

THE SWISS FINANCIAL CENTRE

The Sector: Rooted in Stability and Best Practices

- Switzerland's banking system is a benchmark for stability, security and sound governance, backed by a strong political and economic foundation.
- With over 230 diverse institutions, the Swiss banking sector is a resilient and dynamic financial ecosystem, consistently delivering strong performance within a well-balanced regulatory framework.
- The Swiss financial centre upholds the highest standards in financial integrity, with robust measures against financial crime and full alignment with best practices.

A Stable and Reliable Partner

Embedded in an extraordinarily safe and stable political and economic environment, the Swiss financial centre offers unmatched security and soundness. This premier position correlates directly with Switzerland's exceptionally well-diversified banking sector featuring a diverse array of institutions that differ in size, complexity and business models. From the more than 230 banks in Switzerland, roughly one third are regional or cantonal banks, around 90 are foreign banks which operate under a Swiss banking

license and the remainder includes privately owned banks and UBS, a globally active universal bank. Swiss banks have consistently demonstrated remarkable performance, with a steady increase in aggregate net income over the past decade.

Business-friendly yet Solid Regulation

Switzerland and its banks are widely regarded as a symbol of stability, trust and exceptional customer service. They represent a perfect symbiosis between business and regulation, showcasing how smart policy can create a distinctive value proposition for clients and investors alike. Thanks to Switzerland's robust yet highly competitive regulatory framework, Swiss banks have maintained pole position for decades in serving the world's most discerning clients and safeguarding sensitive assets. This success is underpinned by proven and enduring institutional foundations such as the trust-building rule of law, a legal system that supports diversity within the financial sector and a pragmatic government with administrative practices that carefully weigh costs against benefits. At the same time, a careful international integration and high acceptance of the Swiss banking regulation, a predictable and diligent legislator and efficient executive authorities are all key drivers of the exceptional stability and ongoing success of Switzerland as a global financial centre.

Assets under Management in Switzerland by Customer Origin, 2024

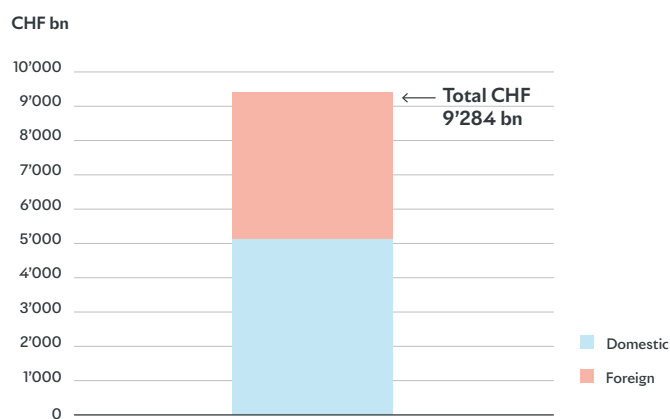


Chart: Swiss Bankers Association · Source: Swiss National Bank

• Swiss Banking

In the field of prudential banking regulation, compliance with international standards by the Basel Committee on Banking Supervision (BCBS) has a long tradition. Switzerland has not only implemented all BCBS standards (e.g. capital, liquidity and risk diversification) but has also been assessed as “compliant” or at least “largely compliant” in each case. This makes Switzerland one of the BCBS model jurisdictions. In addition, Switzerland has extended the scope of application of the BCBS standards from internationally active banks to all institutions operating with a Swiss banking license, thus improving the resilience of the entire financial sector.

Global Standard for Financial Integrity

Integrity, compliance and reputation are vital success factors for the Swiss financial centre. Over the past

decades, Switzerland has been implementing sophisticated measures to combat financial crime, money laundering, bribery, corruption, and terrorist financing. This comprehensive approach combines cutting-edge preventative solutions with decisive enforcement measures. The country has also taken an important role in freezing illicit assets, including those derived from corruption and distributing them in accordance with established legal frameworks that uphold due process. Switzerland maintains some of the world's strictest regulations and continuously enhances its measures, aligning with international developments and the latest risk assessments by the Financial Action Task Force.

The Swiss Bankers Association: Committed to a Strong Financial Centre

The Swiss Bankers Association is the uniting force behind Switzerland's banking excellence, representing around 270 member institutions. For over a century, we have championed the Swiss financial centre's interests, crafting an ideal environment for banking accomplishment and success. Through strategic partnerships with relevant stakeholders, we are shaping tomorrow's banking landscape, focusing on critical priorities like banking stability, market access, anti-money laundering and digital currencies – ensuring Switzerland's continued leadership in global finance. • www.swissbanking.ch