

- Swiss Banking

Annual Media Conference 2022

Swiss Bankers Association (SBA)

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Framework conditions for promoting growth in the Swiss financial centre

Growth

Intensity of competition	Competitiveness	Resilience	Promotion
<p>“Same business, same rules”</p> <p>Low market entry barriers</p>	<p>International competitiveness (market access, equivalence)</p> <p>Sustainable finance: Action plan</p> <p>Dual education system</p>	<p>Stability</p> <p>Integrity</p>	<p>Attractive taxation: withholding tax reform</p> <p>Flexible, open job market</p> <p>Ease of doing business</p>

Swiss banks prepared for more growth

Net income by banking activity

In CHF bn

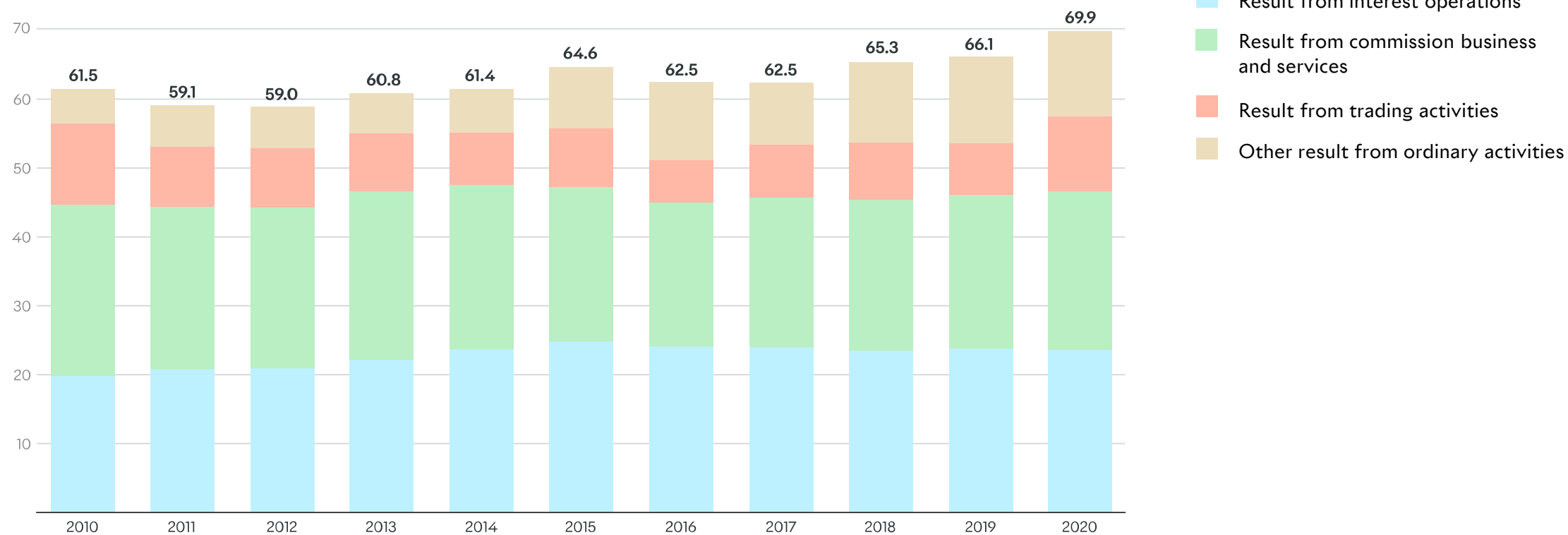
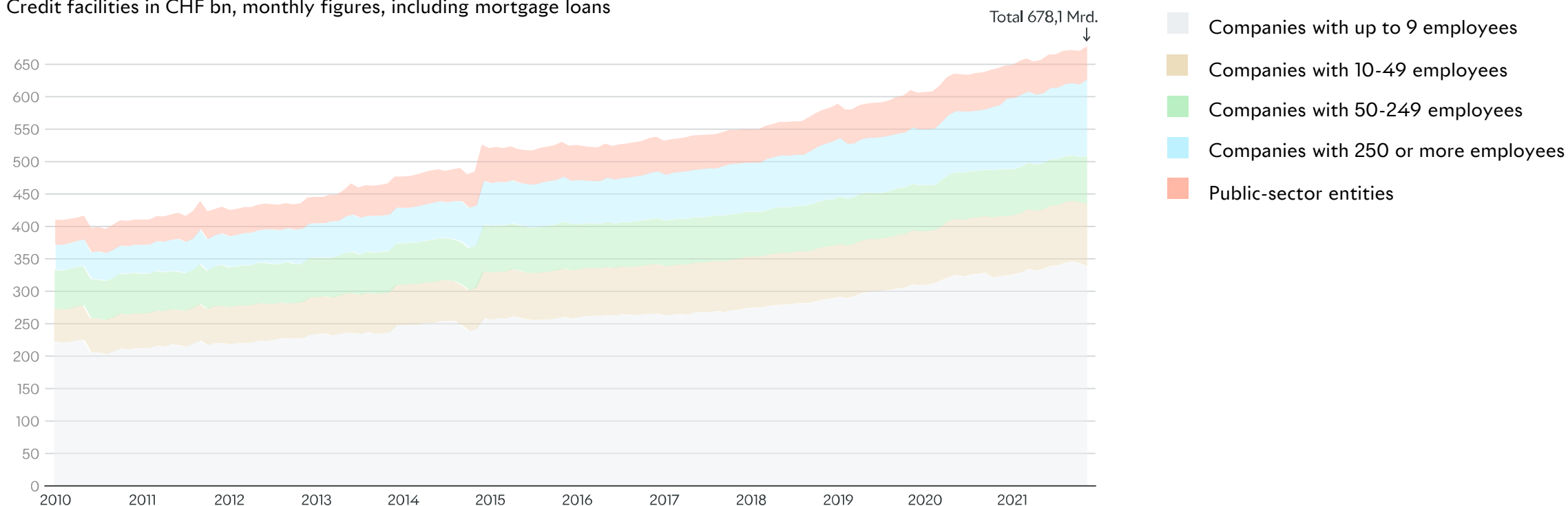


Chart: Swiss Bankers Association • Source: Swiss National Bank (SNB)

Growing demand for SME loans

Domestic corporate loans by size of company

Credit facilities in CHF bn, monthly figures, including mortgage loans



Note: The total lending volume includes working capital loans, investment loans, export finance, mortgages and other forms of credit granted to domestic borrowers. Due to changes in the basis used to compile the statistics, a small proportion of the growth is attributable to statistical effects.

Chart: Swiss Bankers Association • Source: Swiss National Bank (SNB)

Growing demand for wealth management

Assets under management in Switzerland by customer domicile

In CHF bn, end of year, 2021: end of November

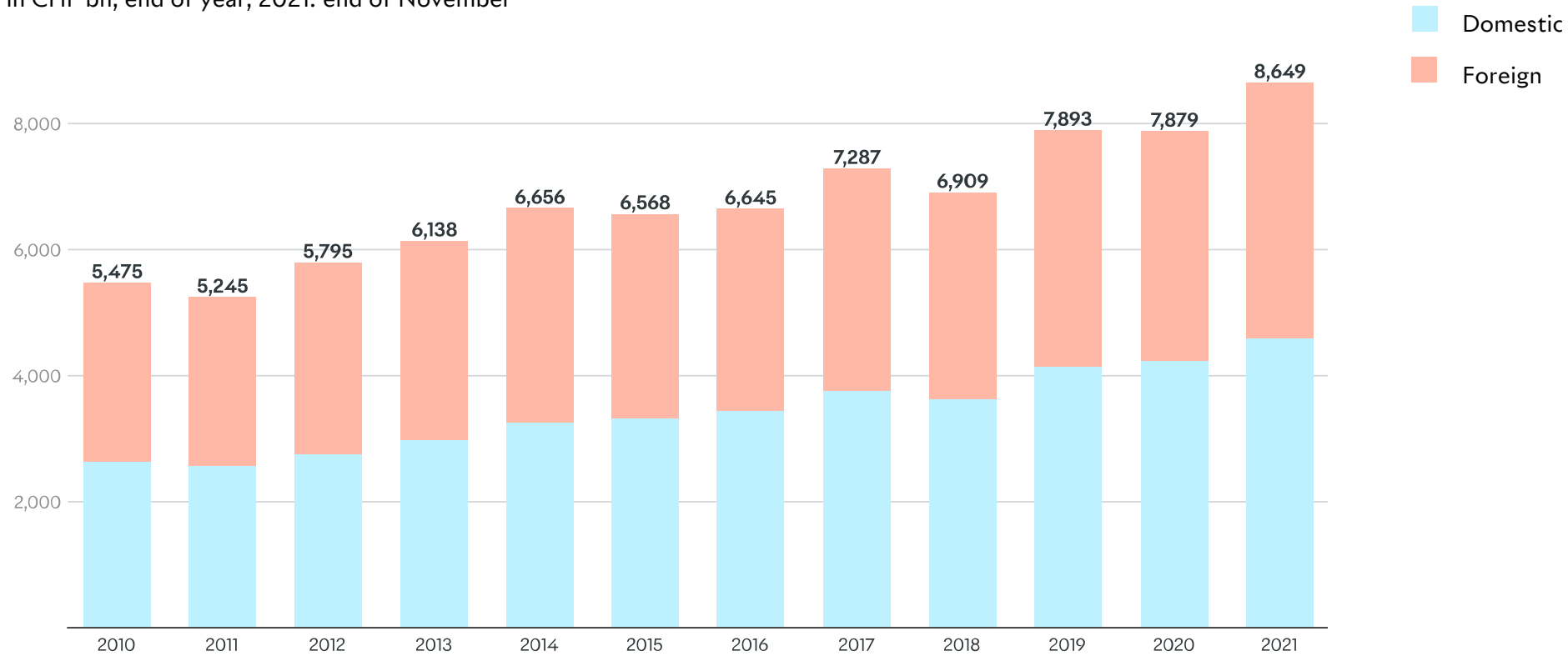
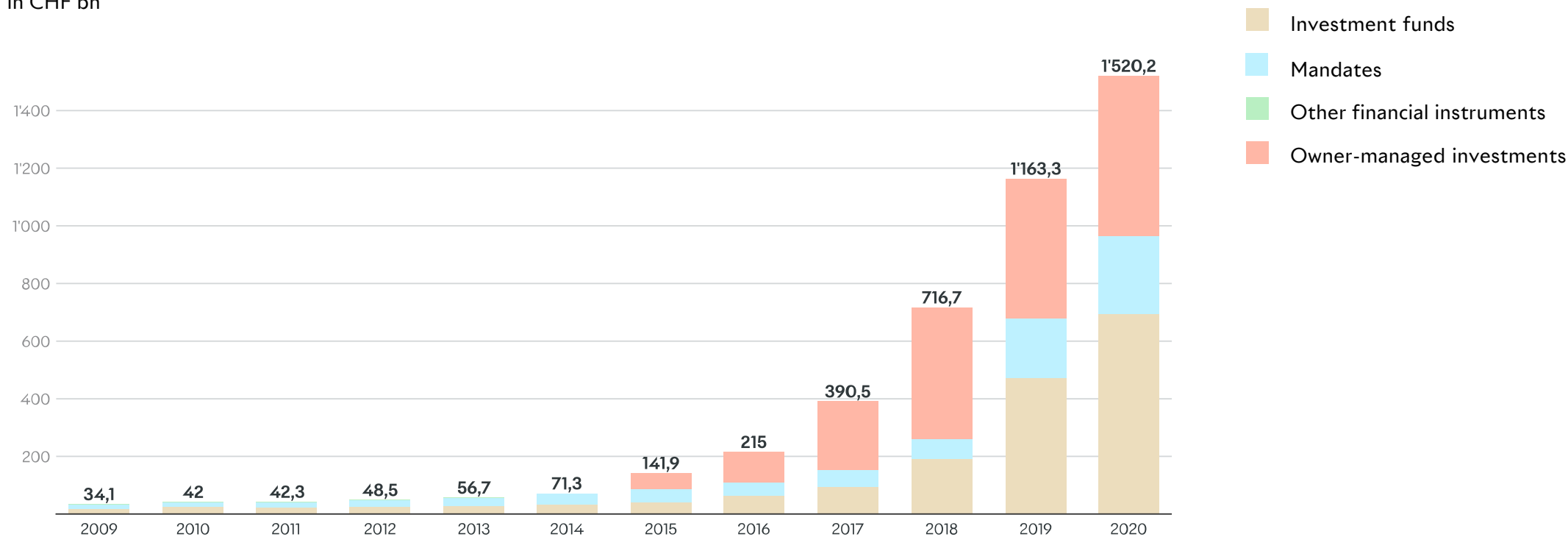


Chart: Swiss Bankers Association • Source: Swiss National Bank (SNB)

Growing demand for sustainable investments

Sustainable investments in Switzerland

In CHF bn



Note: Investment funds, mandates and other financial instruments are attributed to asset management. Owner-managed investments include assets invested and managed by the owners themselves or by specialised wealth managers.

Chart: Swiss Bankers Association • Source: Swiss Sustainable Finance

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Growth

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Switzerland as a leading centre for sustainable finance

Comprehensive measures involving stakeholders and experts

The banks in Switzerland are making a **tangible** and **effective** contribution to achieving the goals of the Paris Agreement, in particular through the following measures:



Liberal
self-regulation

For customers

- Integration of **ESG factors** into the **advisory process** for **investments and financing**
- Transparency of **sustainable products** and **avoidance of greenwashing**



Net-zero
initiatives

To achieve the Paris Agreement goals

- Recommendation to sign up to international **net-zero alliances** and **sustainability initiatives**
- SBA membership of the **Net-Zero Banking Alliance** as a **supporting institution**



Education

For staff

- Integration of ESG know-how into **education and further training**
- Ensuring that customer advisors have specific, proven **ESG skills**



Inclusion of a broad cross-section of **interest groups and experts** to cover a **variety of viewpoints** and **solution approaches**, including:

- Supervision
- Training providers
- Confederation
- Industry
- NGOs
- Associations

Attractive taxation

Withholding tax reform will enhance Switzerland's appeal

- Stamp duty and withholding tax constitute significant disadvantages for Switzerland as a business location because rival financial centres do not have comparable taxes.
- At present, Swiss companies therefore often finance themselves via other countries. If withholding tax and the transfer stamp tax on bonds were to be abolished, they would be able to look to the Swiss market for funding in future.
- **The SBA estimates that the proposed withholding tax reform will make it possible to repatriate a business volume of around CHF 900 billion.**

Integrity

- Anti-money laundering measures
 - Reputation and integrity are of vital importance to the Swiss financial centre.
 - Switzerland has strict regulations in force to combat money laundering and terrorist financing and implements the international standards set by the Financial Action Task Force (FATF).
 - The robust system of measures to prevent money laundering is continually being expanded and tightened up. In particular, the revised Anti-Money Laundering Act contains new requirements (verification of the beneficial owner's details, regular updating of customer details). It is expected to enter into force in the middle of 2022. The Anti-Money Laundering Ordinance is currently being revised.
 - The banks have invested very heavily in compliance measures in recent years and have a wide range of checks and processes in place to ensure that they are adhered to and prevent violations.


- Investments in compliance training and systems

 **CHF 11.2 bn**

Total cost of enlarging compliance departments, 2010-2016

 **12.5%**

Growth in overall cost, 2010-2016

 **700,000**

Hours of compliance training per year in the banking industry

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