

## Banking Barometer 2020

Basel, September 29, 2020 – Banks: a mainstay of the economy – and not just in times of crisis

- The banks' aggregate net income rose by 1.1 percent to CHF 66.1 bn in 2019.
- Their gross profit increased by 4.5 percent or CHF 1.0 bn to CHF 23.2 bn.
- Assets under management grew by 13.8 percent to CHF 7,893.4 bn.
- With a market share of around 25 percent, Switzerland is the global leader in cross-border wealth management for private customers.
- Corporate banking is a substantial contributor to the Swiss economy's productivity, and this has been especially clear amid the COVID-19 pandemic.

The banks' aggregate net income rose by 1.1 percent year-on-year to CHF 66.1 bn in 2019, while their gross operating profit increased by 4.5 percent or CHF 1.0 bn to CHF 23.2 bn. Assets under management grew by 13.8 percent to CHF 7,893.4 bn last year. The banks are a mainstay of the Swiss economy and have clearly proven their worth in the current crisis. "Over the past few months, the COVID-19 pandemic has shown just how important the banks' role in providing credit to Swiss businesses really is," said August Benz, Deputy CEO of the Swiss Bankers Association (SBA) and Head of Private Banking & Asset Management.

### **Banks increasing efficiency**

The total number of banks in Switzerland fell by two to 246 as at the end of 2019. Their gross operating profit increased by CHF 1.0 bn to CHF 23.2 bn, and their balance sheet total grew by 2.9 percent to CHF 3,317.6 bn. Lending once again played a vital role for the Swiss economy. The volume of domestic mortgage loans grew by 3.2 percent last year, slightly below the 2018 growth rate of 3.6 percent. Assets under management were 13.8 percent higher at CHF 7,893.4 bn, primarily due to rising share prices throughout 2019. With a market share of around 25 percent, Switzerland is the global leader in cross-border wealth management for private customers.

### **Around 90,000 people employed at banking institutions**

The number of bank staff in Switzerland fell slightly to 89,531 full-time equivalents as at the end of 2019 (down 1.2 percent). This decline was caused by the growing trend towards digitalisation as well as outsourcing to companies not covered by the banking statistics. According to the SBA's annual survey, the number of people employed at banks in Switzerland increased slightly in the first half of 2020. Three quarters of the banks surveyed expect their headcount to remain unchanged in the second half of the year.

This year's Banking Barometer highlights three key pillars of the Swiss financial sector: corporate banking, wealth management and investment management. Business with corporate customers in particular has been a focus of public interest since the COVID-19 pandemic broke out. By the end of July, loans amounting to CHF 16.8 bn were granted under the SME loan programme. Corporate banking has thus proven its vital importance to Switzerland's private sector.

The banks in Switzerland managed around CHF 3,700 bn in private assets in 2019, with cross-border business accounting for CHF 2,300 bn of this total. In view of mounting uncertainty worldwide stemming from geopolitical and economic policy conflicts as well as the pandemic, the services provided by the banks in Switzerland continue to appeal to foreign customers.

## Securing competitiveness

The banks in Switzerland are facing a number of challenges and need stable operating conditions in order to secure the financial sector's competitiveness. "Important considerations for the future are solutions for EU market access, pragmatic economic policy to deal with the COVID-19 pandemic and market-driven solutions for sustainable investments," said SBA Chief Economist Martin Hess.

## About the Banking Barometer

The SBA's annual [Banking Barometer](#) details the key figures and trends in the Swiss banking sector based on data supplied by the Swiss National Bank (SNB) as well as the results of surveys conducted among member institutions. It is to be presented to the public at 10.30 a.m. today in Zurich. The media release, the Banking Barometer 2020 and the presentations by August Benz, Martin Hess and Thomas Rühl, together with additional facts and figures, can be found on our [website](#).

## About the Swiss Bankers Association (SBA)

As the umbrella organisation and voice of Swiss banks, the Swiss Bankers Association is committed to ensuring optimal framework conditions for the Swiss financial centre both at home and abroad. The SBA represents the banking industry's interests vis-à-vis the private sector, policymakers, the government and the supervisory authorities. It advocates for open markets, scope for entrepreneurial freedom and a level playing field. As a centre of competence, the SBA propagates banking expertise and actively engages in future topics. It was founded in Basel in 1912, and its membership comprises about 250 institutions and around 12,000 individuals.

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