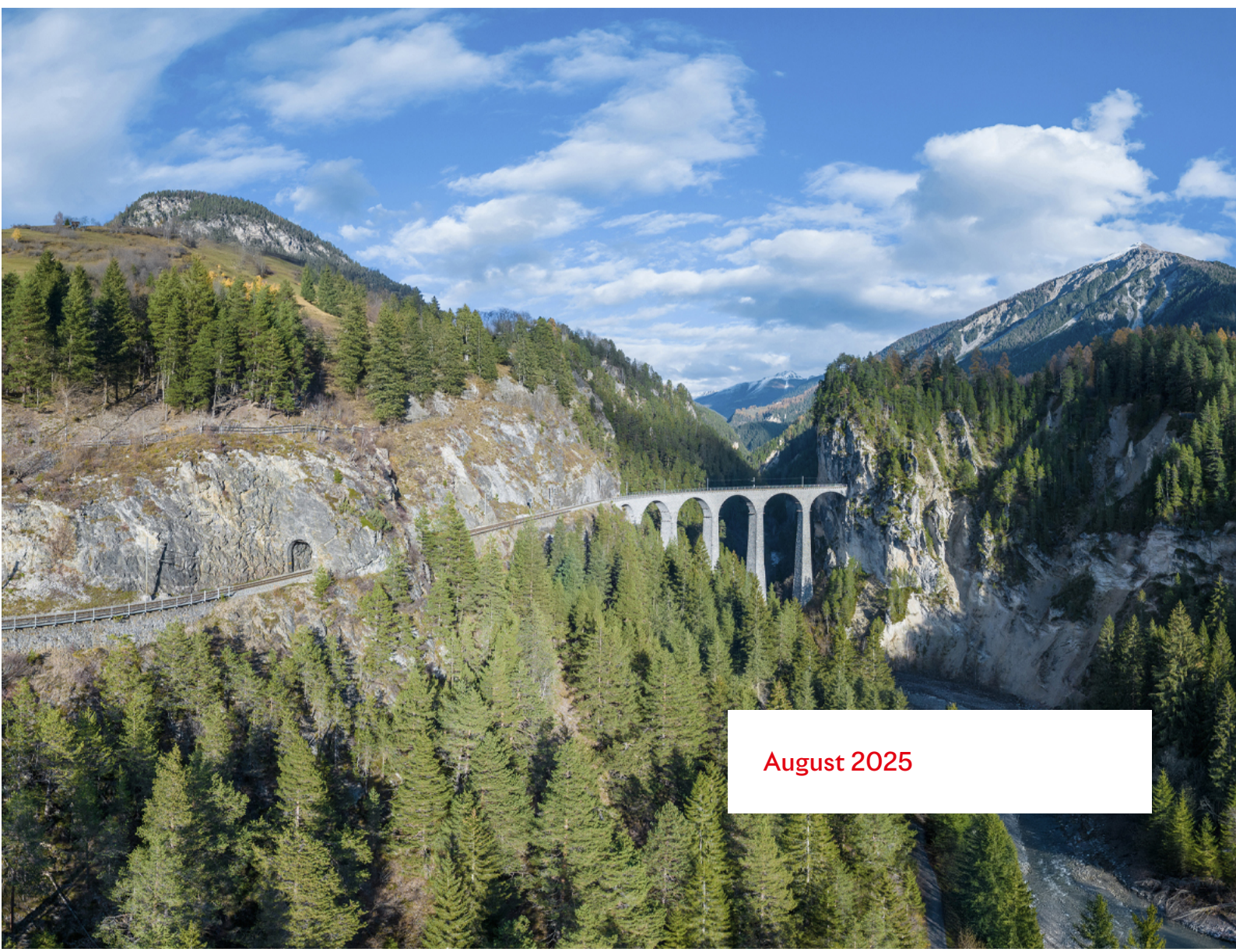


# Banking Barometer 2025

Economic trends in the Swiss banking industry



August 2025

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## Executive Summary

### Part I: The Swiss banking sector

Switzerland is confronted with a volatile environment in terms of trade and geopolitics. A moderate growth outlook, inflation that has fallen to zero and the return of zero interest rates currently dominate the macroeconomic picture. The early implementation of “Basel III Final” is strengthening the financial system’s resilience but also placing greater demands on financial institutions and resulting in temporary competitive disadvantages.

#### Modest economic growth in a volatile environment

Following a weak performance in 2023, growth in gross domestic product (GDP) slowed further to 1.0% in 2024, causing another slight drop in GDP per capita. Cyclically sensitive and export-oriented sectors remained under pressure, while the domestic economy showed itself to be stable. The job market was also resilient, and employment in banking rose further. For 2025, the State Secretariat for Economic Affairs (SECO) expects a small increase in growth to 1.3%, driven by robust domestic demand and the recent weakening of the Swiss franc, although there is a high level of uncertainty attached to this forecast.

#### Easing inflation and return to zero interest rates

Consumer price inflation fell sharply in 2024 to an annual rate of 1.1% and had slid further to 0.1% by June 2025. This dramatic easing of inflationary pressure prompted the Swiss National Bank (SNB) to halve its policy rate to 0.5% in December 2024 and cut it further to 0.0% on 19 June 2025. This led to a renewed gap in rates relative to other major currency blocs as the European Central Bank (ECB) set its main refinancing rate at 2.15% in mid-2025, while the US Federal Reserve (Fed) maintained its target range of 4.25–4.50%. Switzerland’s low interest rates caused banks’ interest margins to contract, which had a direct impact on net income. A return to negative interest rates cannot be completely ruled out.

#### Financial stability: global tensions

Global risks to financial stability have grown since autumn 2024, especially in the US. High equity and credit market valuations, growing indebtedness in the non-bank sector and the diminishing liquidity of government bond markets are increasing the danger of abrupt corrections. The SNB has stated that the banks in Switzerland continue to show good resilience and capital underpinning. However, far-reaching regulatory measures with regard to capital adequacy are planned.

#### Regulation: “Basel III Final” implemented, banking stability package overloaded and not very proportionate

Switzerland implemented a key capital adequacy reform package, “Basel III Final”, with effect from January 2025. This gives rise to significant one-time costs for the changeover as well as recurring operating costs. Since the EU, the UK and the US have delayed their implementation either in part or entirely, there is at least a temporary threat of competitive disadvantages.

# • Swiss Banking

The Credit Suisse crisis gave rise to a number of wide-ranging political and regulatory proposals on tightening the “too big to fail” rules. The most notable include stricter capital adequacy requirements, improved provision of liquidity in a crisis, the introduction of a senior managers regime and extended powers for the Swiss Financial Market Supervisory Authority FINMA. The Federal Council wants many of these measures to apply to all banks rather than just systemically important institutions. The Swiss Bankers Association welcomes a goal-oriented and reasoned strengthening of system stability but calls for competitiveness to be taken into account and implementation to be proportionate. It sees substantial room for improvement in a variety of areas.

## Part II: Consolidated trend in Switzerland’s banks

**The banks in Switzerland achieved modest results overall in 2024. Aggregate net income was down 3.5% year-on-year at CHF 69.8 bn, with the result from interest operations falling the most sharply. Annual profit for the sector as a whole thus fell by 31.7% to CHF 17.7 bn.**

### **Annual profit depressed by reduced result from interest operations due to low interest rates**

The drop in the Swiss banks’ aggregate net income was primarily caused by a lower result from interest operations, itself due in particular to higher refinancing costs and the resulting increase in interest expense. The net interest margin of the domestically oriented banks contracted by 8% during the year to 1.02% at the end of 2024. This was offset by a marked rise of 38.4% in the result from trading activities, which stemmed first and foremost from the increased market volatility seen in 2024. The result from commission business and services also showed a small increase. The stock exchange banks and the cantonal banks increased their shares of net income, whereas the big banks saw their share fall as their net income recorded the sharpest decline of any category. The previously observed shift in importance from Switzerland’s big banks in favour of the other categories thus continued in 2024. The overarching trend towards fewer banks also remained in place.

The net result of these developments was a 3.5% fall in aggregate net income. Annual profit was also lower in 2024, down 31.7% at CHF 17.7 bn. One reason for these developments was a decline in interest operations due to the reduced interest margin, which was significantly depressed as low interest on mortgages and bank loans was set against higher refinancing costs.

## Assets under management hit record level, mortgage loans still largest asset item

Assets under management in Switzerland reached a record high in 2024, attesting once again to the country's importance as a safe haven. The aggregate balance sheet total of all banks in Switzerland rose by 1.3% to CHF 3,219.1 bn. On the assets side, mortgage loans remained the most important item, making up 38.2% of the total, and showed a small increase. Amounts due from securities financing transactions and trading portfolios in securities and precious metals recorded much stronger growth, contributing significantly to the increase in the balance sheet total. Liquid assets, meanwhile, were down 12.9%, probably due to the big banks reducing excess liquidity. While amounts due from customers fell slightly in 2024, amounts due from domestic and foreign banks were higher. This reflects the banks' changing liquidity needs in an environment of falling interest rates.

## Customer deposits higher, bonds and central mortgage institution loans sharply lower

On the liabilities side, amounts due in respect of customer deposits increased. They make up more than half of all liabilities. Their rise is attributable to growth in both sight deposits (up 2.4%) and time deposits (up 4.8%). The uptrend in time deposits thus continued in 2024 in spite of the lower headline interest rate. Trading portfolio liabilities were CHF 3.9 bn or 13.8% higher. Bond issues, central mortgage institution loans and cash bonds, meanwhile, were CHF 62.2 bn or 15.5% lower. This may be due to the early redemption of Credit Suisse bonds by UBS and higher spreads on central mortgage institution loans. Amounts due to banks rose by CHF 15.2 bn or 3.9%, mainly as a result of an increase in amounts due to foreign banks. The Raiffeisen and cantonal banks were largely responsible for this trend.

## Number of staff at banks in Switzerland continuing to rise, outlook upbeat

The employment situation at the 230 banks in Switzerland was stable in 2024, with the number of staff rising slightly. Out of approximately 159,500 full-time equivalents (FTEs) working in banking services, 94,347 were employed by banking institutions at the end of 2024. This equates to an increase of 1,048 FTEs or 1.1% year-on-year. The unemployment rate in the financial sector rose to 3.0%, minimally higher than the figure for the Swiss economy as a whole. In spite of the challenges posed by the changing interest rate environment, the Swiss banking sector continued to prove robust on the job front.

The SBA survey reveals that the Swiss banks' headcount fell by 1.7% in the first half of 2025, although this was entirely due to trends in other countries. Domestic headcount was stable in the same period. According to SECO, the unemployment rate in the financial sector dropped minimally compared with the end of 2024 to 2.9%. The results of the SBA survey show that the outlook for the rest of the year is optimistic. Only 4.0% of the banks surveyed expect their headcount to fall, whereas 96.0% expect it to remain constant or even rise.

Figure 1

## The structure of the Swiss banking sector at the end of 2024

Group of banks	2023	2024
Cantonal banks	24	24
Big banks	4	2
Regional banks, savings banks	58	58
Raiffeisen banks	1	1
Foreign banks	89	85
Private bankers	5	5
Stock exchange banks	40	40
Other banks	15	15
<b>Total</b>	<b>236</b>	<b>230</b>

Table: Swiss Bankers Association · Source: Swiss National Bank

## Moderate growth and stabilisation in first half of 2025

The economic trend remained moderately positive in the first half of 2025. The Swiss Banking Outlook predicts GDP growth of 1.2% for the year as a whole. Inflation was still low, and the SNB cut its policy rate to 0%. The aggregate balance sheet total of the banks in Switzerland remained stable, falling by just 0.2% to CHF 3,323.3 bn. Increases in mortgage loans, financial investments and liquid assets were set against slight decreases in the other asset items. Trading portfolios in securities and precious metals fell particularly sharply, ending their strong positive trend from 2024. Despite a small drop of 0.6%, assets under management remain very high at CHF 9,240 bn. The main reasons for this slight downtrend were lower amounts due to customers excluding sight deposits (down 4.9%) and lower fiduciary liabilities (down 7.7%). At the same time, securities holdings in customer accounts rose by 0.2%, which explains why the overall figure has held steady at a high level, reflecting continued trust in Swiss banking.

Figure 2

## Swiss banking sector: key figures

	2023	2024	Change YoY
<b>No. of institutions</b>	<b>236</b>	<b>2</b>	<b>-6</b>
<b>Number of staff (full-time equivalents in Switzerland)</b>	<b>93'299</b>	<b>94'347</b>	<b>1,1%</b>
<i>in CHF bn</i>			
<b>Aggregate net income</b>	<b>72,3</b>	<b>69,8</b>	<b>-3,5%</b>
Result from interest operations	24,3	21,1	-13,5%
Result from commission business and services	21,8	22,4	3,0%
Result from trading activities	10,9	15,1	38,4%
Other result from ordinary activities	15,3	11,1	-27,0%
<b>Gross profit</b>	<b>27,2</b>	<b>23,9</b>	<b>-12,3%</b>
<b>Taxes paid on revenue and profits</b>	<b>3,2</b>	<b>2,5</b>	<b>-22,2%</b>
<b>Result of the period (annual profit/loss)</b>	<b>25,9</b>	<b>17,7</b>	<b>-31,7%</b>
Annual profits	30,4	21,9	-28,0%
Annual losses	4,5	4,2	-6,4%
<b>Balance sheet total</b>	<b>3'177</b>	<b>3'219,1</b>	<b>1,3%</b>
<b>Lending volume</b>	<b>1'362</b>	<b>1'393,3</b>	<b>2,3%</b>
<b>Assets under management in Switzerland</b>	<b>8'391,7</b>	<b>9'284</b>	<b>10,6%</b>
<b>Cross-border assets under management for private customers</b>	<b>2'205,7</b>	<b>2'427</b>	<b>10,0%</b>

Note: Asset prices in national currency at end of 2024 converted to Swiss francs.

Table: Swiss Bankers Association · Source: Swiss National Bank, Boston Consulting Group

The editorial deadline for the Banking Barometer 2025 was August 15, 2025.

## 1. Economic policy environment

### Economic developments

The Swiss economy recorded modest growth in 2024, while the labour market remained stable and inflation declined markedly. This prompted the SNB to ease its monetary policy. For 2025 as a whole, GDP growth looks set to be slightly higher year on year, though given the current tense environment, this forecast is subject to heightened uncertainty.

The Swiss economy saw modest growth in 2024. Gross domestic product (GDP) expanded by 1.0% in real terms, a further slowdown compared with 1.2% in 2023.<sup>1</sup> As in the previous year, cyclically sensitive and export-oriented sectors in particular performed below average. The service sector presented a mixed picture. The domestic economy remained stable, but financial services fell back for the third year in succession, chiefly because of a negative trend in commission business. Per capita GDP declined slightly for the second successive year, dropping 0.2%, against a long-term trend of approximately 1.0% annual growth. The Swiss labour market, by contrast, remained remarkably robust in 2024, although advance notifications of short-time working have increased. Most of the leading indicators (PMI employment, KOF barometer) are close to their neutral long-term values, moderate employment growth is therefore still expected in 2025. However, export-oriented companies face increased risks resulting from weak EU demand, possible trade tariffs, geopolitical conflicts and a potential renewed strengthening of the CHF.<sup>2</sup>

For full-year 2025, the State Secretariat for Economic Affairs (SECO) expects GDP growth of 1.3%. This figure is higher than in 2024, thanks to the recent dip in the value of the Swiss franc (which helps Swiss exporters), growth in cyclically resilient sectors, and stable domestic demand.<sup>3</sup> However, the downbeat economic outlook for Europe makes stronger growth in Switzerland unlikely. In the current highly volatile trading and geopolitical environment, forecasts are subject to a high degree of uncertainty.<sup>4</sup> The expectations outlined above therefore assume that the international trade conflict does not escalate further.<sup>5</sup>

Consumer price inflation in 2024 stood at an average of 1.1%, far below the 2.1% seen in 2023 and 2.8% in 2022.<sup>6</sup> Inflation for domestic goods declined over the course of the year, while imported goods became cheaper. For this reason, inflation is not expected to pick up again in 2025; by April this year, it had actually fallen back surprisingly sharply, to 0.0%, mainly on the back of lower oil prices and a recent

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<sup>1</sup> SECO (2025). Konjunkturtendenzen, [summer 2025](#), economic forecast. The Banking Barometer 2024 indicated real GDP growth of 1.3% in 2023. The slight (0.1 percentage point) deviation is due to the annual revision of the national accounts (see SECO, 2025. Konjunkturtendenzen, [autumn 2024](#), side note: GDP revision). It is at the lower end of the customary revision bandwidth (long-term average  $\pm$  0.25 percentage points). The bulk of the deviation related to the sporting events correction (football and winter sports associations recorded lower income in 2023 than previously assumed). On the production side, weaker revenues in some branches

of industry (excluding chemicals and pharmaceuticals) also made an impact, while on the consumption side, higher cantonal and communal budgets and R&E spending brightened the picture in some areas.

<sup>2</sup> SECO (2025). Konjunkturtendenzen, [spring 2025](#), labour market.

<sup>3</sup> SECO (2025). Konjunkturtendenzen, [summer 2025](#), economic forecast.

<sup>4</sup> SNB (2025). [Monetary policy assessment of 20 March 2025](#).

<sup>5</sup> SECO (2025). Konjunkturtendenzen, [summer 2025](#), economic forecast. SECO has developed two additional scenarios to replicate the extra uncertainty. In the negative scenario, a “combination of unfavourable developments” with higher US tariffs including the corresponding countermeasures limits GDP growth to just 0.8% in 2025, while in the positive scenario, the trade conflict eases and the global economy expands, making GDP growth of 1.7% a possibility.

<sup>6</sup> FSO (2025). [Swiss Consumer Price Index](#).

renewed appreciation of the CHF.<sup>7</sup> The SNB reacted decisively to the price stabilisation: in its monetary policy assessment of 12 December 2024, it halved its policy rate to 0.5%, followed in mid-2025 by a further cut to 0% to counter lower inflationary pressure.<sup>8</sup> In parallel with this, the yield on 10-year Confederation bonds fell from around 0.8% in January 2024 to 0.3% in December 2024, where it settled, save for a brief rise in March 2025.<sup>9</sup>

Switzerland's headline interest rate remains significantly below those of other major currency areas, despite similarly sharp reductions from the ECB, which cut its main refinancing rate from 4.5% in January 2024 to 3.15% in December 2024 and 2.15% in June 2025.<sup>10</sup> This move was designed to stabilise inflation at its medium-term target of 2.0% while supporting domestic demand in the eurozone, which is under pressure from dwindling wage growth and high uncertainty. The ECB's bond holdings are expected to fall by around EUR 500 bn in 2025, as it is no longer replacing government bonds when they mature under its most important asset purchase programmes. This removes liquidity from the financial market, raises long-term EUR yields slightly, and has already led to higher repo rates.<sup>11</sup> In the US, meanwhile, the Fed proceeded with greater caution, and has stuck to a fed funds rate target range of 4.25% to 4.5% (as at [June 2025](#)), although it remains committed to its inflation target of 2.0%. This comes against the backdrop of continued strong economic growth and consequent low unemployment. The Fed is aiming to reduce further its holdings of Treasury securities and agency debt and agency mortgage-backed securities.<sup>12</sup>

Figure 3

## Real gross domestic product, seasonally adjusted

Change compared with prior-year quarter in %

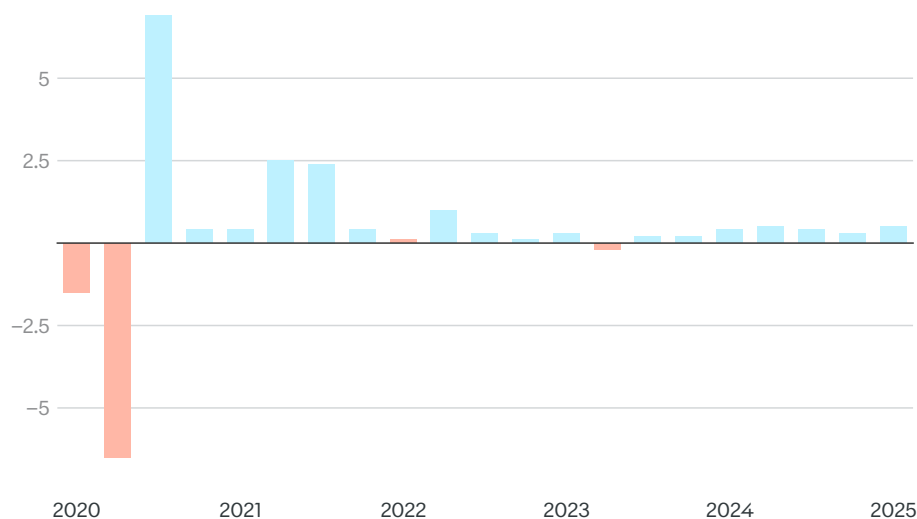


Chart: Swiss Bankers Association · Source: State Secretariat for Economic Affairs

<sup>7</sup> SECO (2025). Konjunkturtendenzen, [spring 2025](#) & [summer 2025](#), prices.

<sup>8</sup> SNB (2024, 2025). Monetary policy assessments of [12 December 2024](#) and [19 June 2025](#).

<sup>9</sup> SNB (2025). [Yields on bond issues – Month](#).

<sup>10</sup> ECB (2024, 2025). Monetary policy decisions, [25 January 2024](#), [12 December 2024](#), [5 June 2025](#).

<sup>11</sup> ECB (2025). Monetary policy decisions, [17 April 2025](#). The EUR 500 bn figure is drawn from a projection cited by ECB Executive Board member Piero Cipollone in a speech at an MNI Connect webcast (ECB speech, 18 February 2025).

<sup>12</sup> Fed (2025). [Statement](#), FOMC meeting, 7 May 2025

Figure 4

## Unemployment rate, not seasonally adjusted

In %

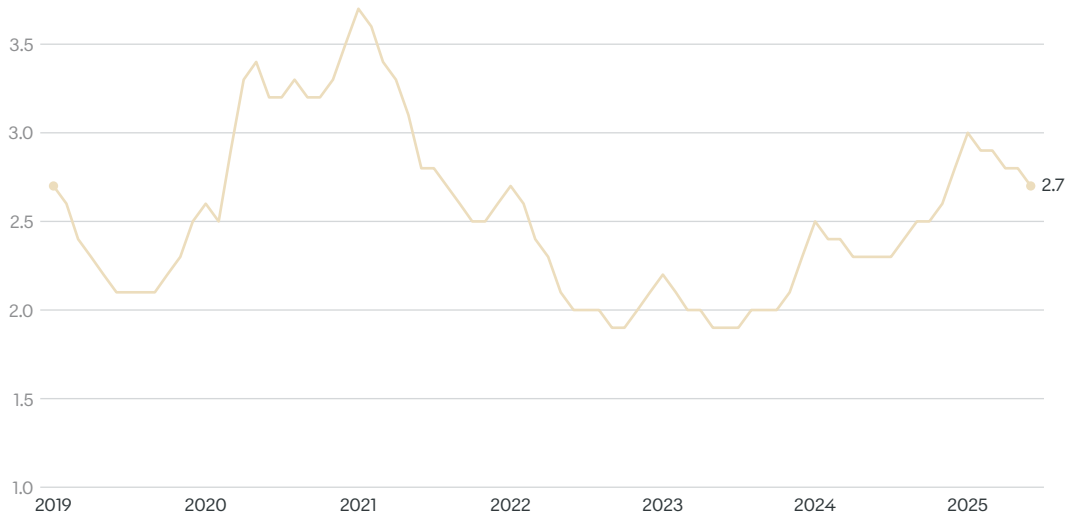


Chart: Swiss Bankers Association · Source: State Secretariat for Economic Affairs

Figure 5

## SNB policy rate and inflation

In %

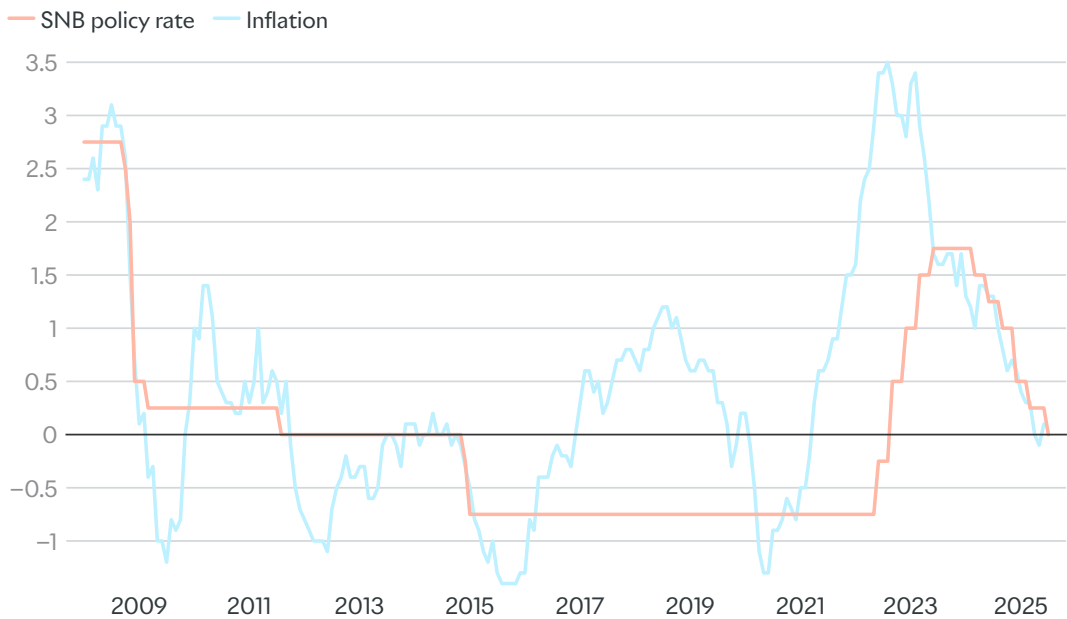
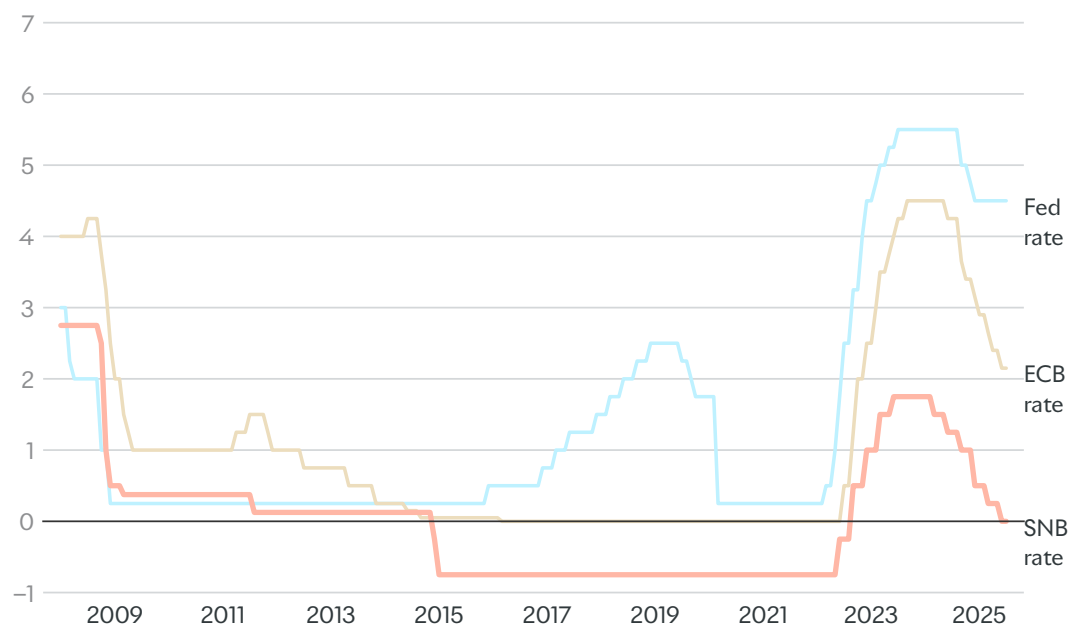


Chart: Swiss Bankers Association · Source: Swiss National Bank, Federal Statistical Office

Figure 6

## Headline interest rates 2008–2025

In %



Note: From 3 January 2000 to 13 June 2019, the SNB set a target range for the three-month LIBOR in CHF. The SNB policy rate applies from 13 June 2019.

Chart: Swiss Bankers Association · Source: European Central Bank, US Federal Reserve, Swiss National Bank

## Financial stability

**Around the globe, some risks to financial stability have increased once again, putting the robust banking system to the test. In Switzerland, the risks remain stable overall. The key issues remain the mortgage market and the narrower room for monetary policy manoeuvre now that interest rates have been cut to 0%.**

Over the last year, the global risks to financial stability have grown. This is reflected in, for example, the Financial Conditions Index published by the International Monetary Fund (IMF), which increased sharply between autumn 2024 and April 2025, notably in the US. Continued high equity and corporate bond valuations carry the risk of abrupt price corrections, especially if the economic outlook deteriorates. At the same time, debt in the non-bank sector is growing further, for example among hedge funds and asset managers. This increases the danger of market-wide stress reactions and feedback effects on the banking sector. Added to this is the growing vulnerability of the government bond markets due to high levels of debt and declining market liquidity. These developments are further exacerbated by geopolitical tensions and economic policy uncertainty.<sup>13</sup>

<sup>13</sup> IMF (2025). [Global Financial Stability Report](#), April 2025.

# • Swiss Banking

For the Swiss financial centre, the SNB sees the possibility of risks in the mortgage market mounting further. At the same time, it warns of global market disruption owing to trade and geopolitical tensions, though it considers the Swiss banks to be resilient overall. To improve that resilience still further, the SNB supports the Federal Council proposal to fully deduct participations in foreign banking subsidiaries from the Swiss parent company's Common Equity Tier 1 (CET1) capital.<sup>14</sup> The precise form this mechanism will take is still to be debated in Parliament. At the end of 2024, FINMA had identified a similar risk priority, rating only the risk of sanctions higher than the previous year, while leaving its assessment of all the other principal risks unchanged.<sup>15</sup> In May 2025, FINMA restated the persistent risks in the Swiss mortgage market.<sup>16</sup>

The return to a zero-interest rate policy has reduced the SNB's room for monetary policy manoeuvre, and a recurrence of negative interest rates cannot be ruled out. This would leave the Swiss banks wrestling once again with contracting interest margins in the lending business, since they have limited scope for passing negative interest rates on to retail customers and small companies. At the same time, competition is hotting up in the mortgage market, where digital platforms with lower cost structures are gaining an increasing foothold, prompting a further loss of margins for established banks. The combination of declining interest earnings, greater competition and limited scope for passing on negative interest rates could weigh significantly on the banking sector's profitability and also weaken some institutions' risk capacity over the long term.

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<sup>14</sup> SNB (2025). [Financial Stability Report](#), June 2025.

<sup>15</sup> FINMA (2024). [Risk Monitor](#), 18 November 2024.

<sup>16</sup> FINMA (2025). [Risks in the real estate and mortgage markets](#), 22 May 2025.

## Regulation

Switzerland is leading the way in the swift and practice-based implementation of the final Basel III standards. Regulation of the banks and financial markets plays a key role in the country's attractiveness and competitiveness for business. There are fears of tough measures in the regulatory package on banking stability.

As regards capital adequacy regulations, "Basel III Final" came into force in Switzerland at the start of 2025, marking the completion of a central regulatory project for the banking sector. The main purposes of the reform package are to make capital adequacy regulations more risk-sensitive and introduce a new minimum capital threshold where internal risk models are used. For large universal banks, this will mean a significant increase in capital requirements and reporting activities in practice; smaller retail banks, meanwhile, will feel it primarily in the form of more detailed data and disclosure obligations.

According to the Swiss Finance Institute (SFI), Switzerland is among the world's leading financial centres in terms of regulation and constantly adapts its rules.<sup>17</sup> However, by pushing ahead with final implementation at the start of 2025, the Federal Council is weakening the Swiss financial centre's competitiveness compared with rival international financial centres. Relevant comparable jurisdictions such as the EU, UK and US will not be rolling out the final standards, or at least significant parts of them, until a later date. The European Commission, for example, has postponed the finalisation of Basel III from the planned date of 2025 to 2026 at the earliest.<sup>18</sup> This is in response to delays in implementation in the UK and US, and the desire to maintain a level playing field. Switzerland could have adopted a similarly pragmatic approach.

The political investigation into the takeover of Credit Suisse by UBS in March 2023 led to the regulatory package on banking stability. The Federal Council set out the parameters for the consultation on the package on 6 June 2025.<sup>19</sup> It contains stricter capital adequacy ratios for systemically important institutions including capital underpinning for foreign subsidiaries at the Swiss parent bank, a state-guaranteed public liquidity backstop, a senior managers regime, additional powers for FINMA and a clear legal framework for SNB emergency liquidity.<sup>20</sup> The package takes on board most of the Parliamentary Investigation Committee's (PlnC) recommendations, but goes further on some points, such as even higher capital buffers than set out in the Federal Council's 2024 report. The Swiss Bankers Association fears that this additional burden will overload the proposal and ultimately hamper the financial centre's competitiveness.<sup>21</sup> A wide-ranging consultation procedure on banking stability opens in June 2025, with the measures set to be progressively implemented into law and the Capital Adequacy Ordinance starting in 2026.<sup>22</sup>

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<sup>17</sup> SFI (2025). [Global Financial Regulation, Transparency, and Compliance Index \(GFRTCI\) 2025](#).

<sup>18</sup> European Commission (2024), [Banking package – questions & answers](#), 24 July 2024.

<sup>19</sup> Federal Council (2025). Federal Council draws lessons from Credit Suisse crisis and defines measures for banking stability, [press release](#), 6 June 2025.

<sup>20</sup> Swiss Parliament (2024). PlnC press release on the [lessons from the Credit Suisse crisis](#), 20 December 2024.

<sup>21</sup> SBA (2025). [The Federal Council has learned some right lessons from the CS crisis](#), 6 June 2025.

<sup>22</sup> Fedlex (2025). [Consultation 2025/45](#).

Figure 7

## Glossary «Basel III Final»

Measure	Significance
More risk-sensitive capital adequacy rules	Standard approaches capture risks more precisely; internal models will be limited to ensure that capital ratios are more realistic and can be compared more accurately between banks.
Output floor	Sets a lower limit for model-based capital calculations, so that institutions using internal models do not hold significantly less equity capital than under standard approaches.
Leverage ratio	Unweighted debt ratio acting as a simple safety net.
Liquidity	Requires a short-term liquidity buffer (LCR) and stable financing over even the long term (NSFR), so that banks can stay solvent in times of stress.
Trading book and operational risks	New standard methods (RTB, SMA) standardise the calculation of market and operational risks and enhance transparency.

Table: Swiss Bankers Association

## 2. Net income

**The aggregate net income of the banks in Switzerland was down slightly (by 3.5%) in 2024 compared with the prior year. One of the main reasons for this was a sharp decline in interest operations, which are of central importance in banking. Annual profit thus fell by 31.7% to CHF 17.7 bn.**

The net income of all banks in Switzerland was CHF 69.8 bn in 2024, a decline of 3.5% year-on-year. This was due in particular to the sharp drop in net income at the big banks (down 7.8%). Broken down by activity, the results from trading activities (up 38.4%) and from commission business and services (up 3.0%) were both higher, whereas the result from interest operations was down 13.5% and the other result from ordinary activities was down 27.0%. The result from trading activities is probably attributable to a volatile year on the stock markets, while the contracting interest margin and thus falling interest income were mainly caused by rising interest expense due to higher refinancing costs. The slightly negative trend across the industry as a whole should be viewed in the context of one-time effects relating to the takeover of Credit Suisse by UBS in 2023. The big banks' share of aggregate net income, for instance, fell by a further 1.9 percentage points, while all other categories either maintained or increased their share.

## Statistical reporting levels

This publication is based on data provided by the SNB compiled from the individual financial statements of banks (parent companies) as required by law in order to capture all accounting items booked in Switzerland. In the case of the internationally active banks in particular, these statements deviate from the group financial statements. The SNB distinguishes between three perspectives in its published data: domestic office, parent company and group.

## 2.1 Trends in 2024

### Net income by banking activity

**Aggregate net income comprises the results from interest operations, commission business and services, and trading activities as well as the other result from ordinary activities. The 3.5% fall in aggregate net income was primarily caused by lower results from interest operations and from other ordinary activities.**

Against a backdrop of low interest rates and a reduced interest margin, the result from interest operations was no longer the largest contributor to net income with a 30.2% share. For the first time, the result from commission business and services accounted for the largest share with 32.1%. The steep fall in interest operations was due to the contracting interest margin. Interest income was unchanged year-on-year, but interest expense was CHF 3.3 bn or 5.3% higher. This reflects the impact of the SNB's rate hikes in 2022 and 2023, which increased the banks' refinancing costs, particularly through higher interest on customer deposits. The SNB did cut rates again during 2024, but this only affects banks' refinancing costs with a certain time lag. In addition, customer deposits increased by 5.3% in 2024, possibly because they continued to earn interest at attractive rates during the first half of the year. The stock exchange banks and big banks recorded the biggest increases here. The other result from ordinary activities dropped by CHF 4.1 billion to CHF 11.1 billion (-15.9%). This negative development is due to a significant decrease in income of participations of CHF 3.9 billion. The decline in this item is almost entirely attributable to the big banks, which also has a significant negative impact on the overall net income of this banking group.

In contrast to previous years, the result from commission business and services rose slightly (by 3.0%), causing its share of overall net income to grow from 30.1% to 32.1%. This was attributable to higher commission income from securities and investment business and lower commission expense.

The biggest relative increase in 2024 was in the result from trading activities, which reached a record CHF 15.1 bn, equating to a year-on-year rise of 38.4%. One important reason for this is the increased market volatility seen in 2024.

Figure 8

## Aggregate net income by banking activity

In CHF bn

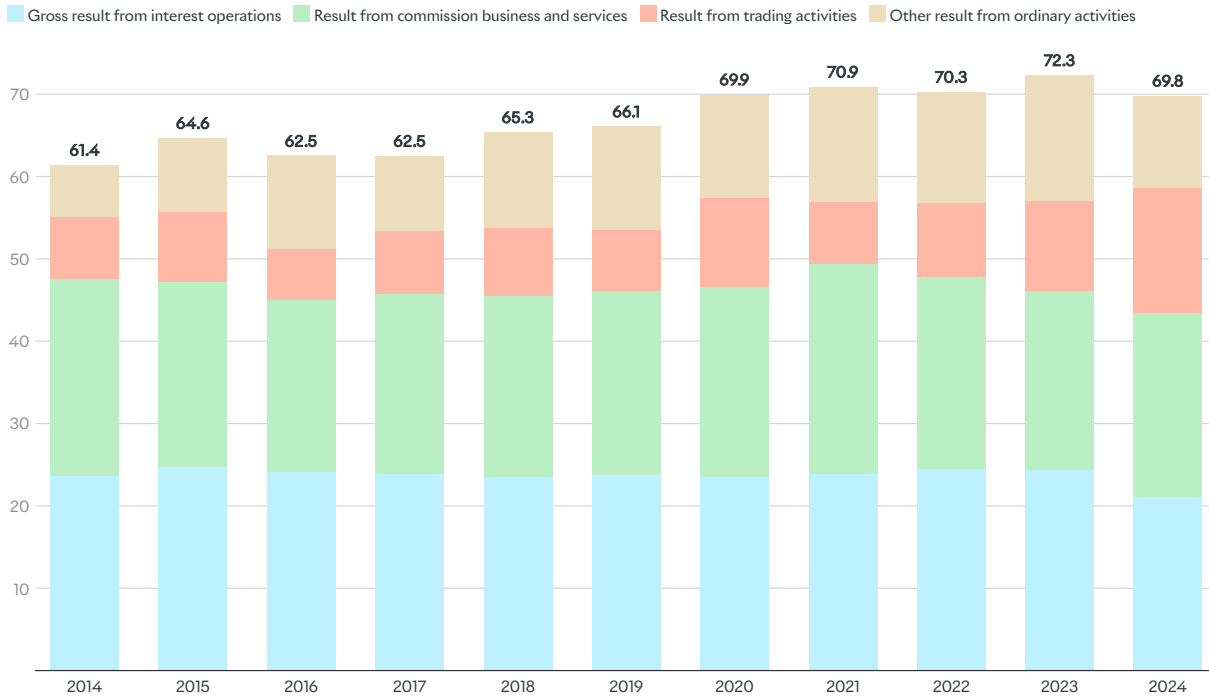


Chart: Swiss Bankers Association · Source: Swiss National Bank

## Net income by bank category

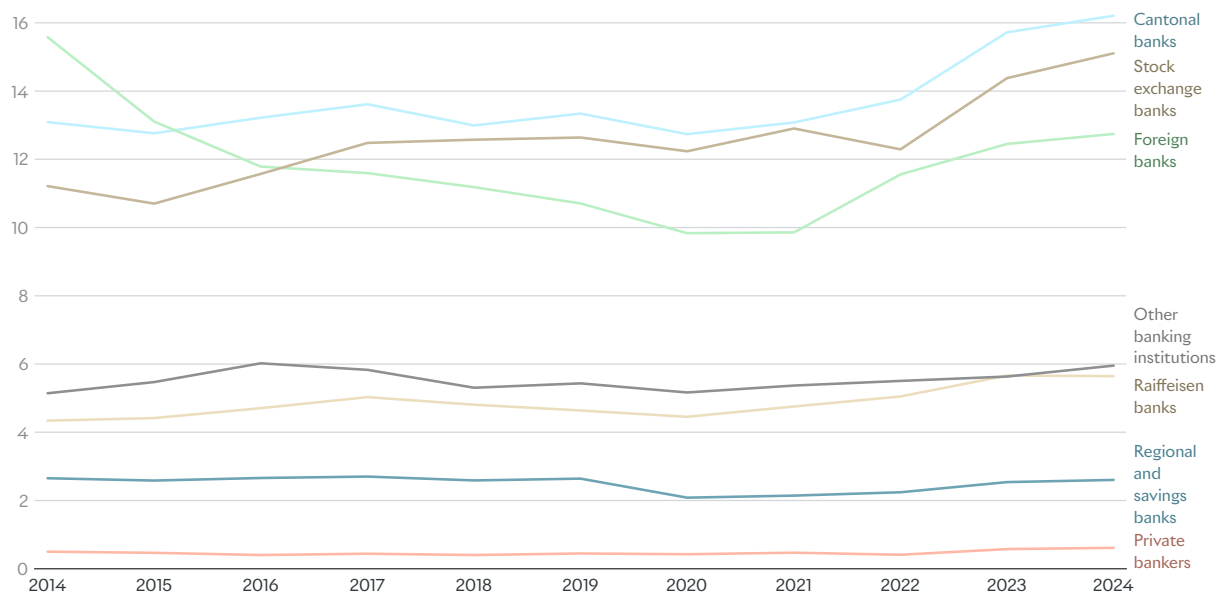
Compared with the prior year, the private bankers, stock exchange banks and other banking institutions increased their aggregate net income, while the other categories recorded a decline. This growth came mainly at the expense of the big banks, which saw the largest fall in net income (7.8%), with their share dropping by 1.9 percentage points to 41.1%.

The cantonal banks and the stock exchange banks posted the biggest year-on-year increases in their share of net income. The stock exchange banks profited from the market trend, increasing their share by 0.7 of a percentage point to 15.1% as their net income grew by CHF 143.04 mn. This increase was driven by improved results from commission business and services (up CHF 631.1 mn or 12.7%) and from trading activities (up CHF 420 mn or 25.0%).

Figure 9

## Net income (shares by bank category, excluding big banks)

in %



Note: The big banks contribute a much larger share of net income than the other categories – it has fluctuated between 43% and 53% since 2012. They have thus been omitted from the chart in order to provide a clearer picture of the trends among the other categories.

Chart: Swiss Bankers Association · Source: Swiss National Bank

### Foreign banks: subsidiaries and branches

Larger banks have a physical presence in various countries, often in the interests of market access. Almost 100 foreign-controlled banks operate in Switzerland, employing more than 16,000 people and thus contributing substantially to the success of the Swiss banking centre. These foreign banks' Swiss operations fall into two main categories from a legal point of view: subsidiaries and branches. A subsidiary is a bank set up under Swiss law but controlled by a foreign parent company. It is a legal entity in its own right and can independently conclude contracts with customers. A branch, on the other hand, does not qualify as a separate, independent legal entity and can therefore only operate on behalf of the foreign parent bank, not for itself. Since it does not have a balance sheet of its own, it is not subject to certain FINMA requirements, including the Capital Adequacy Ordinance (CAO), but it must be authorised and supervised by FINMA. Both subsidiaries and branches must comply with FINMA's regulations, ordinances and circulars. The vast majority of foreign bank branches in Switzerland are in supervisory categories 4 and 5.

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The cantonal banks recorded the second-highest increase in their share of net income, which grew by 0.5 of a percentage point to 16.2% despite net income falling by CHF 59.8 mn or 0.5%. Their higher result from commission business and services (up 7.3%) was set against lower results from interest operations (down 3.2%) and trading activities (down 3.8%). The cantonal banks were thus the only category to show a decline in the result from trading activities.

All categories apart from the big banks saw minimal growth in their share of net income – between 0.0 and 0.3 of a percentage point. The foreign banks and other banking institutions posted a 0.3-point gain, while the regional and savings banks gained 0.1 of a percentage point. The Raiffeisen banks and private bankers had unchanged shares of net income, even though the former recorded a 3.8% fall in net income and the latter a 2.7% rise.

The sharp increase in the result from trading activities and significant drop in the result from interest operations across the industry as a whole were heavily influenced by the big banks. They posted a strong increase in trading activities (up CHF 3,485.6 or 57% at CHF 9,602.1 mn) and a hefty fall in interest operations (down CHF 1,690.3 mn or 44% at CHF 2,150.9 mn). The big banks' share of the result from interest operations thus fell from 15.8% in 2023 to 10.2% in 2024, while their share of the result from trading activities rose significantly from 55.9% to 63.5%. In spite of this strong growth in trading activities, their net income was down CHF 2,431.2 mn or 7.8%, bringing their share of the total figure down from 43% to 41.1%.

## Statistical effects of allocation to bank categories

The SNB allocates individual banks to the various categories at its own discretion. The composition of the categories can change over time as a result of mergers, spin-offs, newly formed banks and other structural changes. For example, following the acquisition of Credit Suisse Group AG by UBS Group AG in 2023, the “big banks” category now comprises institutions of just one group. This means that certain data on the “big banks” category have no longer been published since 2023 for confidentiality reasons. In the course of migrating the accounting standards and account structure previously applied by Credit Suisse entities into those of the UBS entities, there were adjustment effects in the banking statistics data as at 30 April 2024. In addition, the foreign-controlled bank Degroof Petercam Suisse SA was taken over by the stock exchange bank Gonet & Cie SA in 2022, as a result of which its business is now allocated to the category of stock exchange banks rather than foreign banks in the statistics. However, this reallocation has no discernible impact on the proportions of these categories.

## Long-term trends in the bank categories' shares of net income

**The structural shift in the Swiss banking landscape has continued but slowed down in recent years. The big banks' share of net income has fallen further, benefiting all other categories. The foreign banks have seen their share recover over the past few years.**

Looking back over a ten-year period, the stock exchange banks' share of total net income grew steadily between 2014 and 2023, with the exception of 2022. This uptrend continued in 2024, causing their share to rise to 15.1% (compared with 11.2% in 2014). The cantonal banks' share also grew again, rising by 0.5 percentage point to 16.2%. The sharp fall in the big banks' share of net income resulted in the shares of all other categories – with the exception of the foreign banks – being either the same as or greater than ten years ago.

The foreign banks' share fell from 15.6% in 2014 to 9.8% in 2020. This was due in part to the changing environment in the wake of the financial crisis and in part to the fact that some banks restructured their international activities, reducing them to selected areas of business and thus triggering internal shifts and the sale of certain units. Their share has been rising again since 2021 and now stands at 12.7%, just 2.9 percentage points below the 2014 figure.

The downtrend among the big banks that has been in place since 2020 continued. Whereas they accounted for around half of net income between 2014 and 2022, their share had fallen to just 41.1% in 2024. This decline highlights the structural change in the Swiss banking landscape. That said, it was much less pronounced than in 2023, which was dominated by the takeover of Credit Suisse.

## Annual profit and taxes

**Gross operating profit fell by 12.3% year-on-year to CHF 23.9 bn. After value adjustments, taxes and extraordinary income, the banks' annual profit (result of the period) was CHF 17.7 bn.**

The 3.5% decline in aggregate net income resulted in a gross operating profit of CHF 23.9 bn in 2024, CHF 3.3 bn or 12.3% lower than in 2023. Operating expenses, comprising personnel and administrative expenses, rose by 1.8% and were thus relatively stable. After deduction of depreciation, amortisation, value adjustments and provisions, the Swiss banks' operating result was CHF 17.8 bn (up 52.5%), despite the year-on-year drop in gross operating profit. This pleasing outcome was driven by sharp falls of 65.0% in depreciation and amortisation and 54.6% in value adjustments and provisions, together with a 50.1% reduction in value adjustments relating to default risks and losses from interest operations. All three figures had been exceptionally high in 2023 due to the takeover of Credit Suisse.

The huge fall in extraordinary income from CHF 18.7 bn in 2023 to CHF 4.1 bn in 2024 is especially striking, although this figure is still higher than those recorded in the years from 2020 to 2022.

The decrease was almost entirely attributable to the big banks, reversing the strong base effect caused by the takeover of Credit Suisse by UBS in 2023. No less than CHF 18.3 bn of the extraordinary income in 2023 was due to the big banks and largely resulted from the Credit Suisse takeover, with the key factor being one-time negative goodwill of USD 29 bn. After deduction of extraordinary expenses, the Swiss banks posted extraordinary net income of CHF 3.8 bn in 2024. They paid CHF 2.5 bn in taxes, CHF 0.7 bn or 22.2% less than the previous year.

In summary, annual profit (result of the period) amounted to CHF 17.7 bn, much lower than the year-back figure but still markedly higher than the CHF 6.5 bn recorded in 2022. This was driven by much lower depreciation, amortisation, value adjustments and provisions as well as by extraordinary income remaining rather high.

Figure 10

## Breakdown of result of the period for banks in Switzerland as at end-2024

In CHF bn

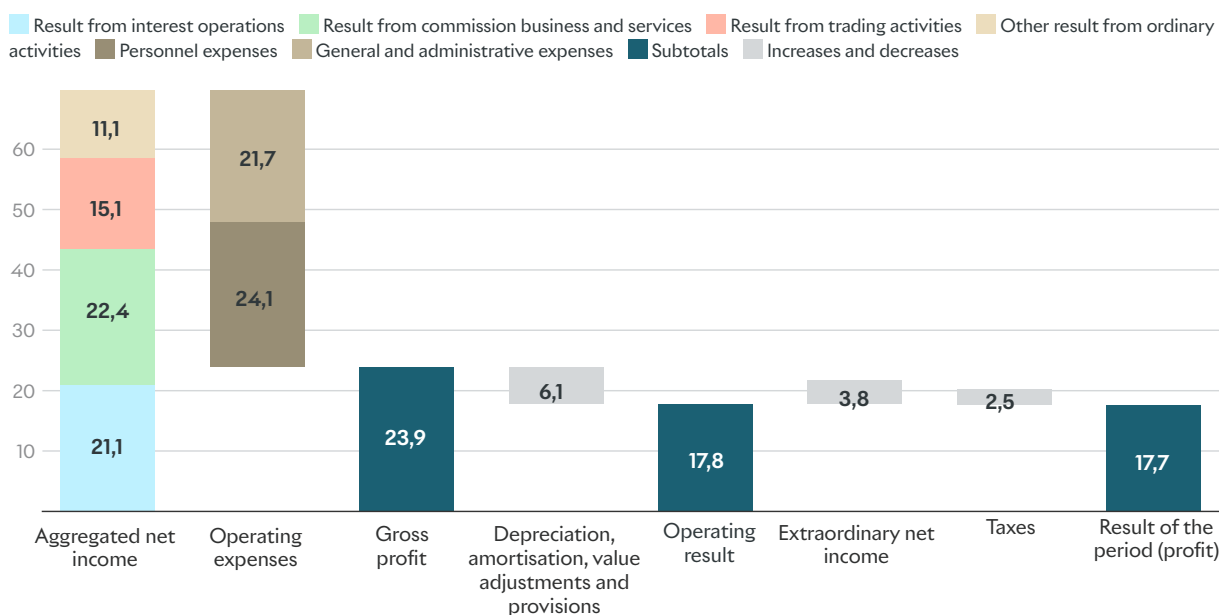


Chart: Swiss Bankers Association · Source: Swiss National Bank

## 2.2 Banking industry dominated by low inflation, zero interest rates and trade and geopolitical tensions in 2025

The Swiss economy continues to grow at a modest pace, consumer price inflation has fallen to zero, and the SNB policy rate has been at 0% since June. International uncertainty is weighing on demand, and the major central banks' monetary policy stances are diverging. Forecasts for the banks in Switzerland remain muted for 2025, but contracting interest margins might be partially offset by a higher result from commission business and services.

Modest global growth continued in the first half of 2025, with the IMF currently estimating that GDP grew by **1.4%** in the industrialised nations and just 0.8% in the eurozone. Escalating trade and geopolitical tensions have increased both companies' refinancing costs and uncertainty with regard to capital spending. Low inflationary pressure caused the SNB to cut its policy rate to zero in June 2025. The ECB also cut its

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headline rate sharply mid-year, whereas the Fed kept its target range unchanged. Both are much higher than the SNB rate.

According to the Swiss Banking Outlook, the financial market experts who took part in the survey expect Switzerland to record real GDP growth of 1.2% and annual inflation of 0.3% in 2025. The unemployment rate is likely to rise slightly to 2.7%. Four out of five respondents think the SNB will keep its policy rate on hold until the end of the year, while the remaining fifth see a downside risk as far as -0.25%. Ten-year Confederation bonds are expected to yield around 0.4% at the end of the year, although there is a downside risk attached to this forecast.

The Swiss franc firmed up against the other leading currencies in the first half of the year, with the euro costing approximately CHF 0.93 and the US dollar CHF 0.80 at the start of July. Most of the experts surveyed for the Swiss Banking Outlook anticipate largely stable exchange rates for the rest of the year, with slight appreciation versus the US dollar.

The Swiss Market Index (SMI) posted a moderate gain of about 3% in the first half-year, albeit with high volatility in a range from 10,900 to 13,100 points. The index showed a strong increase up to the end of March, driven by positive inflation data and the SNB rate cut. It then fell back markedly following the announcement of US tariffs. The associated trade policy tensions, exacerbated by geopolitical uncertainty and weaker performance by the tech sector, weighed on markets around the world. The SMI was only able to stage a partial recovery thereafter. Given the lack of clarity globally, volatility seems set to remain comparatively high in the second half of the year.

According to the Swiss Banking Outlook, 59% of the experts see the banks' aggregate net income falling further in 2025, while 29% expect it to remain stable. A declining result from interest operations is cited as the main driver. Zero interest rates, which may fall into negative territory, as well as increased competition in loans and mortgages are depressing interest margins. Operating costs, meanwhile, remain high, not least due to regulatory projects such as the implementation of Basel III Final. The results from commission business and services and from trading activities should show a positive trend and thus offset at least some of the drop in the result from interest operations. Some 44% of respondents also expect growth in mortgage lending to be above average, with corporate loans remaining in line with the long-term average. On the bottom line, however, the consensus forecast for 2025 is for slightly lower net income.

## 3. Balance sheet

**The aggregate balance sheet total of all banks in Switzerland grew by 1.3% in 2024. A decline among the big banks was offset by an increase for the other categories.**

The balance sheet total of banks in Switzerland grew by 1.3% from CHF 3,117.0 bn in 2023 to CHF 3,219.1 bn in 2024. Mortgage loans remained the largest item by far on the asset side. Most asset items showed an increase year-on-year, ranging from 2.4% for mortgage loans to 24.9% for amounts due from securities financing transactions. The largest fall, 12.9%, was recorded by liquid assets. This was probably due to the correction of excess liquidity at the big banks. On the liabilities side, there was no further rotation from sight deposits to time deposits, both of which posted moderate gains (2.4% and 4.8% respectively). Total amounts due in respect of customer deposits thus grew by 5.3%.

The big banks' balance sheet total fell sharply once again, albeit to a lesser degree than in 2023. The cantonal banks, meanwhile, increased their balance sheet total by a similar percentage. The volume of domestic lending edged up again, this time by 2.3%, thanks to domestic mortgage loans, which increased by 2.5% to a new high of CHF 1,208.6 bn. Other loans, both secured and unsecured, were also higher, but only by 1.1%. As in 2023, the cantonal banks had the largest slice of the domestic mortgage market, at 40.1%, followed by the big banks on 24.4%.

## 3.1 Trends in 2024

### Balance sheet trends by bank category

The aggregate balance sheet total of all banks in Switzerland grew by 1.3% in 2024. Decreases of 2.7% for the big banks and 0.8% for the private bankers were offset by increases for all of the other categories. The biggest rises were posted by the stock exchange banks (up 7.8%) and the cantonal banks (up 4.0%), with the latter accounting for around 72.2% of the overall increase. The big banks still held on to the largest share of the aggregate balance sheet total with 38.4%, compared with 40.0% in 2023 and 41.2% in 2022.

Figure 11

### Balance sheet total by bank category

In CHF bn

Group of banks	2023	2024	Change	Share
Cantonal banks	756.9	787.3	4.0%	24.5%
Big banks	1,269.4	1,234.8	-2.7%	38.4%
Regional and savings banks	120.5	125.5	4.1%	3.9%
Raiffeisen banks	297.1	305.6	2.9%	9.5%
Foreign banks	281.8	289.9	2.9%	9.0%
Private bankers	5.4	5.4	-0.8%	0.2%
Stock exchange banks	226.8	244.5	7.8%	7.6%
Other banking institutions	218.9	226.1	3.3%	7.0%
<b>Total</b>	<b>3,177.0</b>	<b>3,219.1</b>	<b>1.3%</b>	<b>100.0%</b>

Table: Swiss Bankers Association · Source: Swiss National Bank

# Swiss Banking

## Assets

Mortgage loans remained the largest asset item, making up 38.2% of the total. After stabilising in 2023, liquid assets recorded the largest relative drop on the asset side in 2024, falling by 12.9%. Amounts due from securities financing transactions as well as trading portfolios in securities and precious metals contributed most to the increase in assets.

Domestic and foreign mortgage loans rose by CHF 28.9 bn year-on-year in 2024, from CHF 1,200.2 bn to CHF 1,229.1 bn. Lower interest rates caused growth to pick up somewhat compared with 2023, but it was not quite back up at the 2022 level. With a share of around 38.2%, mortgage loans thus remained the largest asset item for banks in Switzerland last year. This share only changed minimally compared with 2023 because most other asset items showed either an increase or only a minimal decrease. Liquid assets were an exception here, falling sharply and thus making up just 14.8%, the same as amounts due from customers. This reflects a marked decline of 6.6% in banks' sight deposits at the SNB, probably due to the correction of excess liquidity held by the big banks as a buffer for potential risks arising from the takeover of Credit Suisse.

Figure 12

## Breakdown of assets

In CHF bn

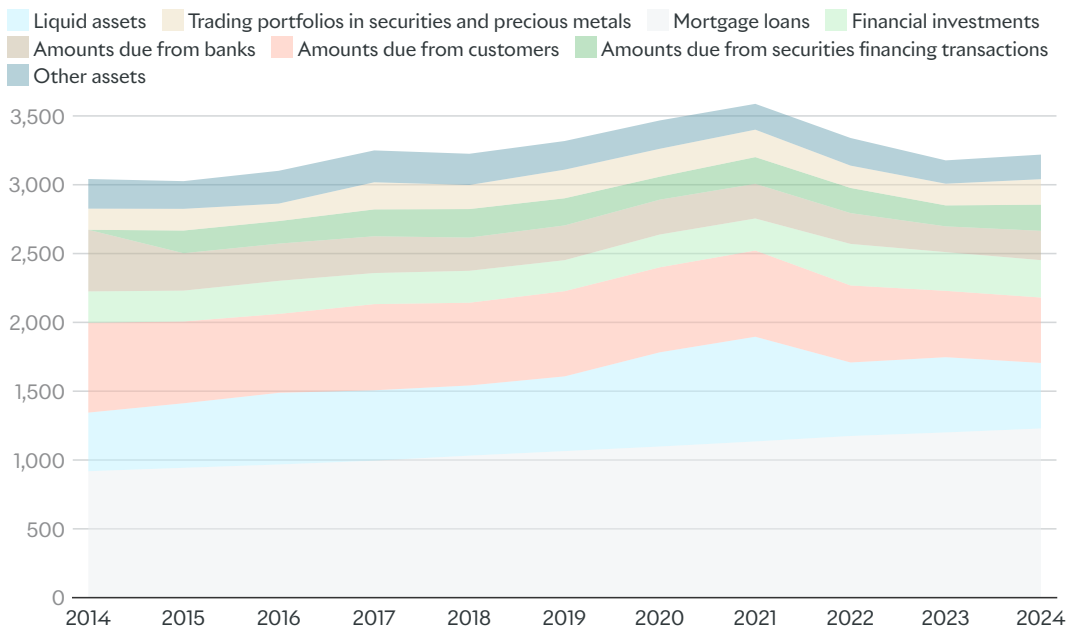


Chart: Swiss Bankers Association · Source: Swiss National Bank

Figure 13

## Development of assets

In CHF bn

Position	2023	2024	Change	Share
Liquid assets	546.7	476.2	-12.9%	14.8%
Trading portfolios in securities and precious metals	157.7	185.2	17.4%	5.8%
Mortgage loans	1,200.2	1,229.1	2.4%	38.2%
Financial investments	281.4	271.5	-3.5%	8.4%
Amounts due from banks	186.8	212.9	13.9%	6.6%
Amounts due from customers	482.2	475.2	-1.4%	14.8%
Amounts due from securities financing transactions	152.3	190.3	24.9%	5.9%
Other assets	169.6	178.7	5.4%	5.6%
<b>Balance sheet total</b>	<b>3,177.0</b>	<b>3,219.1</b>	<b>1.3%</b>	<b>100.0%</b>

Table: Swiss Bankers Association · Source: Swiss National Bank

Amounts due from customers, i.e. loans, fell by CHF 7.0 bn or 1.4% in 2024, while amounts due from banks grew by CHF 26.0 bn or 13.9%. This was mostly the result of a sharp rise in amounts due from domestic banks (up 25.0%), together with a small increase of CHF 2.7 bn or 2.9% in amounts due from foreign banks. These were mostly caused by banks' changing liquidity needs as interest rates fell. Amounts due from securities financing transactions recorded the strongest growth of all asset items in 2024, rising by 24.9%. Financial investments declined for the second year in a row, by 3.5%, with domestic financial investments down 12.1% and those abroad up 3.9%. The main reason for the balance sheet shortening was the distinctly positive trend among all categories apart from the big banks. The domestically oriented banks were able to extend their balance sheets: the Raiffeisen banks by 2.9%, the regional and cantonal banks by around 4%.

### Breakdown of assets over time

The breakdown of assets has changed substantially over the past decade. Liquid assets rose sharply from CHF 425.9 bn in 2014 to CHF 760.6 bn in 2021, driven by two factors: the SNB's currency interventions to weaken the overvalued Swiss franc increased the banks' sight deposits, and the opportunity cost of holding cash due to low interest rates was minimal, so banks parked large amounts of liquidity in sight deposits with the SNB. Liquid assets saw their first sharp decline in 2022, falling by 29.8% in the wake of

interest rate hikes. They stabilised temporarily in 2023 with a 2.4% increase but showed another sharp fall of 12.9% in 2024.

There was also a trend reversal in amounts due from customers. This item had fluctuated slightly in the period from 2014 to 2021 between CHF 573.3 bn (2016) and CHF 652.9 bn (2014) but dropped significantly in both 2022 and 2023. The downtrend continued in 2024 but was much less pronounced with a fall of just 1.4%. Amounts due from customers thus declined by a total of 27.2% between 2014 and 2024. Amounts due from banks, meanwhile, saw their share of total assets fall from 14.7% in 2014 to just 6.6% in 2024. Banks have been deliberately scaling back this asset item in order to reduce interdependencies with other institutions.

Domestic and foreign mortgage loans grew steadily from CHF 916.6 bn in 2014 to CHF 1,229.1 bn in 2024, thereby increasing their share of total assets from 30.2% to 38.2%. Years of low interest rates contributed to a rise in property sales and prices. As rates fell again in 2024, this trend continued.

## Domestic lending volume

**The volume of domestic lending increased by around 2.3% in 2024. Mortgage loans, most of which are granted to private households, make up the bulk of the Swiss lending business with a share of 86.7%.**

The volume of outstanding domestic loans came to CHF 1,393.3 bn in 2024. This comprises secured and unsecured loans to customers (CHF 184.7 bn, including companies, public-sector entities and consumer loans) as well as mortgage loans (CHF 1,208.6 bn) and equates to a year-on-year increase of 2.3%, slightly below the average for the last five years.

Figure 14

## Domestic lending volume

In CHF bn

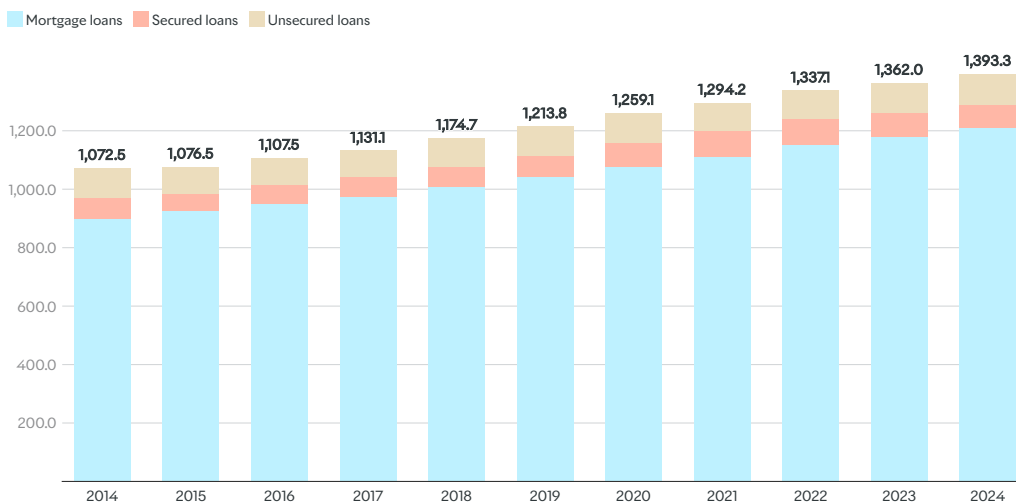


Chart: Swiss Bankers Association · Source: Swiss National Bank

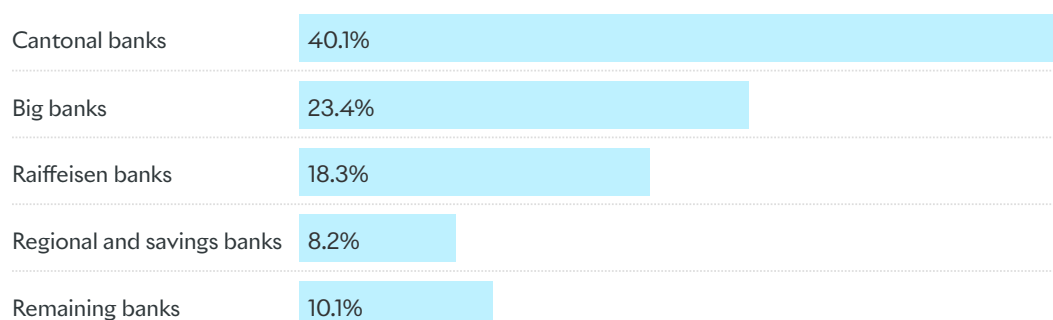
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Mortgage loans have increased by CHF 307.8 bn since 2014, taking their share of domestic lending volume from 84% to 86.7%. Total outstanding mortgage loans increased by 2.4% to CHF 1,229.1 bn in 2024. Over 98% of this was attributable to domestic customers. Fixed-rate mortgages accounted for 75.1%, up 1.7 percentage points year-on-year. According to the [Federal Office for Housing](#), the average interest rate on outstanding domestic mortgage loans fell from 1.72% to 1.53% in 2024.

Higher interest rates than in prior years had led to below-average growth in mortgage loans. In a multi-year comparison, mortgages with a term of more than five years had become more popular. Their share rose steadily from 23.6% in 2014 to 27.1% in 2022. This was followed in 2023 and 2024 by a marked fall to 22.4% as a result of interest rate hikes and growth in variable-rate new mortgages. In terms of volume, 60.7% of all new mortgages were granted to private households at the end of 2024, this figure having been mostly above 66% prior to 2023. Between the fourth quarters of 2023 and 2024, the volume of owner-occupied residential properties for which new mortgages were granted to private households rose by 14.0%, while the volume of residential properties rented out by private households grew by 16.0%. The volume of residential properties rented out by companies likewise increased, adding 22.4% during the period.

Figure 15

## Shares of domestic bank mortgage market in 2024



Note: The total may be above or below 100% due to rounding effects.

Chart: Swiss Bankers Association · Source: Swiss National Bank

The cantonal banks' overall share of the domestic mortgage loan market was 40.1% at the end of 2024, slightly higher than the year-back figure. The big banks were in second place with 23.4%. The cantonal and Raiffeisen banks in particular have increased their shares in recent years, whereas the big banks, regional banks and savings banks lost out. The negative trend for the big banks continued in 2024 with a fall of 1.5 percentage points. The cantonal banks increased their share by a further percentage point, the Raiffeisen banks by 0.4 of a point, and even the regional and savings banks bucked the long-term trend with a marginal rise of 0.2 of a percentage point. Pension funds and insurers accounted for around 6% of the mortgage market.

Broken down by lending group, some 94.3% of domestic mortgage loans were categorised as senior (up to two thirds of the property's market value) in 2024. This is exactly the same figure as in 2023. This high proportion suggests that lenders are continuing to pursue cautious mortgage lending policies.

Figure 16

## New mortgage loan originations

In CHF per quarter, limit



Chart: Swiss Bankers Association · Source: Swiss National Bank

## Liabilities

**Amounts due in respect of customer deposits made up more than half of all liabilities in 2024. There was a relatively sharp fall in bond issues, central mortgage institution loans and cash bonds (down 15.5%), while most other liability items showed an increase. Trading portfolio liabilities were out in front with a gain of 13.8%.**

The balance sheet item “amounts due in respect of customer deposits”, which is the sum of sight deposits, time deposits and other customer deposit liabilities, grew by CHF 91.9 bn or 5.3% in 2024. This item made up 58.8% of the balance sheet total at the end of last year. The fairly modest increase stemmed from all of the constituent liabilities. Sight deposits showed a slight rise of 2.4%, while time deposits were up 4.8%. Domestic assets increased their share of total sight deposits from 59.8% in 2021 to 73.9% in 2024.

Figure 17

## Breakdown of liabilities

In CHF bn

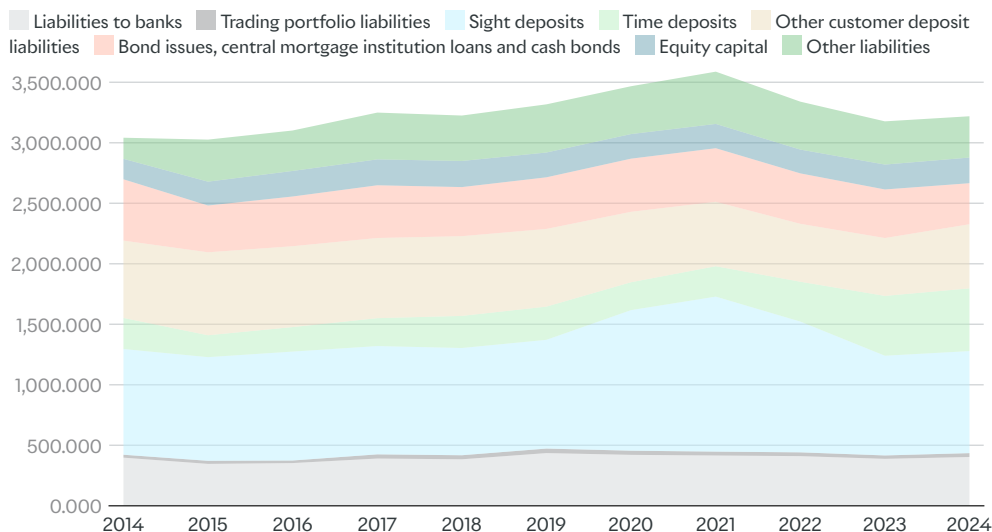


Chart: Swiss Bankers Association · Source: Swiss National Bank

Figure 18

## Development of liabilities

In CHF bn

Position	2023	2024	Change	Share
Liabilities to banks	388.0	403.2	3.9%	12.5%
Trading portfolio liabilities	28.0	31.9	13.8%	1.0%
Sight deposits	824.0	843.4	2.4%	26.2%
Time deposits	494.3	518.2	4.8%	16.1%
Other customer deposit liabilities	478.4	530.0	10.8%	16.5%
Bond issues, central mortgage institution loans and cash bonds	401.4	339.1	-15.5%	10.5%
Equity capital	205.8	211.9	3.0%	6.6%
Other liabilities	357.1	341.4	-4.4%	10.6%
<b>Total liabilities</b>	<b>3,177.0</b>	<b>3,219.1</b>	<b>1.3%</b>	<b>100.0%</b>

Table: Swiss Bankers Association · Source: Swiss National Bank

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Amounts due to banks rose by CHF 15.2 bn in 2024, mainly due to a CHF 16.7 bn increase in amounts due to foreign banks. This was driven to a significant degree by the Raiffeisen banks with growth of CHF 8.3 bn and the cantonal banks with CHF 9.6 bn.

Trading portfolio liabilities were CHF 3.9 bn higher at CHF 31.9 bn. Bond issues, central mortgage institution loans and cash bonds, meanwhile, were CHF 62.2 bn lower, mainly due to a drop of CHF 57.9 bn in foreign bond issues and central mortgage institution loans, which are exclusively held by the big banks. However, the domestic figure was also down by CHF 19.2 bn. These massive declines may have been caused by the early redemption of two Credit Suisse bond issues by UBS in September 2024 and the sharp rise in spreads on central mortgage institution loans during the year, which made new issues more expensive.

## **Breakdown of liabilities over time**

The proportion of liabilities accounted for by amounts due to banks fell from 13.1% in 2014 to 12.5% in 2024. As with the assets side, this shows that banks' interdependencies, particularly with other banks in Switzerland, have been reduced over time. Having dropped sharply between 2020 and 2022, sight deposits rose back to CHF 843.4 bn in 2024, almost on a par with the 2014 figure of CHF 873.8 bn. They therefore remained the largest liability item with a 26.2% share at the end of 2024, which is in line with the year-back figure.

Time deposits made up 16.1% in 2024, up from 15.6% in 2023 and almost twice as high as in 2014, having mostly been some way below 10% up to 2022. Low interest rates made time deposits less attractive than sight deposits, leading in many cases to a rotation out of the former and into the latter. This trend reversed when interest rates started rising again in 2022, with funds flooding back into time deposits from sight deposits. Time deposits have even increased their share marginally, by 0.5 of a percentage point, since the latest round of rate cuts began.

## **3.2 Balance sheet stable in first half of 2025**

**The aggregate balance sheet total of the banks in Switzerland remained constant during the first half of 2025. On the assets side, financial investments, mortgage loans and liquid assets showed moderate growth, while amounts due from banks and customers and trading portfolios fell sharply in some cases. On the liabilities side, trading portfolios recorded the strongest growth, and there was a slight increase in bond issues, central mortgage institution loans and cash bonds. Customer deposits, liabilities to banks and equity capital declined.**

The aggregate balance sheet total of the banks in Switzerland remained at a constant level in the first five months of 2025, falling by just 0.2% to CHF 3,323.3 bn. Most of this fall was attributable to a 7.0% drop in trading portfolios in securities and precious metals. By May, these had only recouped some of the losses suffered when the US tariff announcements sent the markets sharply lower. That said, they stood at CHF 173.0 bn after the first five months of the year, well above the level seen in 2023. An increase of CHF 17 bn or 1.4% in mortgage loans in particular prevented a more pronounced decrease in the aggregate balance sheet total. This was probably helped by low interest rates. Financial investments

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posted the largest percentage increase, rising by 2.5% to CHF 290.6 bn in the first half-year. Liquid assets were up 1.7%. Both items thus succeeded in reversing their negative trends from 2024.

The remaining asset items were negative in the first half of 2025, with decreases ranging from 0.3% for amounts due from banks to 4.8% for other assets. Amounts due from banks thus failed to continue last year's very positive trend, as did amounts due from securities financing transactions, which fell by 2.3% in the first five months of the year.

On the liabilities side, we can see two opposing trends. While several items showed a moderate fall, led by equity capital (down 2.6%), two items increased. The rise in trading portfolio liabilities was the most pronounced at 29.3%. This is likely to be the result of high market volatility. The positive trend seen in 2024 was thus clearly maintained, and the figure of CHF 41.2 bn from the end of May 2025 was significantly higher than the full-year figures for the period from 2014 to 2024.

After falling sharply from 2021 onwards, sight deposits rebounded slightly in 2024. This positive trend continued into the first half of 2025 with a rise of 5.3% to CHF 901.0 bn. Time deposits, meanwhile, headed in the opposite direction. After growing steadily for a number of years, they shed a full 13.5% in the first five months of this year to stand at CHF 455.8 bn at the end of May. The sharpest decline occurred in March, when the SNB cut its policy rate from 0.50% to 0.25%, diminishing the appeal of fixed-term investments.

## 4. Assets under management

**Assets under management at banks in Switzerland rose by 10.6% year-on-year in 2024 to CHF 9,284.0 bn. This reflects both increased enthusiasm for bonds and the recovery of the equity markets. The record high from 2021 was thus beaten last year.**

Assets under management for customers resident in Switzerland rose by CHF 461.6 bn in 2024, those of foreign-domiciled customers by CHF 430.7 bn. This led to solid growth of 10.6% in total assets under management at Swiss-based banks. As in 2023, the main driver was the recovery in securities holdings, which increased by 11.2%, probably due for the most part to market trends. Total securities holdings were back above the 2021 level after declining sharply in the intervening years. Securities holdings accounted for the bulk of assets under management, at around 86%. Smaller items also showed gains, with fiduciary liabilities up 5.4% and amounts due to customers excluding sight deposits up 7.8%. The breakdown of custody account holdings by currency changed only slightly relative to the prior year. The Swiss franc remained the dominant investment currency with a share of more than 50%. Assets under management had grown progressively overall since 2014, before dropping back in 2022. Half of this fall was recouped in 2023, and 2024 more than made up for the rest. The figure at the end of 2024 was thus a new record high.

## 4.1 Trends in 2024

### Assets under management for domestic and foreign customers

Assets under management at banks in Switzerland grew by 10.6% in 2024 to a new high of CHF 9,284.0 bn. Assets of both domestic and foreign customers rose, with more than 90% of the increase accounted for by growth in their securities holdings in bank custody accounts.

Figure 19

### Assets under management in Switzerland by customer origin

In CHF bn

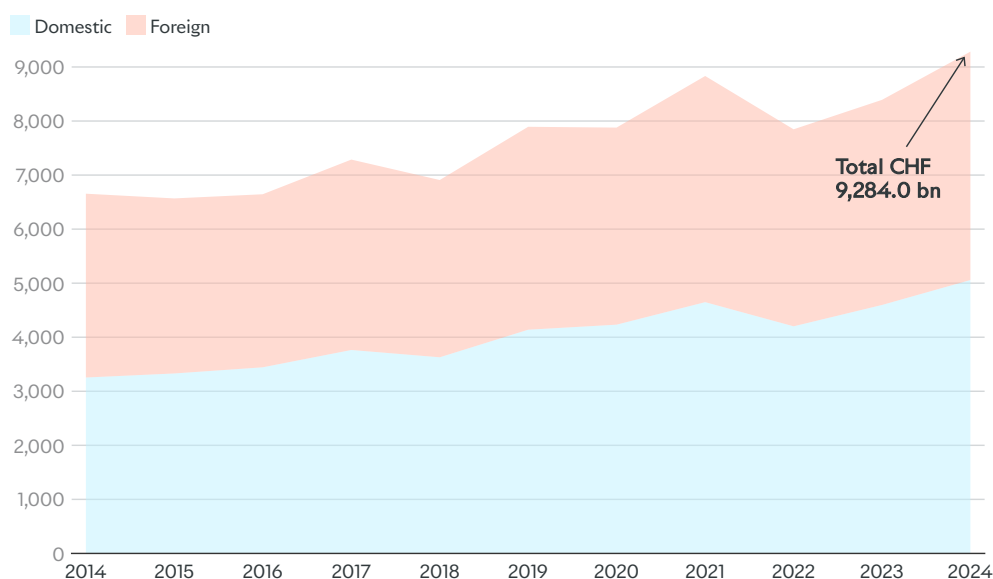


Chart: Swiss Bankers Association · Source: Swiss National Bank

Assets under management comprise securities holdings in bank custody accounts (CHF 8,000.2 bn), amounts due to customers excluding sight deposits (CHF 1,048.2 bn), and fiduciary liabilities (CHF 235.7 bn). Securities holdings grew by around CHF 804.8 bn year-on-year, mainly thanks to renewed enthusiasm for bonds and the recovery of the equity markets. The SMI gained some 4% in 2024, as it had in 2023 after shedding 17% in 2022. Amounts due to customers excluding sight deposits showed an increase of 7.8%, fiduciary liabilities 5.4%, both significantly lower than in 2023.

Securities holdings made up by far the largest component of assets under management, at around 86%, and were also the biggest driver of growth in 2024.

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## Trends in assets under management over time

Looking back over the longer term, assets under management at banks in Switzerland have grown substantially. They dropped sharply in the wake of the 2008 financial and economic crisis, with securities holdings in bank custody accounts especially hard hit as share prices plummeted. Between 2014 and 2021, however, assets under management clawed their way back from CHF 6,655.7 bn to CHF 8,833.2 bn, before a temporary but significant setback to CHF 7,846.8 bn in 2022 as a consequence of the negative market performance. Half of this loss was recouped in 2023 thanks to growing demand for bonds as a result of higher interest rates as well as the stock market recovery. This trend continued in 2024, bringing assets under management to a new all-time high of CHF 9,284.0 bn.

The stand-out feature over the longer-term perspective is the fall in the proportion of assets belonging to foreign-domiciled customers, from 51.1% in 2014 to 45.5% in 2024. There are a number of reasons for this, chief among them the currency effect. Foreign customers hold a much higher proportion of their assets in euros and US dollars than their domestic counterparts. Since asset shares are calculated in Swiss francs, the assets of foreign customers decline relative to those of Swiss-based customers if the franc strengthens. Despite their shrinking share, foreign customers' assets under management rose by CHF 824.4 bn or 24.2% in absolute terms over the same period.

Figure 20

## Composition of assets under management at the end of 2024

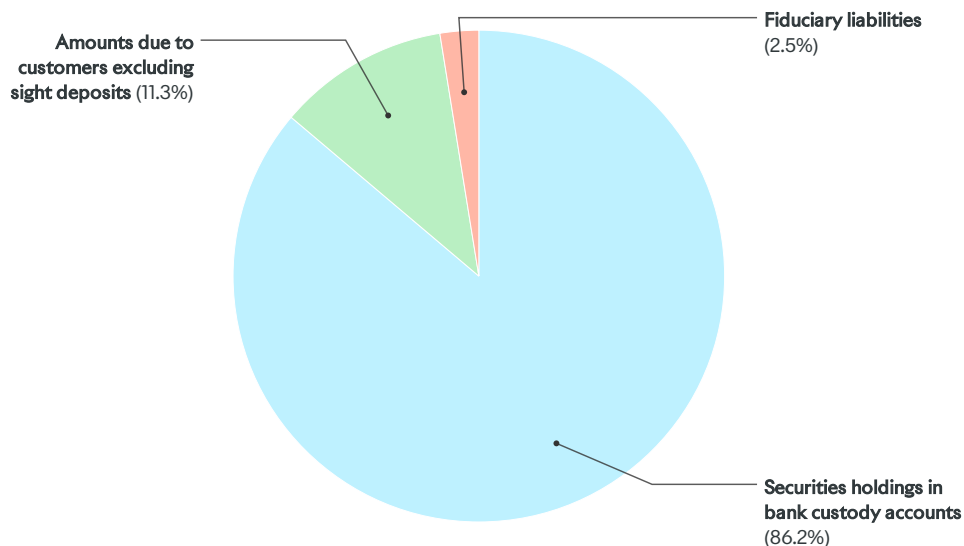


Chart: Swiss Bankers Association · Source: Swiss National Bank

Switzerland was still the world leader in cross-border wealth management for private clients in 2024, with holdings up 10.0% year-on-year (on a currency-adjusted basis) at CHF 2,427.0 bn.

## Securities holdings

**Securities holdings account for the largest share of assets under management. Despite the US Federal Reserve maintaining its restrictive monetary policy and the prevailing geopolitical uncertainties, stock exchanges posted strong gains in 2024. The bull market bolstered holdings of both bonds and shares, pushing overall securities holdings 11.2% higher.**

The main reason for the rise in customers' securities holdings (comprising the categories "shares", "units in collective investment schemes", "bonds" and "other") in 2024 was the positive trend on securities markets. The SMI gained 431 points or 4.0%. Tech indices performed markedly better, with the Nasdaq-100 posting an impressive gain of 28.1%. This uptrend came in an environment of sharply falling interest rates around the world and rapidly increasing use of technological innovations, particularly artificial intelligence. While heightened geopolitical uncertainties persisted, a further steep escalation that would have severely harmed the corporate earnings outlook failed to materialise.

Rising share prices were clearly reflected in holdings of shares, which rose by 9% in 2024 to CHF 3,026.9 bn, though this is far short of the CHF 3,375.7 bn they achieved in the record-breaking year of 2021. Bonds recorded slightly higher growth than shares, gaining CHF 133.6 bn (10.0%) year-on-year to CHF 1,464.9 bn. Units in collective investment schemes showed the largest increase, up CHF 386.3 bn or 14.5% at CHF 3,058.7 bn. This accounted for almost half (48.0%) of the overall growth and was the category's highest level for at least ten years. In uncertain times, therefore, investment vehicles such as funds gained popularity. As well as being more attractive than shares due to low interest rates, they are also a means of diversifying portfolios.

Looking back over the past decade, we can see that shares have been the main driver behind growth in securities holdings. They gained 34.1% between 2014 and 2024, while bonds managed just 11.5%. Units in collective investment schemes made up the biggest share of securities holdings in 2024 with 38.2%. They thus enjoyed a record year, taking the lead from shares.

The Swiss franc depreciated relative to both the euro (by 1.2%) and the US dollar (by 7.2%) over the course of 2024. This was probably due to the SNB's early monetary easing compared with other central banks.

Figure 21

## Holdings of securities in bank custody accounts by category

In CHF bn

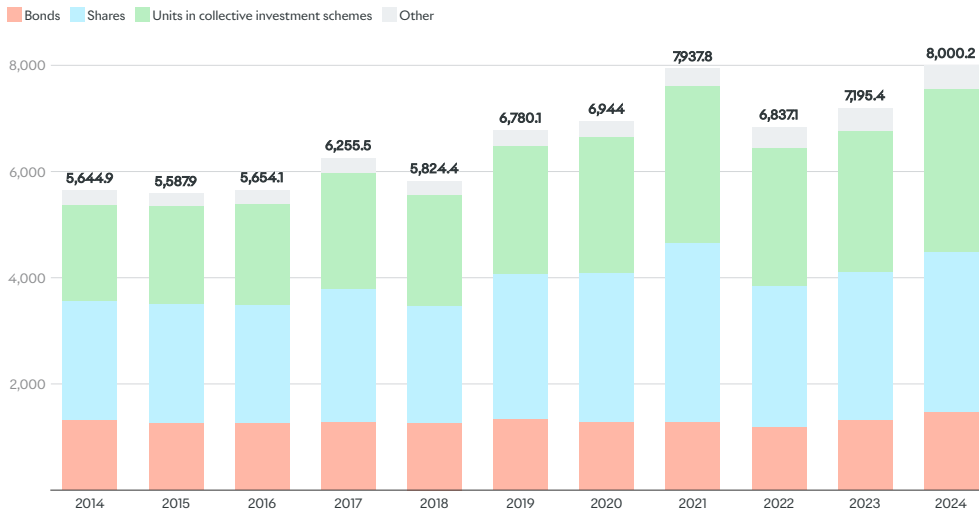


Chart: Swiss Bankers Association · Source: Swiss National Bank

## Custody account holdings by currency

In the breakdown of custody account holdings by currency, the US dollar increased its share at the expense of the Swiss franc, while the euro and other currencies remained stable. Just over half of all custody account holdings were denominated in CHF at the end of 2024. Almost a third were in US dollars, with the euro and other currencies accounting for a little less than 20% between them.

The Swiss franc share of securities holdings in customer accounts fell by around 2.6 percentage points to 50.8% during the year, meaning that the franc remains the most important investment currency. The US dollar share rose to 29.9%. Only minor changes were observed in the other currencies, with the euro dropping 0.5 of a percentage point year-on-year and the rest just 0.1 of a point. Around two thirds of the Swiss franc holdings were held by Swiss-based investors, while for both the dollar and the European single currency the reverse was true, with roughly two thirds being foreign-held in each case.

Figure 22

## Custody account holdings by currency at the end of 2024

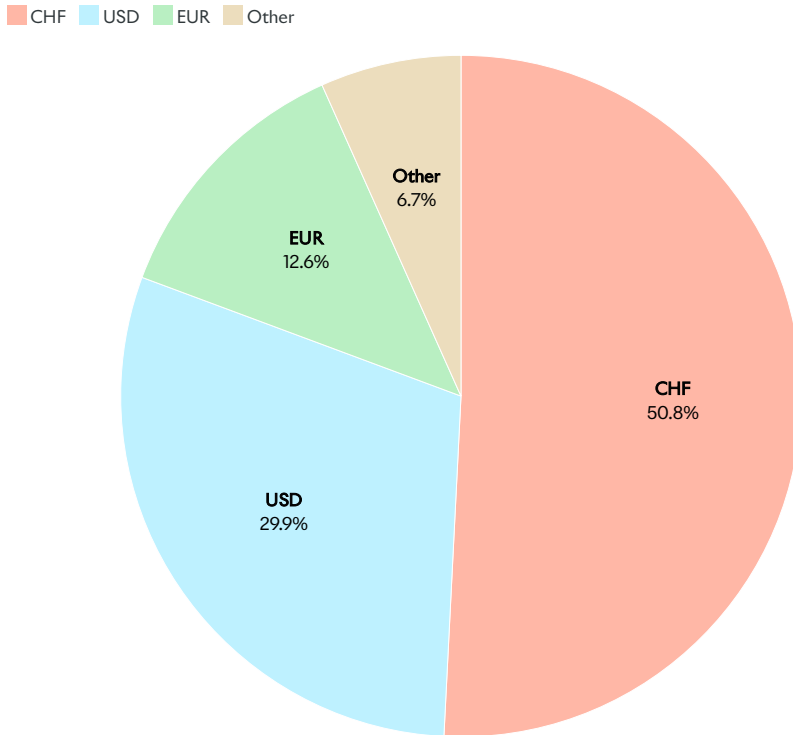


Chart: Swiss Bankers Association · Source: Swiss National Bank

## 4.2 Assets under management remained high in first half of 2025

Assets under management at banks in Switzerland were at a similar level to the record year of 2024 during the first few months of 2025, falling by only 0.6%. The main reasons for this slight decrease were lower amounts due to customers excluding sight deposits and lower fiduciary liabilities.

Assets under management fell slightly in the first months of the year (down 0.6%) but remained close to their record high at CHF 9,240 bn. The fall was primarily due to foreign-domiciled customers, whose assets dropped by 1.5%, while those of domestic customers were stable with a small increase of 0.1%.

The slight negative trend is the result of downturns in amounts due to customers excluding sight deposits and in fiduciary liabilities. Both items were sharply lower in the first months of 2025 for Swiss-domiciled as well as foreign-domiciled customers. Amounts due to customers excluding sight deposits declined by CHF 52 bn or 4.9%, fiduciary liabilities by CHF 18 bn or some 7.7%.

At the same time, however, securities holdings rose by 0.2% to CHF 8,000 bn, which explains why the overall change in assets under management was only minimal. That said, there were differing trends in securities holdings for Swiss-domiciled and foreign-domiciled customers. Domestic customers' holdings

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were up 1.0% at CHF 4,312 bn, whereas those of foreign-domiciled customers were down 0.8% at CHF 3,688 bn. One of the main reasons for this drop was the fact that the majority of securities held by foreign-domiciled customers are denominated in currencies other than the Swiss franc, such as the US dollar, which lost a huge amount of value relative to the franc in the first half of 2025. The persistently high volume of assets managed by banks in Switzerland underscores the banking industry's strength, the country's role as a safe haven in times of geopolitical instability and the considerable trust customers here and abroad place in its banks.

## 5. Number of staff at banks in Switzerland

The banks employed 94,347 people (full-time equivalents) in Switzerland at the end of 2024, an increase of 1,048 compared with 2023. Financial sector unemployment stood at 3.0%, somewhat higher than for the economy as a whole and up slightly year-on-year.

### 5.1 Trends in 2024

The number of people employed in the banking sector rose by a further 1.1% to 94,347 at the end of 2024. The unemployment rate in the financial sector was minimally higher than the Swiss average at 3.0%.

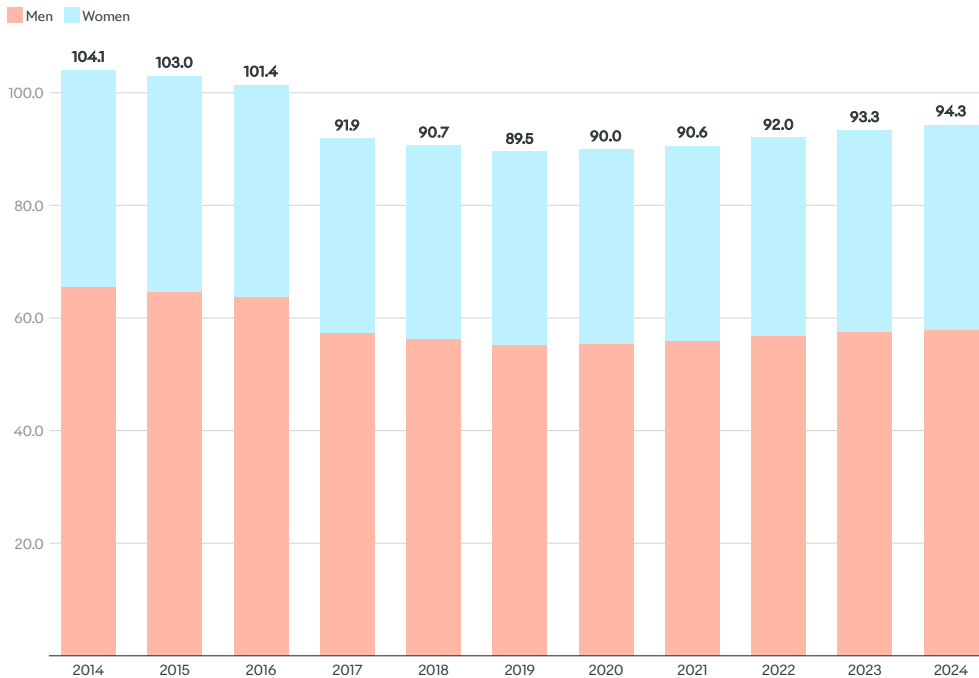
The banks employed 94,347 people (full-time equivalents) in Switzerland in 2024, up 1,048 or 1.1% year-on-year. The number of staff in the banking sector thus increased for the fifth year in succession, surpassing the level seen in 2017, although that figure had been preceded by a gradual decline. According to the [State Secretariat for Economic Affairs \(SECO\)](#), unemployment in the financial sector averaged 3.0% in December 2024, just above the figure for the economy as a whole. In total, 3,500 banking sector workers were registered unemployed at the end of the year, an increase of 748 compared with 2023.

The 1,048 rise vindicates the cautiously positive forecast contained in last year's SBA employment survey of Swiss-based banks. A little over half of the banks polled expected headcount to remain stable, with roughly a third predicting a rise. Despite the increase in headcount, personnel expenses fell slightly, although the decrease was much less pronounced than in prior years at CHF 37.3 mn. As regards gender distribution, the proportion of female bank staff remained stable at 38.6% in 2024 (36,408 full-time equivalents). There were 581 new female members of staff and 467 male. Looking back over the last decade, the proportion of female employees has risen slightly but remained essentially unchanged overall.

Figure 23

## Number of staff at banks in Switzerland (domestic)

In thousands of full-time equivalents



Note for 2017: One-off effect from the reallocation of staff to an intra-group service company of a big bank.

Chart: Swiss Bankers Association · Source: Swiss National Bank

## 5.2 Domestic headcount stable for banks in Switzerland year

The banks' domestic headcount remained almost unchanged in the first half of 2025, declining by just 0.1%. The 1.7% fall in overall headcount was almost entirely due to continuing job cuts abroad. The outlook for the remainder of the year is cautiously positive.

According to the SBA's annual survey, the number of people employed at banks in Switzerland remained virtually unchanged between the end of 2024 and June 2025, falling by only 93 FTEs or 0.1%. Abroad, staff numbers fell markedly over the same period, with a gain of 2,860 FTEs more than offset by 5,519 departures, leading to a net fall of 3.3%. The reduction in headcount seen at Swiss banks abroad in prior years has thus continued. One key factor here was the takeover of Credit Suisse by UBS, which led to multiple duplicate structures being eliminated and international units being merged.

Figure 24

## Number of staff: domestic and foreign

In full-time equivalents	Trend in the first half of 2025			
	Total change	Change in %	Joined	Left
<b>Domestic</b>	<b>-93</b>	<b>-0.1%</b>	<b>3,592</b>	<b>-3,685</b>
Foreign	-2,658	-3.3%	2,860	-5,519

Note: number of responses: 93; number of banks polled: 220. The headcount in the SBA survey does not match the SNB statistics. The difference is due in part to the SBA survey's response rate. With 93 responses, the SBA survey represents institutions accounting for 88% of the balance sheet total of banks in Switzerland.

Table: Swiss Bankers Association · Source: Survey of the Swiss Bankers Association (2025)

## Estimates for rest of year positive

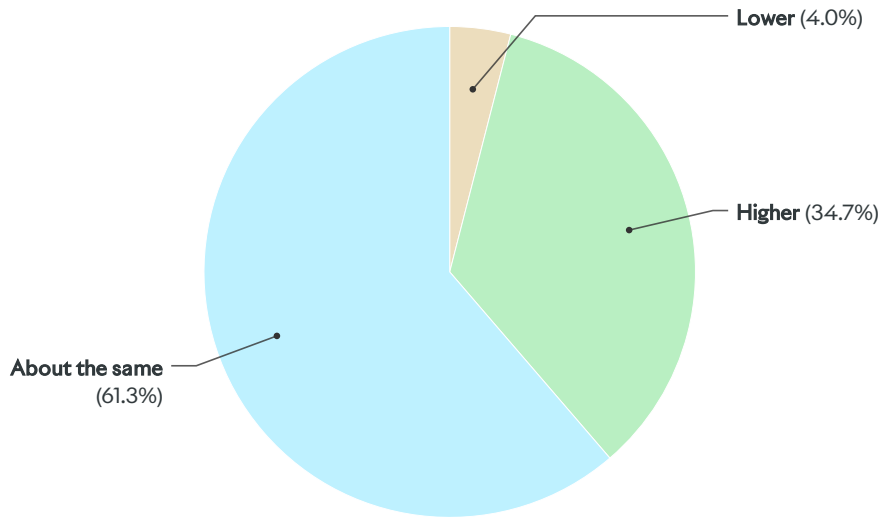
Some 96% of the institutions that took part in the survey are taking an optimistic view, with over 60% forecasting a stable headcount and around a third expecting it to rise. The proportion of banks anticipating growth in staff numbers has only been higher in two of the last ten years, with a similar figure recorded in 2024. Only about 4% of the banks that responded to this year's survey expect their headcount to fall. This proportion is lower than it was throughout the period from 2014 to 2024. In a multi-year comparison, therefore, we can say that the employment situation is fundamentally upbeat.

The [labour market index for the banking sector](#) only partially confirms the results of the SBA survey. Both the number of vacancies and the number of registered unemployed showed a minimal decline between the first and second quarters of 2025. However, the expectations component of the index was slightly negative in the second quarter for the first time since the start of 2021, despite having been positive in the first quarter. Banks planning to create new jobs in the coming quarter were narrowly in the minority for the first time in four years. At the same time, the proportion of banks experiencing recruitment difficulties due to a lack of qualified specialists, which had fallen to 33% in the first quarter of the year, rose to a high level of 40% in the second. This indicates that it is hard to find the right staff at present.

Figure 25

## Expected employment trend in second half of 2025

Percentages refer to all responses



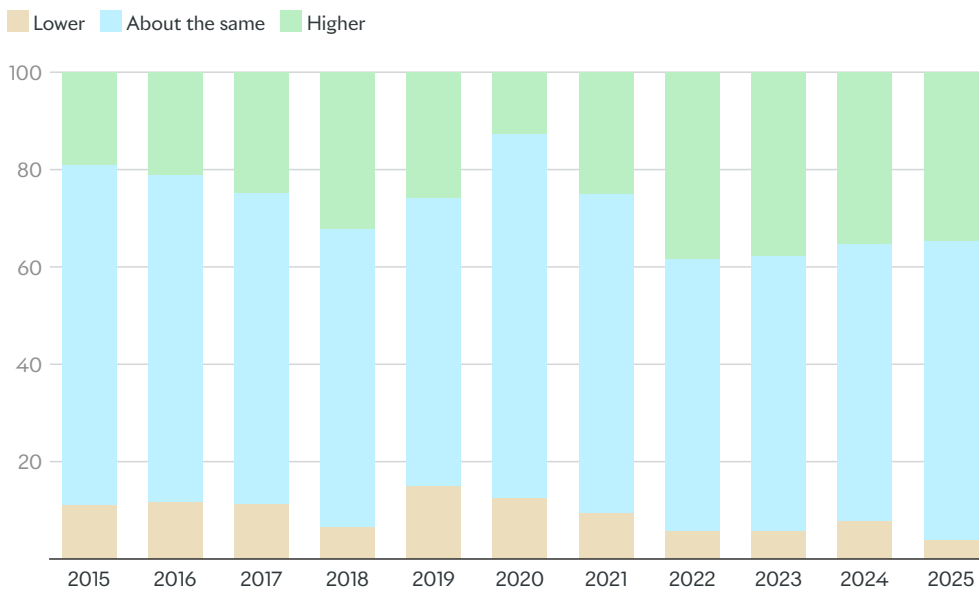
Note: number of responses: 75; Number of banks surveyed: 220.

Chart: Swiss Bankers Association - Source: Survey of the Swiss Bankers Association (2025)

Figure 26

## Survey results on employment expectations for second half of the year 2025

Percentages refer to all responses



Note: number of responses: 75; Number of banks surveyed: 220. The total may be above or below 100% due to rounding effects.

Chart: Swiss Bankers Association - Source: Survey of the Swiss Bankers Association (2025)

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## No significant changes expected in individual business areas

In addition to the general trend, the banks were also asked about the expected employment trend in individual areas of business. Analysis of the responses shows an overwhelming majority of banks expecting staff numbers to remain stable in all areas, i.e. retail banking, wealth management, institutional asset management, trading activities and logistics. There is thus no individual area that clearly reflects the overarching optimism. The survey underscores the fact that banks expect the overall employment trend to be stable or positive, with mostly stable figures in the business areas.

Figure 27

### Employment trend in second half of 2025

Total	Retail Banking	Wealth Management	Institutional Asset Management	Trading Activities	Logistics + Operations (Back office)
→ (↗)	→	→	→	→	→

Note: number of responses: 75; Number of banks surveyed: 220

Table: Swiss Bankers Association · Source: Survey of the Swiss Bankers Association (2025)

## Financial sector unemployment down slightly in first half of 2025

SECO reports that the unemployment rate in the financial sector was 3.0% at the [end of 2024](#), just above the rate of 2.8% for Switzerland as a whole. It has fallen minimally so far this year ([June 2025](#): 2.9%), which is in line with the trend in the national rate (June 2025: 2.7%). The labour market index for the banking sector confirms this deviation from the broader economy. Staff remain in slightly shorter supply in banking than in other sectors. The [JOBSTAT job statistics](#) published by the federal government recorded 5,500 vacancies and almost 7,000 jobseekers across the financial sector as a whole in the first quarter of 2025.

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