

Swiss Banking Outlook: upbeat forecasts supported by Switzerland's advantages

The Swiss Bankers Association (SBA) has published the update to its Swiss Banking Outlook. Based on a survey of financial market experts from member institutions, it provides consensus forecasts for the Swiss economy and the banking business and paints a cautiously optimistic picture: despite geoeconomic uncertainty, the banks expect their net income to remain stable or even increase. Commission business and services are seen as driving this trend along with persistently strong demand for security and “Swissness” in wealth management.

The financial market experts surveyed among SBA member institutions expect Switzerland to record moderate economic growth, an unemployment rate of 3% and slightly rising but still low inflation. A majority believe that the Swiss National Bank's policy rate will stay at 0.00% throughout 2026 and will not fall into negative territory.

Commission business offsetting margin pressure

Over three quarters of respondents anticipate stable or rising aggregate net income for the banks in spite of continuing margin pressure against a backdrop of

zero interest rates. The optimistic forecasts are supported by growth in the result from commission business and services. Higher customer activity, growing assets under management and a positive trend in most asset classes are likely to offset the challenges in interest operations.

“Despite the ongoing zero-interest environment and the resulting margin pressure, the banks in Switzerland are upbeat about the future. Robust performance in commission business and services and a high level of trust in the stability of the Swiss financial centre are strengthening the earnings base,” explains Martin Hess, Chief Economist at the SBA.

Mortgage market still performing well

The outlook for mortgage loans, which make up most of the banks' lending business, remains positive. Even after the abolition of imputed rental value, the experts see demand continuing to grow. Rising property prices should push the overall mortgage volume up further. The prospects for domestic non-mortgage loans are more muted, with 60% of respondents expecting growth in line with the historical average. They cite uncertainty over companies' capital spending as a reason for this.

Assets under management at record level

Assets under management reached a record high in 2024. This trend is likely to continue. Key factors here are customers' continued need for security and “Swissness” as well as the appeal of the strong Swiss franc. The experts expect the Swiss financial centre to maintain its competitiveness even in an environment of low interest rates and geoeconomic challenges.

About the Swiss Banking Outlook

Published twice a year, the Swiss Banking Outlook offers consensus forecasts of key macroeconomic and financial market indicators as well as views on the development of the banking industry in Switzerland. The results are based on a written survey of 20 financial market experts from SBA member institutions. Participants include chief economists, chief investment officers and leading investment specialists.

The full Swiss Banking Outlook can be found [here](#).

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