions; no adjustment is made to positions of other sectors. Bank-related positions are consolidated as follows: Cross-border bank positions are replaced with the consolidated foreign claims of banks headquartered there; in a second step, the deposits of the country's residents placed in foreign banks operating there are added, since these are claims on a foreign institution. The same steps are taken on the liability side.

## THE SWISS FINANCIAL SECTOR IS INTEGRAL TO SWITZERLAND'S REPUTATION AS A "SAFE HAVEN" ECONOMY

**During global economic crises, the Swiss economy has repeatedly been a "safe haven" for international capital, experiencing substantial net capital inflows which support its positive capital account position.**[61] The perception of Switzerland's "safe haven" status can be seen by analysing the financial account of Switzerland during periods of global turmoil (Exhibit 19). On the other hand, the observable volatility of Swiss capital flows suggests that there are costs derived from this status. A key example is the euro area debt crisis (2009-2012), where Switzerland was subject to a large inflow of funds.

**Exhibit 19: Capital and financial account across Switzerland and European peers (2006-2021, % of GDP)**[62]



Sources: Eurostat, SNB, BMI, Oliver Wyman analysis

**The surge in capital inflows into the Swiss economy is associated with a rapid appreciation of the Swiss franc.** This was seen during the eurozone debt crisis, which led to a rush from investors into the Swiss franc from the euro,[63] resulting in the franc appreciating approximately 33% against the euro between January 2010 and August 2011.[64] SNB's efforts to mitigate the appreciation of the currency created large amounts of CHF liquidity. This led to the Swiss banking sector increasing its net claims on foreign residents in foreign currencies.

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[61] "Net foreign investment in Switzerland," such as the balance of purchases and sales of Swiss assets by foreign investors.

[62] Sum of the capital account and financial account. The capital and financial account outlines the economy's financial balance or net transactions in financial assets with the rest of the world.

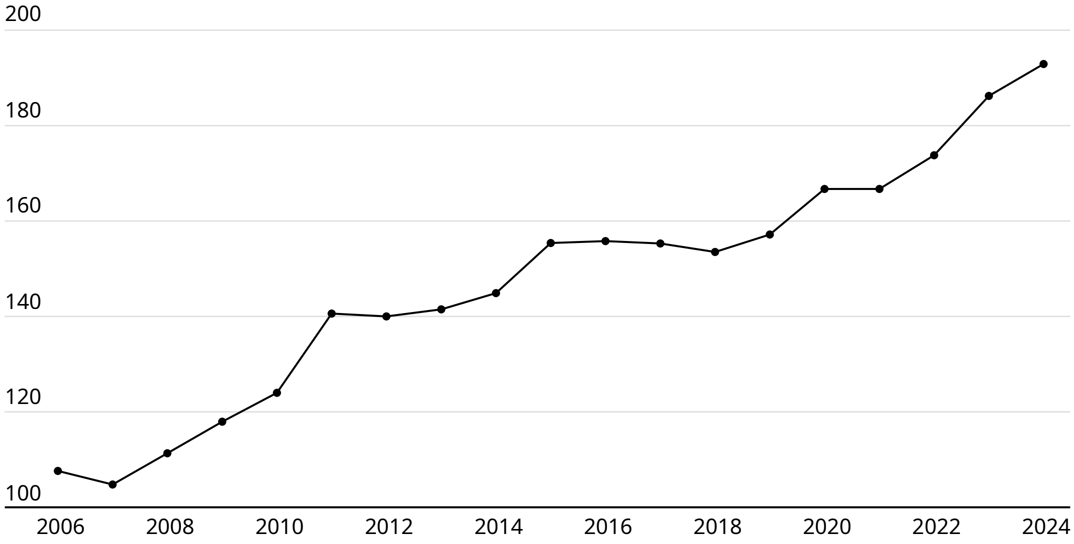
[63] Auer, Raphael. "A Safe Haven: International Demand for Swiss francs during the Euro Area Debt Crisis."

[64] ECB. "Swiss franc (CHF)."

At the same time, there was a significant rise in inflows as foreign residents accumulated claims on the Swiss banking system denominated in Swiss francs, while outflows remained relatively small. A similar effect occurred during the COVID-19 crisis, where the SNB had to intervene to keep the CHF from appreciating significantly.[65] Due to its "safe haven" status, and persistent net private inflows, Switzerland is consistently ranked eighth in the world in official foreign currency reserves.[66]

**Overall, the Swiss franc has been structurally appreciating versus other currencies for the past decades.** CH is a safe haven, leading to exchange rate appreciation, which means its citizens are wealthier. This can be seen in the nominal CHF exchange rate index, which measures movements in the CHF exchange rate against the currencies of Switzerland's most important trading partners. Therefore, Switzerland's safe haven position led to an increase in purchasing power for Swiss households, companies, and the government. The appreciating currency also limited the import of inflation between 2021 and 2023, so that Switzerland benefited from a substantially lower inflation episode compared to the eurozone (Exhibit 20). Challenges are nonetheless present, particularly for exporters and select industries like tourism, yet these have proven to be largely manageable. Capital flows volatility is a reflection of this safe haven role, but volatility has not led to adverse effects thanks to good management, and persistently low inflation.

**Exhibit 20: Nominal CHF exchange rate index (2006-2024, yearly average)[67]**



Source: SNB, Oliver Wyman analysis

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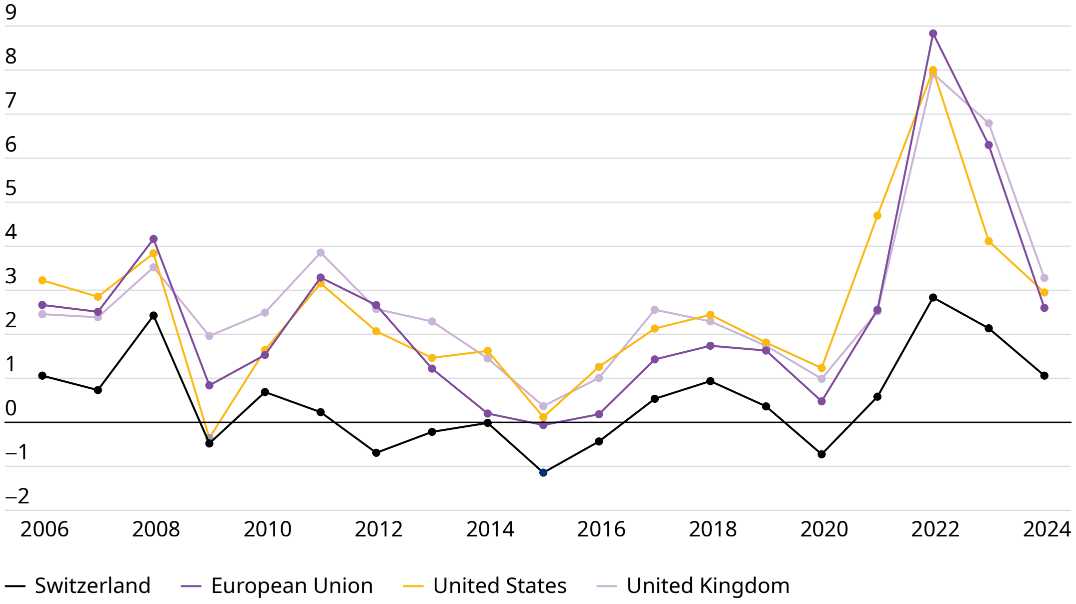
65 SNB. "COVID-19, financial markets and digital transformation" (April 15, 2021).

66 IMF. "World Currency Composition of Official Foreign Exchange Reserves" (2023 data).

67 Yearly average of monthly data; December 2000 = 100. When the value of the index increases, this shows that the Swiss franc has become more expensive in nominal terms (expressed in foreign currency units); when it decreases, this means that the Swiss franc has become cheaper in nominal terms.

**While sudden exchange rate appreciation impacts the competitiveness of the Swiss economy temporarily, the Swiss economy as a whole has largely been able manage such shocks.** A strong or even overvalued currency can be negative for exporters, as either products become suddenly more expensive in foreign price terms compared to international competitors, or if the foreign price cannot be raised, margins over Swiss franc costs get squeezed. This leads to a "crowding out" of companies and entire industries, especially those less well positioned to manage exchange rate volatility. This includes smaller export-oriented manufacturers without a highly innovative and specialized product portfolio. This is an example of so-called "Dutch disease", which can result in concentration on a small number of industries and make an economy less resilient. The Swiss economy has coped well with the significant appreciation of the Swiss franc. For the most part, the Swiss National Bank has been able to smooth the adjustment, allowing price differentials with peer countries to reestablish themselves as the exchange rate changes are passed through and, providing Swiss firms with time to react by enhancing efficiency and changes to their product portfolios if needed. Most notably, the economy has been able to sustain its growth performance without any relevant increase of unemployment or insolvencies.

**Exhibit 21: Inflation across key global markets (2006-2024, consumer prices, annual %)[68]**



Sources: World Bank, OECD, Oliver Wyman analysis

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[68] Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly. The Laspeyres formula is generally used.

**Strong inflows that support the Swiss franc enhance its value and contribute to the country's purchasing power.** While a strong currency constitutes a challenging environment for exporters, it provides certain advantages for the overall economy. Borrowing costs remain low for households and corporates. A robust currency enables Swiss consumers and businesses to buy foreign goods and services at more competitive prices, benefiting the domestic economy. This advantage also applies to the government, which gains greater purchasing power during times of global stress for key expenditures such as public health or defence. Also, given historical fiscal prudence and the enduring low cost of debt, Switzerland was able to cope with the COVID-19 crisis with stimulus measures that resulted in an uptick of public debt, without creating debt sustainability concerns and retaining its superior credit rating.

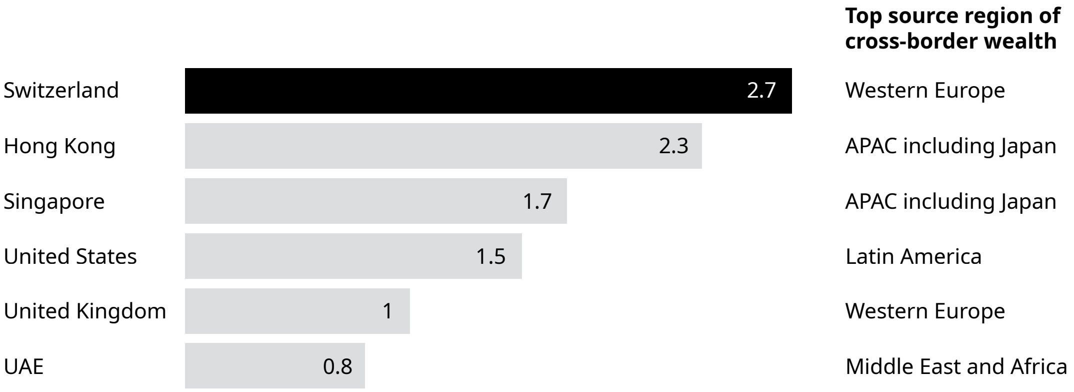
**Ultimately, the Swiss financial sector not only strengthens the country's status as a "safe haven" but also ensures that it remains a stable and competitive player in the global economy, capable of weathering crises while supporting domestic growth and stability.** The sector facilitates significant capital inflows and plays a significant role in managing the complexities of these inflows and outflows. The resilience of Banks in Switzerland allows them to effectively absorb and redistribute capital. For instance, during the COVID-19 crisis, Banks in Switzerland were crucial in providing loans and financial support to smaller firms. This ability to mobilize resources and support economic activity underscores the financial sector's role in safeguarding the economy against external shocks.

## THE ROLE OF GLOBAL WEALTH MANAGED IN SWITZERLAND

**Global wealth growth is largely driven outside Europe. The Swiss banking sector plays a crucial role in channelling wealth from high-growth regions around the world to Switzerland.** Global household financial wealth is projected to increase at an annual rate of 6.7% from 2023 to 2028, with significant yearly growth driven by Latin America (+9.7%), the Middle East and Africa (+9.2%), and Asia Pacific excluding Japan (+8.3%). In contrast, Europe is expected to experience one of the lowest growth rates, with a forecasted annual increase of just 5% during the same period.[69]

**Switzerland is the leading international wealth management centre, attracting clients globally.** Switzerland is the world leader in cross-border wealth management, larger than significant financial centres such as Hong Kong, Singapore, the US, and the UK (Exhibit 22). Similarly, surveyed HNWIs and UHNWIs have stated that Switzerland represented the most likely market to move assets to, ahead of the US and UK.[70]

**Exhibit 22: Cross-border wealth and top source of wealth by booking centre (2023, USD trillions)[71]**



Source: Oliver Wyman Wealth Pools model, Oliver Wyman analysis

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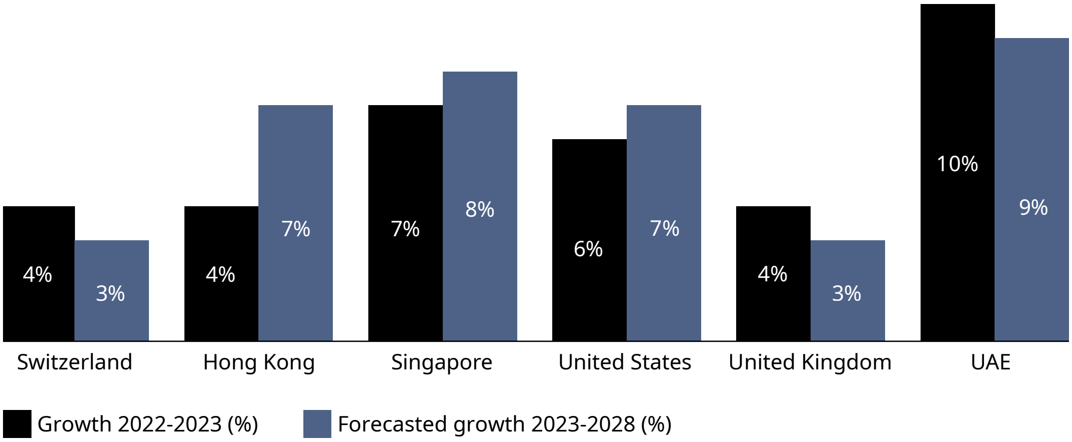
[69] Morgan Stanley/Oliver Wyman. "Longevity Unlocked: Retiring in the Age of Aging" (2024).

[70] HSBC. "2024 Global Entrepreneurial Wealth Report."

[71] Wealth is defined as investable personal financial assets including investable assets (deposits, equities, bonds, mutual funds and alternatives), excluding assets held in insurance policies, pensions and direct real estate or any other real assets. Numbers for all years were converted to USD at the year-end 2023 exchange rates to exclude the effect of currency fluctuations. Excludes low mass affluent segment (less than USD 300,000 in wealth).

**Despite its strengths, Switzerland is dependent on wealth from Europe, where growth is stagnating, and is projected to be outpaced by competing wealth management centres in the coming years.** Switzerland's cross-border wealth grew by only 4% from 2022 to 2023, lagging behind key competitors like Singapore (7%) and the UAE (10%) (Exhibit 23). Looking ahead to 2023-2028, Switzerland is expected to average just 3% annual growth, compared to large peers such as Hong Kong (7%), Singapore (8%), and the US (7%). This situation is further complicated by a challenging environment for wealth managers, as overall margins have declined in recent years due to rising costs outpacing revenue growth. Nonetheless, Switzerland's reputation for stability, expertise, and high-quality service continues to attract discerning clients.

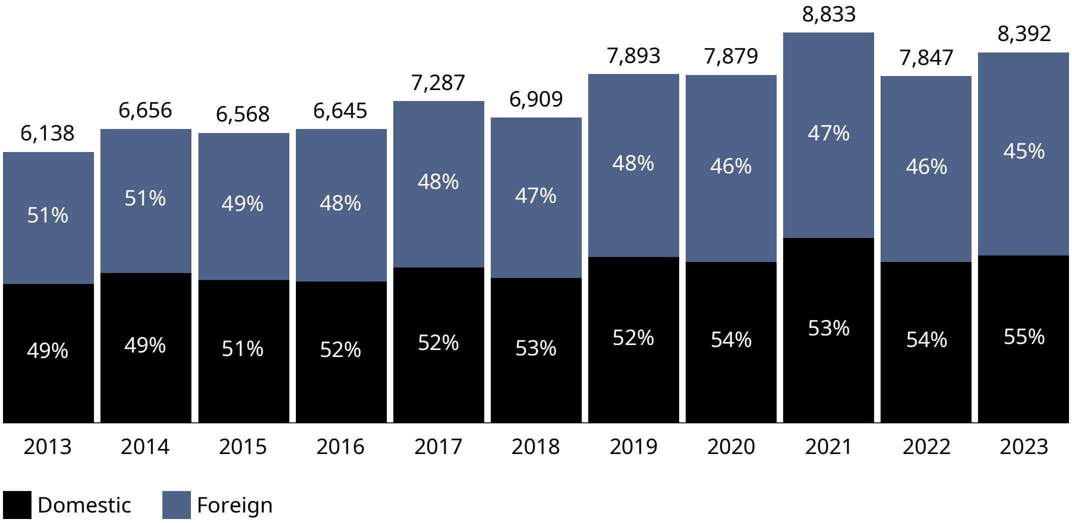
**Exhibit 23: Cross-border wealth growth rates by booking center (2022-2023; 2023-2028, %)**



Source: Oliver Wyman Wealth Pools model, Oliver Wyman analysis

**Switzerland's financial centre strategically positions the country to capitalise on global wealth, while limiting its exposure to negative economic effects.** Wealthy individuals conducting transactions within Switzerland — whether domestic or international — generate fees for Banks in Switzerland (Exhibit 24). This resulting revenue enhances the profitability and operational capacity of Swiss financial firms, improving stock market performance and lowering cost of capital. Local households and businesses benefit from increased banking capacity to carry out financing and treasury services. Large wealth inflows converted into Swiss francs would however also pose significant economic risks. An example being a more expensive real estate market. On the back of interest rate cuts in 2024 and high average premiums, Swiss real estate funds are gaining renewed investment interest. Higher investor demand can have significant impacts on property valuations which can lead to crowding out middle- and lower-income households. If sustained, such economic distortions can easily lead to societal and political issues. Switzerland's advantage is, however, that a high proportion of wealth management assets are invested in global capital market assets rather than held in deposit account or invested in local assets. By managing global wealth without directly injecting it into the local economy and instead channelling it into international financial products, Switzerland can benefit from wealth growth while effectively mitigating its negative consequences.

**Exhibit 24: Total AUM at banks in Switzerland by customer origin (2013-2023, CHF billions)**[72]



Source: SBA, Oliver Wyman analysis

**It is crucial for Switzerland and its key wealth and asset management players to maintain competitiveness on the global stage to ensure that the economy benefits from the influx of foreign wealth and value creation facilitated by its financial sector.** Banks in Switzerland need to position themselves as global players capable of competing with the top financial firms worldwide, which necessitates achieving scale and operational efficiency. To develop this competitive edge would involve expanding their reach into high-growth markets, to capture and manage the wealth from emerging regions, and bringing parts of this growth back as value to the Swiss economy. In 2023, the asset management industry contributed nearly CHF 600 million to national tax revenue and supported approximately 60’000 jobs. Continued regulatory support and industry growth is essential to continuing this positive economic and societal impact.[73]

**In conclusion, Switzerland’s strong financial market and the international investments that flow through it are beneficial for Switzerland as a whole.** The financial sector, especially its major global players, facilitates significant capital inflows that strengthen the Swiss franc and boost purchasing power for households and businesses. It also plays a crucial role in managing these flows during global economic crises, reinforcing Switzerland’s safe haven status. The influx of foreign capital stimulates economic growth, lowers financing costs, and supports local industries, while wealth management activities provided by Banks in Switzerland for global clients boosts liquidity and lending capabilities. As a result, the interplay between a robust financial market and international investment creates a virtuous cycle that strengthens the Swiss economy.

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72 Assets under management scope is comprised of securities holdings in bank custody accounts, amounts due to customers excluding sight deposits, and fiduciary liabilities.

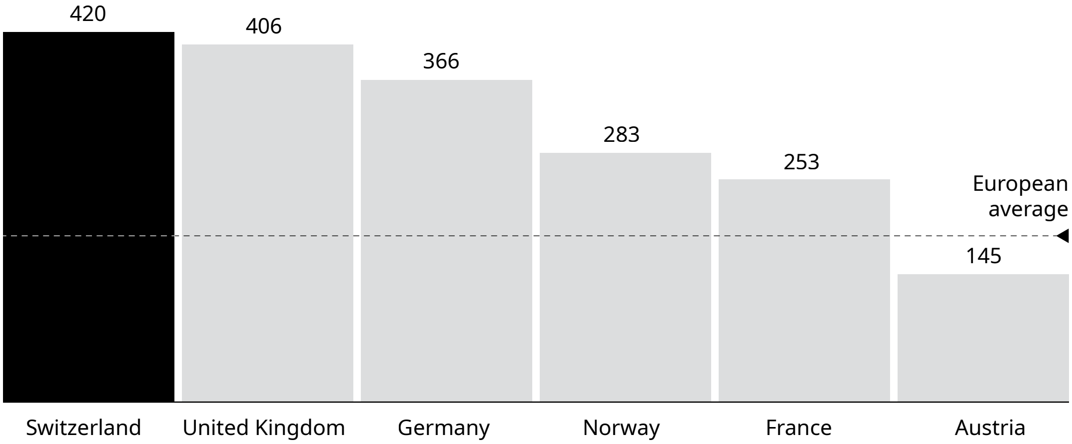
73 Asset Management Association “ Swiss Asset Management Study 2024”

# ROLE OF THE SWISS FINANCIAL SECTOR IN FOSTERING INNOVATION

## SWITZERLAND IS ONE OF THE MOST INNOVATIVE COUNTRIES IN THE WORLD

**Switzerland is one of the most innovative economies in the world, offering a supportive environment for startups.** The country's innovation strength can be seen in its number of startups per capita, where it leads its European peers (Exhibit 25). In 2024, Switzerland led the world in innovation, having ranked first in the Global Innovation Index (GII) for the past 14 consecutive years.[74] This distinction is a reflection of the country's high level of knowledge, technology, and creative outputs, as measured by the GII. An important driver of the GII is a country's market sophistication, which measures, amongst other categories, the ease of access to credit. Switzerland ranks fourth in the GII for credit market sophistication, underscoring the critical role played by the Swiss financial market in driving innovation.

**Exhibit 25: Number of startups per capita relative to select European peers (2020, per million population)**



Source: Atomico, Oliver Wyman analysis

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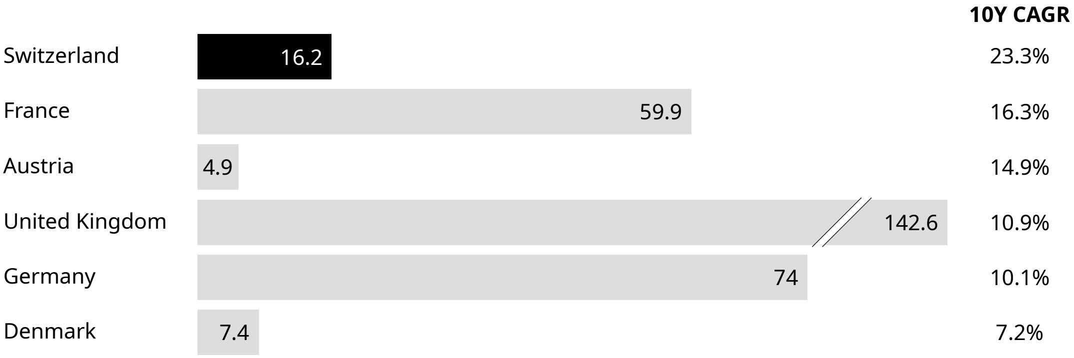
[74] WIPO. "Global Innovation Index Database" (2024).

**In 2024, the Zürcher Kantonalbank ranked as the only bank among top among Swiss institutional investors in startups in Europe, with 133 transactions.**[75] At an aggregate level, more than USD 16 billion was invested between 2015 and 2024 in the technology ecosystem in Switzerland, with Swiss investments growing at a faster rate and higher proportion relative to GDP than European peers (Exhibit 26).[76] This is in line with the perception that Switzerland offers deep pools of capital and access to funding for startups.[77]

**Exhibit 26: Total capital invested in the technology ecosystem and 10-year growth rates (2015-2024, USD billions)**[78]



Source: Atomico, Oliver Wyman analysis

**Within the startup sphere, financial technology companies (”fintechs”) have become increasingly important.** Between 2015 and 2024, the number of fintechs has increased 14% annually, on average (Exhibit 27). Zurich and Geneva’s placed second and third, respectively, in the 2025 Fintech Hub Ranking, which evaluates the attractiveness of cities across the world for fintechs, demonstrating Switzerland’s favourable environment for the industry[79]. The risks posed to Switzerland’s traditional financial industry are substantial, with retail banks still slow to digitalise their processes and customers still often unable to experience widely expected services like digital account onboarding.[80] Other financial service participants are nonetheless capitalising on opportunities. Fintech M&A activity is on the rise and wealth management and private equity players are actively leading the industry in integrating AI-based functionality in their client interfacing.[81]

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[75] European Patent Office (EPO). “Bridging the gap: mapping investors to strengthen Europe’s innovation ecosystem” (January 2025).

[76] Atomico. “State of European Tech 2024” (CAGR = compound annual growth rate).

[77] Greater Zurich Area. “Greater Zurich Area: The leading hub for your fintech company.“

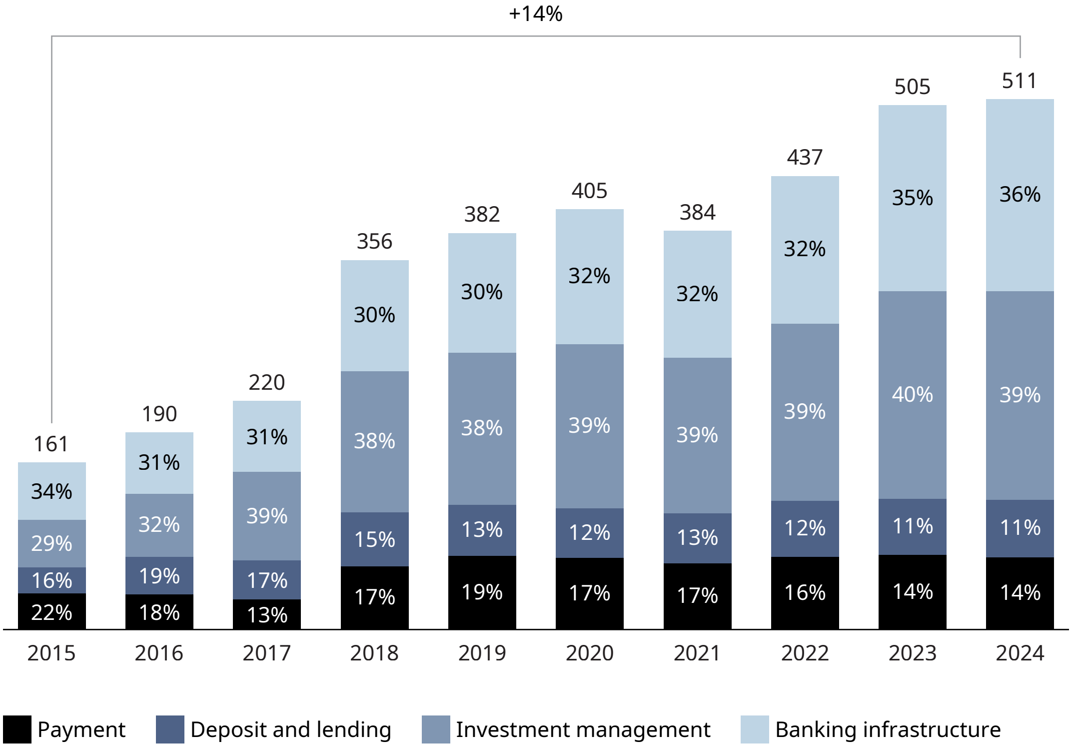
[78] Data is as of 30 September 2024; full year 2024 extrapolated based on year-to-date data. Excludes the following: biotech, debt, lending capital, and grants.

[79] Lucerne University of Applied Sciences and Arts (Institute of Financial Services Zug). “FinTech Study 2025.”

[80] Swissinfo “Swiss banks failing to embrace digital technology” (March 6, 2025).

[81] Finews “The era of experimentation for Swiss banks is over” (January 6, 2025).

**Exhibit 27: Number of fintechs in Switzerland by product category (2015-2024)**



Source: Lucerne University of Applied Sciences and Arts, Oliver Wyman analysis

## THE FINANCIAL SECTOR IS KEY FOR SWISS INNOVATION

**The success of Swiss fintechs is enabled by the country's mature financial sector.** A concrete example of the interaction between fintechs and the traditional financial sector is the banking sector's use of fintechs as third-party providers, with service offerings such as open banking, open finance, and embedded finance emerging. The growing number of fintechs spans a diverse set of financial services products. Particularly interesting is the rise of banking infrastructure players, a subset of fintechs, which interact heavily with the banking sector.

**The Swiss financial market infrastructure provider SIX Group (SIX) is important in driving innovation.** Under the auspices of SIX, solutions like TWINT, a retail digital payment scheme has been developed and successfully implemented. Owned by the Banks in Switzerland, SIX's operations have the scale to fund the investments needed to provide high-quality and efficient infrastructure services to banks and their clients. Beyond SIX, regulators are also furthering the digital competitiveness of the Swiss financial sector. In 2025, FINMA approved the first distributed ledger technology (DLT) trading facility, operated by BX Digital. This innovative financial market infrastructure offers participants increased security in their trading activities.

**With the digitization of financial services, innovation is becoming increasingly vital for Banks in Switzerland and, by extension, for Switzerland's overall competitiveness.** However, this shift also presents greater challenges. Technology has always been an important pillar of banking. With the advent of artificial intelligence (AI), this importance will only increase, requiring new capabilities in fields of technology that are outside banks' traditional areas of expertise. International experience shows banks are struggling to keep up with global technology companies such as cloud providers and AI enterprises which, in addition to a head start, have vast resources available to them and the ability to scale investments across borders.

**Larger banks, particularly UBS, are leading in innovation among incumbent Swiss players.**[82] For smaller and mid-sized banks, staying up to date may require partnering with larger providers as suppliers. While Banks in Switzerland and SIX have been able to meet client demands thus far, making and amortizing the necessary investments in the future will become harder, requiring banks to consolidate their efforts of developing such services at scale or buying capabilities from specialized, often foreign, providers. This is especially relevant as Banks in Switzerland on average are less digitally sophisticated than their European peers[83], implying that a certain scale may be needed to make the investments to remain at the forefront of global technological advancements.

**Switzerland is committed to be at the forefront of financial innovation, supported and safeguarded by a targeted regulatory framework.** The Swiss National Bank collaborates with the BIS Innovation Hub in Switzerland, working on cross-border settlement systems and wholesale central bank digital currencies (W-CBDC) together with the BIS and other central banks. In the digital asset space, FINMA has been actively developing a regulatory and supervisory framework for crypto assets and related firms. FINMA was the first regulator globally to publish clear guidelines on initial coin offerings (ICOs) and granting banking licenses to two crypto banks.[84] Looking at the number of fintechs in Switzerland, 15% were blockchain-related ("distributed ledger technology") in 2015; these have grown to 34% of fintechs in 2024, evidence of the Swiss financial sector's vanguard position in innovation.[85]

**The ongoing growth of venture capital (VC) investments focused on banking infrastructure and blockchain-related startups, reflects their central role and value within the Swiss financial sector.** From 2015 to 2024, VC investments grew by approximately 30% per year on average, from CHF 27 million in 2015 to CHF 301 million in 2024 (Exhibit 28). Of the VC investments, approximately 60% were directed towards banking infrastructure financial product area, and about 60% allocated to blockchain-related technology.[86]

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[82] Lucerne University of Applied Sciences and Arts. "Welches ist die digitalste Schweizer Retailbank im Privatkundengeschäft 2024?"(June2024).

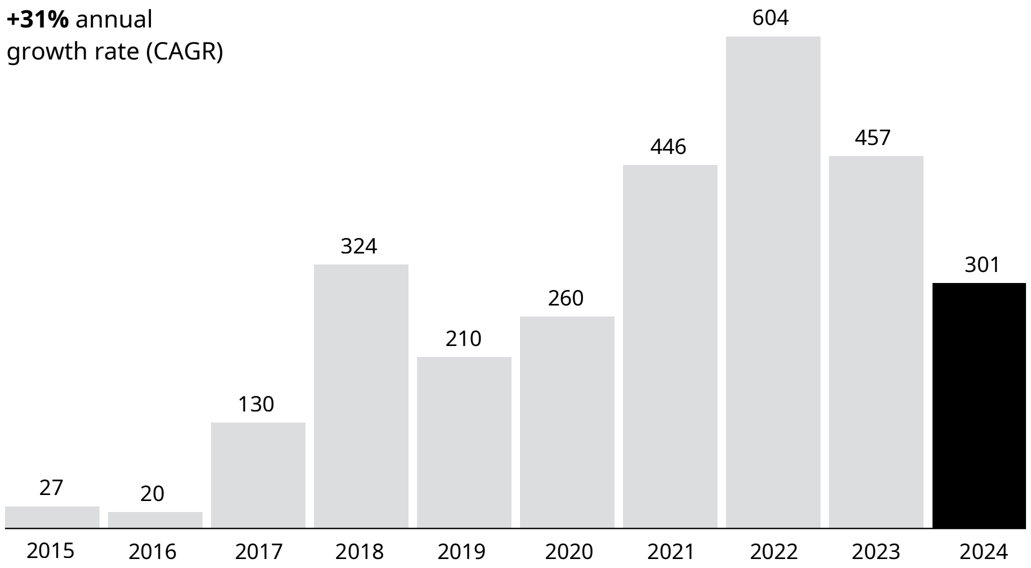
[83] Oliver Wyman. "Schweizer Banken 2018."

[84] Switzerland Global Enterprise. "Fintech Switzerland" (July 2022).

[85] Lucerne University of Applied Sciences and Arts (Institute of Financial Services Zug). "Fintech Study 2025."

[86] Lucerne University of Applied Sciences and Arts (Institute of Financial Services Zug). "Fintech Study 2025."

**Exhibit 28: Venture capital investments in the Swiss fintech sector (2015-2024, CHF millions)**



Source: Lucerne University of Applied Sciences and Arts, Oliver Wyman analysis

**Beyond the strong fintech sector, Swiss financial players are key in sustaining and catalysing Swiss innovation through financing and investments.** The robust ecosystem of banks, VC firms, and private equity investors in Switzerland provides essential funding that enables startups and established companies to develop new technologies. Financial institutions often partner with universities and research centres to fund R&D projects, fostering innovation in technology and science. The University of Basel recently partnered with the Swiss Finance Institute, a financial market think tank, to advance research on banking and finance matters.[87]

**Summarized, the Swiss financial market facilitates Switzerland as an innovation hub.** Firstly, a large portion of the vibrant Swiss startup ecosystem is driven by fintechs, which benefit from providing and receiving intra-sector services from the mature Swiss financial sector. A large share of these fintechs (by both number and investment flows) is in banking infrastructure, indicating a symbiotic relationship between the fintech firms and local banking incumbents. Secondly, the presence of a diverse array of banks and investment firms is essential for innovation in Switzerland via financing and investment activities, not only for the fintech sphere, but also for innovative investments across the ecosystem. This support of the innovation ecosystem is key for the broader economy, as innovation is essential for a country to maintain and increase its productivity in the long term. For many of these fintechs, proof of success will lie in their ability to scale beyond the Swiss market.

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[87] University of Basel "University of Basel enters into partnership with Swiss Financial Institute" (January 22, 2024).

# CONTRIBUTION OF THE SWISS FINANCIAL SECTOR TO EMPLOYMENT AND PUBLIC FINANCES IN SWITZERLAND

**The Swiss financial sector is a strong contributor to high-quality employment.** The sector employs approximately 243,000 full-time equivalent (FTE) employees (about 5.5% of total employment), of which some 159,000 are employed in the banking sector.[88] The banking staff employed in Switzerland typically have high value-generating roles, often in banks' front and middle offices. For all but the largest firms, offshoring plays a limited role, but that may change in the future, as parts of the value chain are outsourced to specialized or cheaper providers.

**Additionally, the financial sector is characterized by its ability to attract international talent and provide career opportunities for a broad range of skillsets.** As with many industries that require a highly skilled workforce, financial services firms today pursue a targeted and competitive recruitment and staff development strategy, hiring talent based on qualification and potential and offering diverse careers, often in international environments. This provides growth opportunities for talent on a level playing field. The benefits apply not only to top talent but throughout the job pyramid of a financial services firm. In Switzerland, this effect is amplified by the apprenticeship model, where banks offer young people the opportunity to start their career with professional training. This approach does not restrict access to senior jobs solely to those that pursued high education at select universities from the outset. For example, UBS is one of the largest private-sector apprenticeship providers in Switzerland,[89] with over 2,100 total graduates, trainees, apprentices, and interns at the bank in 2024.[90] The Swiss financial sector also directly invests in education. For instance, In 2024 an Swiss entity announced it would commit CHF 20 million to foster financial innovation at the University of St. Gallen (HSG).[91] Banking environments are also ideally positioned to develop international expertise. As a global leader in cross-border wealth management, Banks in Switzerland train employees in global finance, investment strategies, and regulatory compliance, equipping them to navigate a globalized economy. Moreover, the high-quality labour produced by banks is valuable beyond the financial sector, as the talents and skills gained in the financial industry are transferable to other areas and (e.g., politics, other industries, civil duty). The comparably higher salaries in finance can however have a limiting effect on labour mobility to other sectors.

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[88] BAK Economics. "Economic impact of the Swiss financial sector" (November 27, 2024).

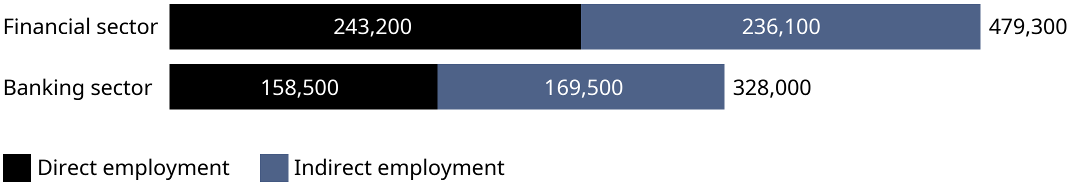
[89] SRF. "Finanzbranche hält die Türen für Lernende offen" (August 19, 2019).

[90] UBS. "Annual Report 2024."

[91] UBS. "UBS becomes partner and campus bank of the HSG" (February 19, 2024).

**The indirect impact of the financial sector on employment is significant, given the associated ancillary services.** Financial services not only create direct employment at banks and other financial institutions, but also create jobs indirectly at non-financial sector suppliers (Exhibit 29). This includes knowledge-intensive businesses such as legal services and IT, but also construction, facility management, and others. For the Swiss financial sector, this multiplier effect is estimated at around 1,[92] meaning that for each financial sector job, one job outside the sector is created. Correspondingly, a reduction of financial sector employment would be accompanied by job losses elsewhere. While other industries could compensate for this effect, experience shows that the adaptability of the economy is limited and larger disruptions create significant negative side effects, at least in the medium term, and might prove permanent to the extent the substituting firms are less productive and hence profitable.

**Exhibit 29: Direct and indirect employment of the Swiss financial and banking sector (2023, # FTEs)**



Sources: BAK Economics, SBA, Oliver Wyman analysis

**High employment and wages within the Swiss financial sector stimulate consumption and have a self-reinforcing associated economic impact.** Consumption, particularly household spending, accounts for approximately 50% of total GDP.[93] That is reflected in the GDP contribution per employee, with bank employees contributing on average roughly 60% more to the GDP in 2023 (CHF 288,400) than the average employee in Switzerland.[94] Increased purchasing power parity positively impacts GDP, as both consumption and savings increase, thereby enhancing economic activity in other sectors and facilitating the provision of financing.

**Although higher incomes can lead to higher costs of living, Switzerland's income equality is overall on par with European peers and a lower tax burden lessens the overall impact.** Swiss cities such as Zurich, Geneva, Basel, and Bern rank third to sixth in the world in cost of living, behind Hong Kong (first) and Singapore (second).[95] While there is a risk that a small share of the population working in high-income industries such as finance create social distortions, data shows that income equality in Switzerland is on a par with its main European peers (Exhibit 30). One reason is that economic sectors with higher profitability and earnings are able and willing to procure products and services at higher price points, allowing suppliers to realize higher earnings and pay higher salaries to match the higher labour productivity in Switzerland.

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[92] BAK Economics. "Economic impact of the Swiss financial sector" (November 27, 2024).

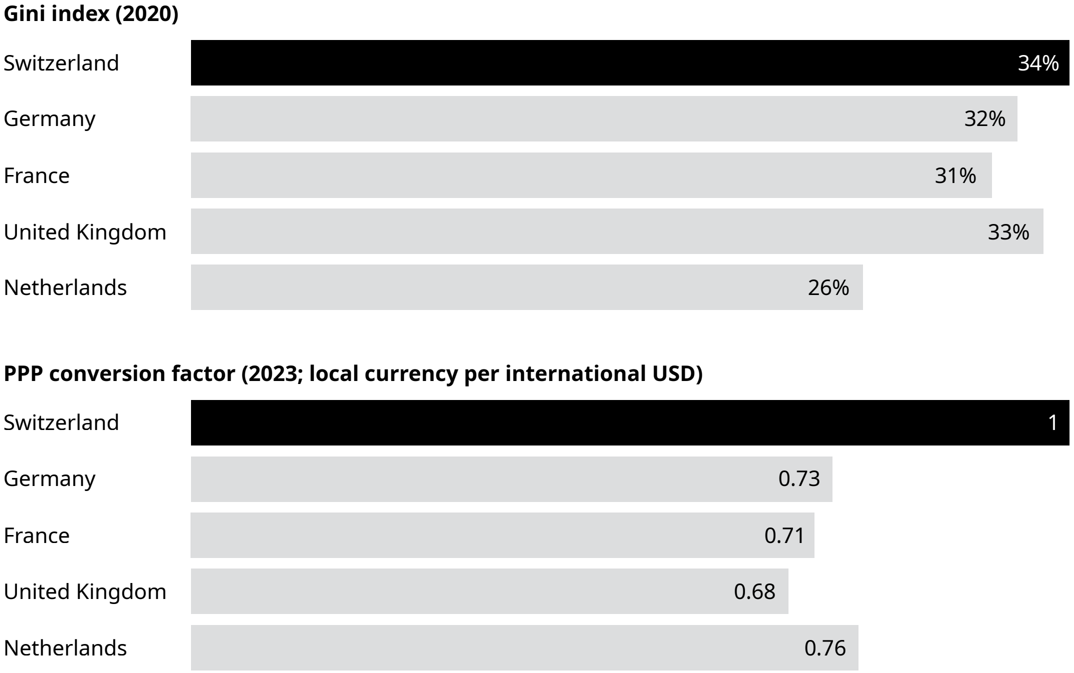
[93] Federal Statistical Office. "National economy."

[94] BAK Economics. "Economic impact of the Swiss financial sector" (November 27, 2024).

[95] Mercer. "Cost of Living City Ranking 2024."

**While a large successful sector can pose risks for a national economy, Switzerland's economy is well positioned to mitigate potential side effects.** Prominent industries, such as pharmaceutical and other research-heavy companies as well as highly-competitive export-oriented companies, limit talent pull effects by offering competitive salaries and equally attractive career development prospects. Unlike its European peers, Switzerland also enjoys monetary and fiscal policy independence that provide levers to limit negative spill-over effects. Interest rate adjustments can prevent asset bubbles by proactively cooling down overheating markets while fiscal support packages can be rapidly deployed to stabilise the sector in times of crisis. Beyond inherent risks to its own economy, Switzerland's financial sector holds significant global influence as a steward of international wealth. This position enables it to either accelerate or hinder the growth of various industries. Notably, the sector has established itself as a relevant force in sustainable finance, prioritizing investments with social and environmental benefits. Currently, sustainable funds represent 53% of the total Swiss fund market.[96]

**Exhibit 30: Swiss inequality (Gini index) and purchasing power relative to select European peers (2020; 2023)[97]**



Sources: World Bank, OECD, Oliver Wyman analysis

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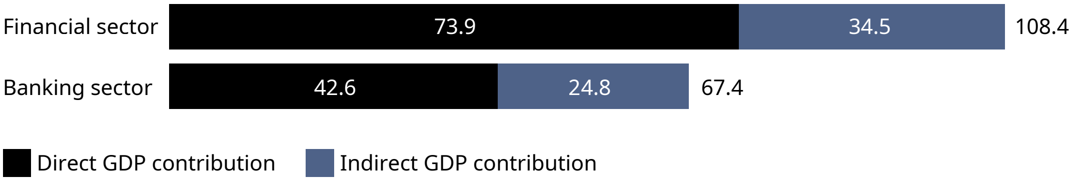
[96] Finance Swiss. "Why Switzerland is one of the leading hubs for sustainable finance and how to support this further" (December 12, 2022).

[97] Gini index measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality; The purchasing power parity (PPP) conversion factor is a spatial price deflator and currency converter that controls for price level differences between countries.

**The financial sector's value to the Swiss economy goes beyond employment and wages, contributing significantly to the country's economic output.** The Swiss financial sector contributes about 9% to Switzerland's GDP, however, as with employment, there is an indirect multiplier effect on GDP, due to banks' interconnectedness with other branches of the economy (Exhibit 31). For banks specifically, a 0.6 multiplier has been identified, implying that for every franc of economic value a bank produces, roughly an additional 0.6 francs of value is indirectly created in other sectors. Taking these effects into account, the financial sector contributed about CHF 108 billion to Swiss GDP in 2023, around a 14% share of the total economy.[98]

**Exhibit 31: Direct and indirect GDP contribution of the Swiss financial and banking sector (2023, CHF billions)**



Sources: BAK Economics, SBA, Oliver Wyman analysis

**Finally, the financial sector contributes significantly to Switzerland's tax revenue.** Tax revenue directly or indirectly linked to the financial sector was estimated to be approximately CHF 21 billion in 2023, which was equivalent to about 13% of all federal, cantonal, and municipal tax revenues. Of this amount, around CHF 9 billion were taxes on earned income and corporate earnings (the direct component). About CHF 11 billion were collected in the form of taxes on financial market transactions and from other financial services.[99] This translates into better funding for public services, a part of which are used to combat inequalities in Swiss society.

**In summary, the Swiss financial sector is a critical pillar of Switzerland's domestic economy.** It not only creates employment but also fosters highly skilled talent both from Switzerland and beyond. The sector's interconnectedness with ancillary services amplifies its impact, creating additional employment opportunities and stimulating consumption, which is vital for overall economic health. Furthermore, the significant tax revenue generated by the financial sector enhances public services and helps address social inequalities.

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[98] BAK Economics. "Economic Impact of the Swiss Financial Sector" (November 27, 2024).

[99] BAK Economics. "Economic Impact of the Swiss Financial Sector" (November 27, 2024).

# ROLE OF THE FINANCIAL SECTOR IN SWITZERLAND'S "SEAT AT THE TABLE" IN INTERNATIONAL POLICYMAKING

**For an internationally connected economy like Switzerland, it is important to be involved in global policymaking.** As a major financial hub and highly connected economy, Switzerland is influenced by global economic trends and decisions made by other countries. The rules that underpin international business are usually not written domestically, but in international forums such as the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB) for banking matters, the Financial Action Task Force (FATF) on matters related to financial integrity, or the OECD on tax policy. While most of the standards these bodies develop are not directly binding, they have had a significant impact on domestic policies: International counterparts expect countries to broadly follow the standards; otherwise, cross-border business would be deemed as risky or lacking in transparency and be subject to additional requirements and constraints, either through regulation or via the decision of commercial counterparties. Even for domestic business, international standards have an impact. Rating agencies consider adherence to standards in their assessments on the solvency and stability of domestically oriented banks or sovereigns. All economies are different however, hence impacted differently by international standards. Switzerland is as unique as any other. It is a key strategic asset to be represented at the core of the policymaking process; otherwise, rules could be decided in a way not reflective of the Swiss situation or interests.

**Representation and influence in international standard-setting are not guaranteed; they must be "earned".** Some institutions, like the IMF, grant formal influence to countries through their membership (with voting power). Even then, actual influence often depends formally and informally on economic power. Other key forums for international rule setting, such as the BCBS or the FSB, are only accessible by 'invitation': a country is admitted if it is deemed relevant by others. This is usually the case if a country has sufficient economic relations and mutual cooperation interests with other participants. This holds true for Switzerland. Its significant foreign direct investments, hosting of large international companies, and the international usage of the Swiss franc (Exhibit 32) have supported the country's participation in international bodies. Switzerland is particularly relevant as a standard-setter on issues of financial regulation, given its significant financial centre and on account of the importance of UBS as a global systemically important bank.

**Exhibit 32: Key international economic and financial organizations and Switzerland's role in them**[100]

| International economic / financial organization | Description | Current member | Founding member | Host nation |
|---|---|---|---|---|
| Bank for International Settlements (BIS) | Acts as a bank for central banks, fostering international monetary and financial cooperation | ✓ | ✓ | ✓ |
| Basel Committee on Banking Supervision (BCBS) | Primary global standard setter for prudential regulation of banks. Formally a part of the BIS | ✓ | ✓ | ✓ |
| Financial Stability Board (FSB) | Designed to help improve the functioning of financial markets, and to reduce systemic risk | ✓ | ✓ | ✓ |
| International Association of Insurance Supervisors (IAIS) | Develops and supports the implementation of principles and standards for the insurance sector | ✓ | ✓ | ✓ |
| World Trade Organization (WTO) | Operates the global system of trade rules and helps countries improve their capacity to trade | ✓ | ✓ | ✓ |
| Organisation for Economic Co-operation and Development (OECD) | Promotes policies that improve the economic and social well-being of people around the world | ✓ | ✓ | — |
| The World Bank Group | Works across every major area of development to combat poverty | ✓ | — | — |
| International Monetary Fund (IMF) | Ensures the stability of the international financial and monetary system | ✓ | — | — |
| Financial Action Task Force (FATF) | Sets international standards aimed at preventing money laundering and terrorist financing | ✓ | — | — |
| International Organization of Securities Commissions (IOSCO) | Provides policy guidance, capacity building and investor protection in global markets | ✓ | — | — |

Sources: BIS, FSB, WTO, OECD, World Bank, IMF, FATF, IAIS, IOSCO

**Switzerland is not only a member of international organizations such as the IMF and the World Bank, but also a key player within those bodies driving international financial policy decisions.** For example, within the BIS, Switzerland, alongside 27 other jurisdictions, is a member of the BCBS, the primary global standard setter for the regulation of banks. In the IMF, Switzerland is a member of the International Monetary and Financial Committee (IMFC) made up of 28 countries, advising and reporting to the IMF Board of Governors on the supervision and management of the international monetary and financial system. Additionally, Switzerland is a member of the Group of Ten (G10), i.e., seen as one of the 10 most important countries for the global financial system. These are just a few examples among the numerous committees and subcommittees in international financial institutions that Switzerland is a member of or has chaired.

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[100] While Switzerland is not a member of the G20, it has been repeatedly invited to the G20 Finance Track, where key questions on the global financial and economic system are addressed.

**Switzerland is well represented in international financial decision-making relative to its size and political clout.** The country's position on the international stage was established in the decades following World War II, benefitting from the fact that most global economic activity was concentrated in the West. After the collapse of the Soviet Union, Switzerland leveraged its experience to persuade several newly emerging states to form a voting bloc within the IMF, allowing Switzerland to secure a seat on the Executive Board. Since then, the world has changed significantly. Many countries from various parts of the world have emerged and have surpassed Switzerland, often benefiting from natural resources or larger populations. Nevertheless, despite its small population and hence modest GDP compared to larger countries (ranked seventh in Europe and 20th globally),[101] Switzerland has been able to retain its influence in international decision-making.

**Switzerland's position in financial decision-making can be traced to its strong international financial sector and, in particular, the global significance of its players.** Naturally, Switzerland is well-respected for its stability and neutrality. However, one of the key drivers of its economic importance is the effect and impact of its financial centre on the global economy, particularly its systemic relevance. As of the end of 2024, there were 29 global systemically important banks (G-SIBs[102]) identified by the FSB, allocated to buckets corresponding to the level of capital they are required to hold and reflecting their systemic importance (Exhibit 33). The presence of G-SIBs is globally widespread, with around a third of the BCBS jurisdictions hosting these systemic institutions. UBS is one of the more prominent G-SIBs and is required to hold relatively more capital than 14 others[103] underscoring its role in the world economy and distinguishing it from other G-SIBs with lesser systemic importance. While Switzerland being home to a G-SIB status enhances the country's global financial weight, it also subjects its financial industry to increased regulatory scrutiny, such as through FSB and IMF assessments.

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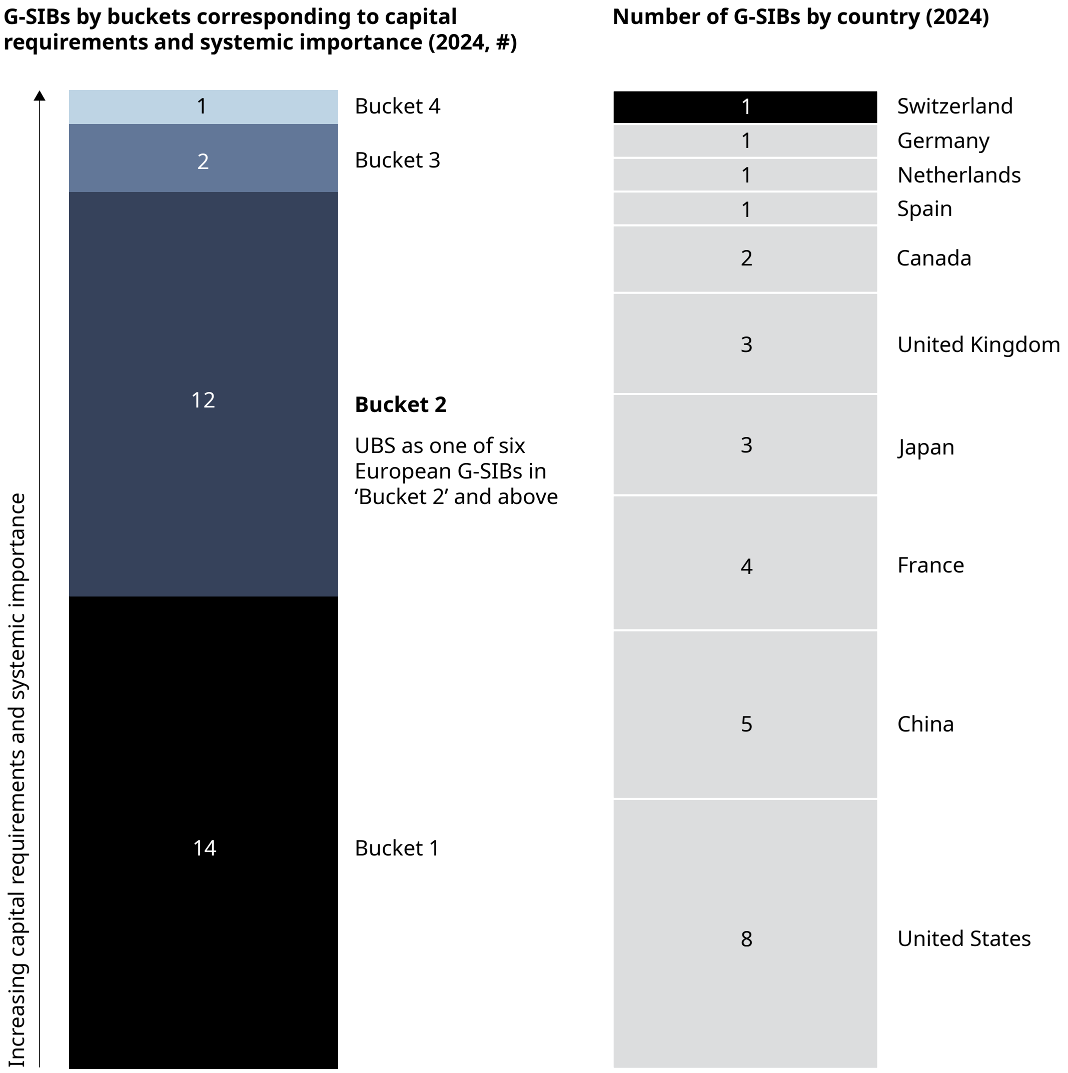
[101] World Bank. "World Development Indicators"; 2023 GDP in current USD.

[102] Global systemically important bank — financial institutions deemed to be of critical importance to the global financial system.

[103] Financial Stability Board. "Global Systemically Important Financial Institutions (G-SIFIs)."

**Exhibit 33: Breakdown of G-SIBs by capital requirement bucket and country (2024)**



Source: FSB, Oliver Wyman analysis

**Continued participation in these forums cannot be guaranteed and must be proactively maintained.** When the G20 emerged as global policy forum in the aftermath of the 2008 financial crisis, Switzerland was not invited given an arbitrary limitation of member countries and issues related to tax transparency. Representation in the G20 has become increasingly important, as it has taken the role of providing political leadership and endorsement to initiatives formally governed by the FSB and the BCBS in the financial sphere and the OECD in tax matters. While Switzerland has managed to be invited as a regular guest to the finance track of the G20, this serves as a reminder that the Swiss influence could weaken in the future. One important driver could be the decline of the financial centre. Switzerland must strike a regulatory balance between enhancing the influence and size of its growing financial institutions while ensuring strategic oversight over its G-SIB to continue being an influential voice in global policymaking.

**The ’seat at the table’ that the Swiss financial sector provides brings significant benefits to Switzerland and its citizens**. Switzerland’s influence on global financial policymaking extends beyond just the financial participants; it positively impacts Swiss economic and political relevance, which is important in a world where the rule-based order is under pressure. Within these influential institutions, the Swiss have the opportunity to chair committees and voice their opinion, helping to affect policy making and be part of important international networks. These connections and experiences become especially invaluable during times of global turmoil.

**Switzerland’s well-established banking institutions not only play a crucial role in the international financial system but also serve as advocates for the specific interests of the Swiss economy and smaller financial actors.** While their size presents certain challenges that require regulatory attention, the international presence of G-SIBs facilitates representation of Swiss interests on a global scale, thereby enhancing the overall attractiveness of the Swiss market and benefiting all participants. Given the current geopolitical environment, the multilateral landscape will become more complex to navigate, as those fora that wield influence could diminish in importance or be replaced by new informal bodies and mechanisms with more limited Swiss representation. As a beneficiary of a broadly level global playing field, this could be to the detriment of the Swiss financial centre and economy. There might be no obvious alternative for alignment. The regulatory approaches of the EU as the geographically closest economic block tend to be more intrusive and politically dirigiste, which could create uncertainty and complications for those Swiss firms that are active globally.

# OUTLOOK

**The Swiss financial sector is and will continue to be a central component of the country's economy provided conditions remain favourable.** As a major international financial centre, it plays a critical role in GDP contribution, job creation, and tax revenue generation. The sector supports innovation and provides access to capital for businesses, especially SMEs. The variety of services offered, such as wealth management, investment banking, and trade finance, makes Switzerland an attractive destination for both local and foreign investments. Furthermore, the stability and strong reputation of Banks in Switzerland foster customer trust. The resulting capital inflows enhance currency and price stability and solidify Switzerland's position as a 'safe haven' during times of global economic challenges. This diverse contribution not only strengthens the Swiss economy, but also boosts its global reputation in finance, ensuring that Switzerland has a voice in international decision-making.

**Recent geopolitical developments present both opportunities and challenges for the Swiss banking sector that must be approached with care.** The success of an international financial centre like Switzerland relies heavily on strong domestic economic performance and policies that ensure economic and political stability. It also depends on the ability to attract business and personal wealth from regions of the world that will continue to grow amid intense competition. Embracing and adapting to technological developments will also be crucial for enhancing sector competitiveness and meeting the evolving needs of clients. Targeted economic, trade, and regulatory measures are necessary to maintain the global openness of the economic and financial landscape.

**Thus far, the Swiss banking sector has demonstrated its adaptability.** Despite the introduction of cross-border tax transparency some years ago, which has created compliance challenges and pressure on profit margins, many banks and asset managers have succeeded in retaining their clients. This success relies on providing competitive and high-quality services. Larger and mid-sized banks have also managed to establish their onshore presences in core markets, benefiting the Swiss financial centre. In this way, Banks in Switzerland operate similarly to internationally active Swiss companies in other sectors: today, most of these companies manage global value chains while retaining their headquarters and revenues in Switzerland.

**The demand for high-quality financial services continues to increase globally, positioning well financial centres like Switzerland.** However, opportunities are not uniform. Wealth is primarily growing in the Asia-Pacific region (8%) and the Americas (7%), while Europe is stagnating (3%) (2023-28) due to structural factors such as mature industries and demographic challenges. Europe requires financing and must mobilize investments and savings to revive its economy amid these difficulties. This will be challenging and time-consuming, even with the recently announced fiscal stimuli. Defence spending has also moved to the forefront of the agenda, likely leading to higher debt levels in the foreseeable future, especially as consolidating public budgets is politically unpopular. While some voices advocate for the formation of self-sufficient economic blocs and protectionist approaches, such isolation would likely hinder goals and further increase risks. But international financial centres will continue to play a crucial role as capital remains mobile. However, the competitive landscape remains challenging. London has managed to maintain its status as a nexus in global markets, even as the EU has made efforts to lessen its influence post-Brexit. Singapore benefits from its proximity to the growing Asia-Pacific markets, while Middle Eastern financial centres take advantage of their geopolitical status as major energy producers. Switzerland has been able to compete effectively thus far due to its historical strengths. Looking ahead, it is vital to build on this foundation and continue enhancing its competitive position.

**The ability of Banks in Switzerland and other financial firms to provide high-quality services in an efficient manner will be key for the future success of the Swiss financial centre.** In recent years, smaller providers have already exited the market due to size and resource constraints that hindered their ability to compete in an increasingly demanding environment. It is expected that Swiss financial service providers will also face pressure from larger domestic and international competitors, including technology firms, which have the capacity and resources to make significant investments in advancing technology. This affects all elements of the banking value chain, including investment advisory and customer interfacing. Currently, the Swiss banking sector still has the size and resources necessary to make these investments. The next five years will be critical in determining whether Banks in Switzerland can remain competitive in these areas. Otherwise, existing market entry barriers — such as a loyal customer base and the refinancing of Swiss loans in Swiss francs — may not be sufficient to prevent the successful entry of foreign competitors. This could lead to the marginalization of Banks in Switzerland in important customer and product segments, such as retail banking and wealth management.

**A targeted regulatory framework is essential to protect the stability of banks and the overall economy.** However, this should be done without placing excessive burdens on the industry. While it is primarily the responsibility of a bank's management to pursue sustainable business models and manage risks, an effective regulatory framework and supervisory institutions serve as a vital second line of defence. Effective refers to measures that are proportionate, balancing intrusiveness with the underlying risk. Some countries appear to be pursuing deregulation to reduce red tape (like the US) or to facilitate financing for politically motivated strategic priorities (such as the EU). In this context, the advantages of a domestically driven regulatory framework that aligns with international standards (like the Basel rules) should not be underestimated for banks operating in multiple countries. Experience shows that the implementation of these rules through supervisory measures and processes significantly impacts the effectiveness of regulation, and the burden placed on regulated entities. Therefore, it is necessary to find the right balance — not only regarding capital and liquidity rules, but also on issues such as governance, nonfinancial risks, and financial integrity. Given the importance of foreign activities for a small number of significant players, the regulatory framework should not unfairly disadvantage foreign operations. The risks posed by systemic institutions, like large banks, should be managed according to international rules, with a strong focus on resolution. Efforts to demonstrate that systemic banks can be resolved should be prioritized to minimize the threat of the Swiss economy importing risks it cannot absorb.

**The loss of Switzerland's status as an international financial hub would come at a significant cost.** Banks in Switzerland may well be able to supply domestic households and businesses with their financing needs. However, clients would need to increasingly rely on foreign providers for other essential services, such as trade financing, risk hedging and international transactions. This reliance could result in higher financing costs, adversely affecting living standards and the competitiveness of Swiss companies. Consequently, value creation and jobs may shift abroad. Like smaller European peers, Switzerland's banking sector could be threatened by foreign competitors in the long term, even while local institutions maintain a vital presence. Recent crises abroad have shown that foreign providers often withdraw in challenging times, such as Covid-19, particularly when financing conditions deteriorate.

**A weakened financial centre is often the result of structural shifts, including new technologies, changing client needs, and political or economic factors. These changes unfold gradually but accelerate over time, demonstrating the need for proactive measures ahead of time.** The introduction of tax transparency was one such trigger that reshaped the industry swiftly after sustained and mounting pressure for many years. The downfall of Credit Suisse was another significant event. The potential exit of the remaining G-SIB could also have serious implications in the medium term. Scenarios leading to a situation where the regulatory and economic framework are largely aligned to the EU could come at a high cost for the banking sector's activities in other regions of the world and might marginalize Banks in Switzerland within an EU banking sector where the banks of large EU member states and EU institutions are pushing for a "banking union." Rather, the ability to define a well-targeted regulatory framework, following globally-recognised standards and being suited to Switzerland's specific situation, both for financial rules and other regulatory areas, will be a key enabler that allows Switzerland to adapt in the future.

**A decline in the financial sector could reduce economic output and employment, strain public finances, and limit access to capital for businesses, particularly SMEs.** This would undermine Switzerland's reputation as a stable investment environment, leading to decreased foreign direct investment and capital inflows. Additionally, diminished influence in international financial policymaking would weaken the country's ability to shape global standards in the interest of Switzerland, its citizens, and companies.

**Going forward, it is essential for Banks in Switzerland to navigate the complexities of a rapidly changing environment to ensure resilience and competitiveness.** The industry faces both opportunities and challenges. While the sector has made strides in digital transformation, smaller institutions must enhance their capabilities to keep pace with larger competitors. Additionally, as political dynamics shift and technological advancements reshape the financial landscape, prioritizing innovation will be crucial. By fostering collaboration with innovative smaller players (such as fintechs) and adapting to changing consumer expectations, Banks in Switzerland can continue to support the economy, maintain their reputation as a financial centre, and safeguard their position in international financial policymaking.

# GLOSSARY

| TERM / ACRONYM | DEFINITION |
|---|---|
| **AI** | Artificial intelligence |
| **AUM** | Assets under management |
| **AT** | Austria |
| **AU** | Australia |
| **BCBS** | Basel Committee on Banking Supervision |
| **BE** | Belgium |
| **BIS** | Bank for International Settlements |
| **Bn** | Billion |
| **BR** | Brazil |
| **CA** | Canada |
| **CH** | Switzerland |
| **CHF** | Swiss franc |
| **CL** | Chile |
| **CR** | Costa Rica |
| **DE** | Germany |
| **DK** | Denmark |
| **ECB** | European Central Bank |
| **EEC** | European Economic Community |
| **EFT** | Electronic fund transfer |
| **ES** | Spain |
| **EU** | European Union |
| **EUR** | Euro |
| **FATF** | Financial Action Task Force |
| **FDFA** | Federal Department of Foreign Affairs |
| **FDI** | Foreign direct investment |
| **FI** | Finland |

| | |
|---|---|
| **FINMA** | Swiss Financial Market Supervisory Authority |
| **Fintech** | Financial technology |
| **FMI** | Financial market infrastructure |
| **FR** | France |
| **FSB** | Financial Stability Board |
| **FTE** | Full-time equivalent |
| **G10** | Group of Ten |
| **G20** | Group of Twenty |
| **UK** | United Kingdom |
| **GDP** | Gross domestic product |
| **GFC** | Global Financial Crisis |
| **GII** | Global Innovation Index |
| **G-SIB** | Globally systemically important bank |
| **GVA** | Gross value added |
| **HK** | Hong Kong |
| **HNWI** | High net worth individuals |
| **HNW** | High net worth |
| **HQ** | Headquarters |
| **IAIS** | International Association of Insurance Supervisors |
| **ICO** | Initial coin offering |
| **IE** | Ireland |
| **IMF** | International Monetary Fund |
| **IMFC** | International Monetary and Financial Committee |
| **IN** | India |
| **IOSCO** | International Organization of Securities Commissions |
| **IPO** | Initial public offering |
| **IT** | Italy |
| **JP** | Japan |
| **KR** | South Korea |
| **LU** | Luxembourg |
| **Mn** | Million |
| **MFI** | Monetary financial institutions |

| | |
|---|---|
| **MNC** | Multinational corporation |
| **MX** | Mexico |
| **NL** | Netherlands |
| **OECD** | Organization for Economic Co-operation and Development |
| **OW** | Oliver Wyman |
| **PA** | Panama |
| **PE** | Private equity |
| **PPP** | Purchasing power parity |
| **PT** | Portugal |
| **S&P** | Standard & Poor’s |
| **SBA** | Swiss Bankers Association |
| **SBG** | Swiss Bank Corporation |
| **SDX** | SIX Digital Exchange |
| **SE** | Sweden |
| **SECO** | Swiss State Secretariat for Economic Affairs |
| **SG** | Singapore |
| **SKA** | Schweizerische Kreditanstalt |
| **SME** | Small to medium-sized enterprise |
| **SMI** | Swiss Market Index |
| **SNB** | Swiss National Bank |
| **SWIFT** | Society for Worldwide Interbank Financial Telecommunication |
| **Tn** | Trillion |
| **TR** | Turkey |
| **UHNWI** | Ultra-high net worth individuals |
| **US** | United States |
| **USD** | US Dollar |
| **VC** | Venture capital |
| **W-CBDC** | Wholesale central bank digital currencies |
| **WEKO** | Swiss Federal Competition Commission |
| **WTO** | World Trade Organization |

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