

A silhouette of a woman's head in profile, facing right, set against a background of glowing blue and purple light trails. The woman has her hair tied back in a ponytail.

# Clarity on Swiss Private Banks

**Strong and steady**

As banks post strong performances,  
how could AI shape their futures?

This is the 14<sup>th</sup> annual Performance of Swiss Private Banks study I had the honor of leading after launching it in 2012. It will also be my last one as I retire from KPMG this year and build a new career as a board member.

It has been a great pleasure to discuss the findings of our studies with most private banks over the years at executive committee or board level. I've had more than 500 such fascinating and insightful meetings. I would like to thank you all very much for your time. The studies covered a period in which the industry has fundamentally changed. Many banks I met have long since disappeared. The remaining ones, however, have become much more successful. It feels rewarding to hand over the study to my successors at a time when the Swiss private banking industry is on a high.

Thank you very much!  
**Christian Hintermann**

### **A study by KPMG Switzerland**

in cooperation with the  
Institute of Management and Strategy  
at the University of St.Gallen

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Photo by Geertjan van Beusekom

## Strong and steady

### As banks post strong performances, how could AI shape their futures?

It is against a backdrop of great economic and geopolitical uncertainty that we carried out this year's study of 68 private banks in Switzerland – or around 85% of the private bank population here.

The results of our in-depth analysis point to a very clear, positive message: Swiss private banks continue to perform very well. Profitability may have fallen last year and cost-income (C/I) ratios risen – driven partly by low interest rates in Switzerland generating less interest income – but banks managed to post strong results. They generated a significant increase in net new money (NNM), and assets under management (AuM) are at a record high, fueled also by some sizeable M&A transactions. Switzerland's banks have also undoubtedly benefited from their country's status as a safe haven.

So, does this mean banks are all performing well and there is no need for concern?

Of course, nothing is ever that simple. There are still very large differences between individual banks' performances – notably, the number of banks with a C/I above 80% rose to 32, which is almost half of our sample. Many banks also failed to deliver efficiency gains over the past five years – it seems that when times are good, the pressure is off and they

spend less effort on managing costs. Consolidation also picked up pace, and the number of banks fell to 79 in 2026 – down from 156 in 2010. This is a further sign that it is a tough market in which to be successful. Further consolidation is expected.

As well as our annual analyses, we decided this year to address a topic that looms large over most industries – and indeed, societies – around the world: Artificial Intelligence. It seems everyone has a view on whether it is good or bad, and how far it can and should go. We wanted to base findings on fact not speculation. So, we invited Swiss private banks to participate in a short additional survey regarding where they stand on AI. As in many industries, most players are gaining their first experiences with AI, and the impact so far is limited. Expectations are that the impact will grow in the next three years, but it is still expected to be relatively conservative. As a further part of the survey, the HSG created the AI Advancement Index, which categorizes the AI maturity of 73 Swiss private banks. Only 16 banks are classified as advanced or leading in AI. There is clearly more to do.

Given the results of our study, and the AI opportunity in particular, we look ahead with even more optimism than usual at how the Swiss private banking industry will develop over the coming years!

A handwritten signature in blue ink, appearing to read 'C. Hintermann'.

**Christian Hintermann**  
Partner, Financial Services

A handwritten signature in blue ink, appearing to read 'P. Sprenger'.

**Pascal Sprenger**  
Partner, Head of Financial Services,  
Member of the Executive Board of Directors

# Key messages



## Larger players drive consolidation as the number of banks falls below 80

2025's deal market delivered a number of noteworthy transactions, including the acquisitions of Banque Thaler and Cité Gestion. It also showed growing interest by foreign banks in entering the Swiss market, underlining the country's safe haven status. 2026 saw Safra Sarasin's purchase of Saxo Bank close, with AuM of CHF 105bn – the largest deal since 2013. Overall, it is the larger banks that are driving an uptick in consolidation.

AuM of the 68 banks in our sample hit CHF 3.5tn at the end of 2025. NNM was a key enabler of this increase – at just over CHF 96bn, NNM was more than one-third higher than in the prior year. All sizes of banks performed well, with small banks growing NNM by almost 60%, medium banks almost sustaining the high levels they generated in 2024, and large banks growing NNM by 53%. M&A also played its part, adding CHF 35bn compared to a cumulative CHF 6.5bn in 2021 – 2024.



## NNM helps fuel record high AuM



## AI use is widespread, but limited impact to date

AI is firmly on Swiss private banks' agendas though investment remains at a relatively early stage. 34 banks responded to our short supplementary survey regarding their use of AI, which showed that the number of banks investing more than CHF 500k in AI is expected to double in 2026. While AI is used primarily for administrative tasks currently, there is significant potential for advanced applications such as the use of multi-agents or revenue optimization.

The AI Advancement Index developed by the HSG Institute of Management and Strategy shows that advanced AI capabilities remain concentrated among a relatively small group of frontrunners (only 16 of 73 banks are categorized as advanced or frontrunner). These banks have explicit AI strategies, formal governance structures, transformation programs, and targeted technology investments to develop “AI First” strategies. The question is whether a greater proportion of banks can turn fragmented tool adoption into a well-governed, scalable, and strategically meaningful capability.



## Advanced AI capabilities are focused on a small group of frontrunners



## Strong performances, but no improvement in profitability

As the tailwind of high interest rates slowed, banks still performed strongly – though gross profits did not rise despite record levels of AuM. More than half of banks achieved a cost-income (C/I) ratio of below 80%, making them strong and upper-mid performers. Large and small banks continued to perform well, though large banks failed to make efficiency gains, while medium banks saw C/I increase and profits fall.

There was a remarkably flat trend in the past five years in how much revenue banks generated for each CHF 1bn of AuM, and the costs of servicing those client assets. The median for small banks peaked in 2023 and 2024 thanks to a rise in interest income and stable commission income margins. But no large bank, and very few medium banks, were able to increase commission income, and cost management also proved a challenge. The analysis suggests that banks work harder to reduce costs when they are performing less well – but when they are performing more strongly, as they are currently, there is less focus on reducing costs.



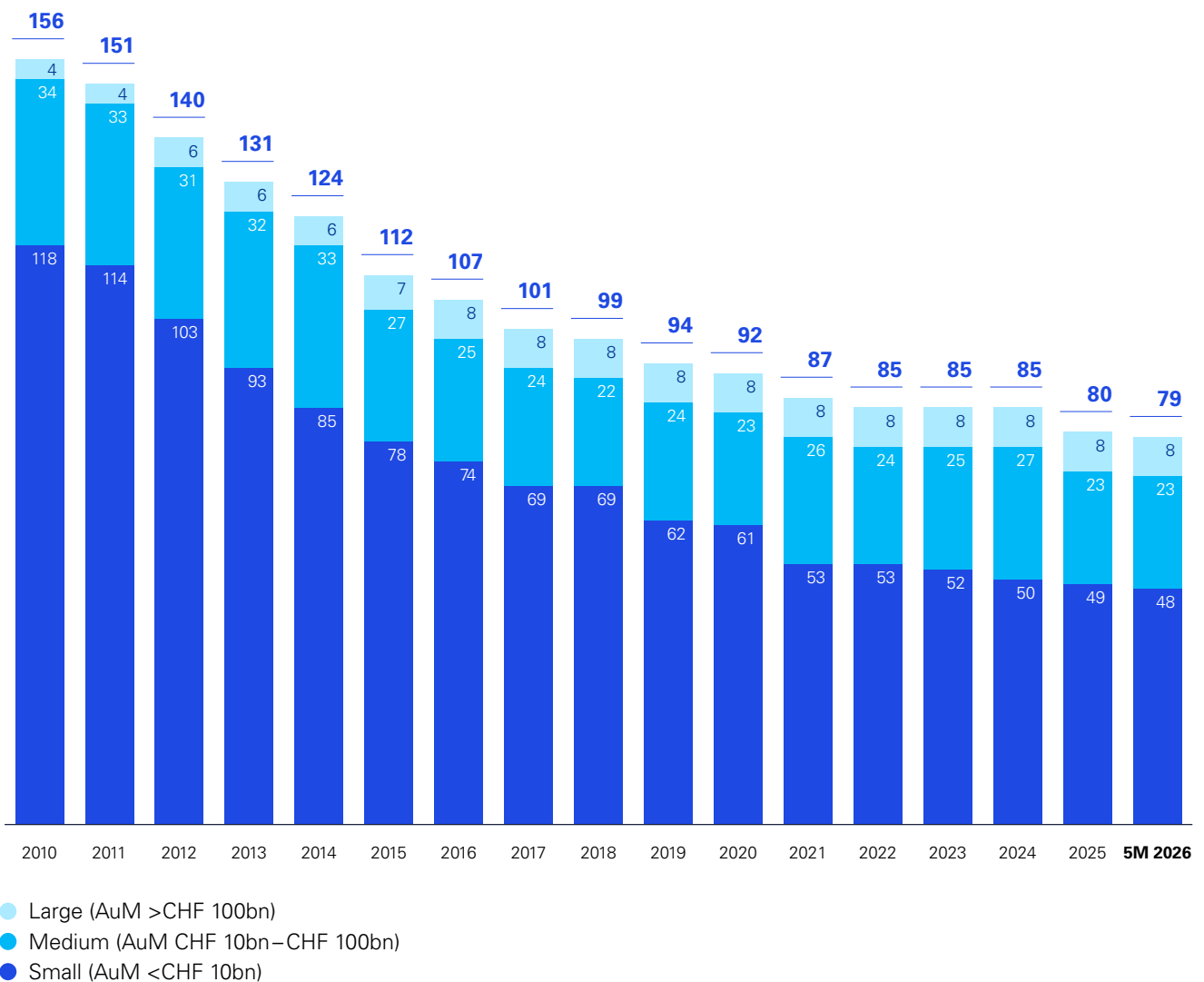
## No significant efficiency gains over the past five years

# 01

## Number of banks falls significantly as 2024 deals close and consolidation continues

At CHF 105bn AuM, Safra Sarasin's acquisition of Saxo Bank was the largest transaction since 2013. This was a standout deal in 2025, which delivered an uptick in consolidation through the acquisitions of Banque Thaler and Cité Gestion. Larger private banks are driving this consolidation. While growing interest by foreign banks to enter the Swiss market underlines the country's safe haven status, 2025 saw major Swiss players streamline their international setups, such as Julius Baer exiting its Brazilian business.

## Number of Swiss private banks by AuM size 2010–5M 2026, excluding UBS



### Number of banks continues to fall

The number of banks fell from 85 to 80 in 2025 as the result of UBP acquiring Société Générale's Swiss private banking business, CA Indosuez acquiring Banque Thaler, BNPP converting its Swiss subsidiary to a branch of the French bank, IHAG returning its banking license following the sale of its client book to Vontobel, and the merger of ONE Swiss Bank and Gonet & Cie. The forced liquidation of Mbaer Merchant Bank in early 2026 left 79 banks by the end of May 2026.

### Consolidation is on the rise

There were 13 transactions involving Swiss private banks in 2025. At CHF 105bn of AuM, Safra Sarasin's purchase of Saxo Bank was the largest transaction since 2013. As it closed in March 2026, its impact will be visible only in 2026's financials. The transaction is strategically interesting as it demonstrates international, client segment, and product diversification, and leveraging technology to become more innovation/client experience led.

Some deals were noteworthy for driving further consolidation in the market. Banque Thaler, which for many years has been one of the most successful banks in our analyses, was acquired by CA Indosuez International. Cité Gestion – one of the fastest growing – was bought by EFG International. The takeover of Kaleido Privatbank by France's Banque Richelieu saw a new foreign bank enter the Swiss market – demonstrating groups' ongoing interest in Switzerland and underlining its leading position as a safe haven. These three targets were all small banks, continuing the 15-year trend that has seen the number of small banks fall by around 60% and which continued in 2026 with EFG International's acquisition of Quilvest Switzerland.

Apart from domestic transactions, 2025 saw medium-sized banks acquire locally in adjacent areas such as the EAM and succession advice spaces. Foreign acquisitions by Swiss private banks were driven mostly by the Big 8 players and included targets in the EAM, private banking, and middle-/back-office solution provider sectors.

On the sell side, 2025 saw Julius Baer exit its Brazilian business, Gonet & Cie exit its Bahamian business, and Vontobel streamline its product portfolio by selling its cosmofunding digital financing platform. These transactions illustrate the importance of a clear focus on key markets. Maintaining an onshore presence is costly and complex, and banks should exit if they cannot achieve a critical size.

Overall in 2025 and year-to-date 2026, small private banks remained targets, medium-sized banks positioned themselves mostly on the domestic buy-side with the objective of diversifying by acquiring in adjacent business areas, and the Big 8 were most active in driving domestic consolidation, streamlining their geographic footprints and product offerings, and acquiring businesses internationally.

### Outlook

We expect domestic private banking deals to take place mostly between small banks. It will be interesting to see if the market becomes a 'winner takes all' market or if some niches will continue to exist profitably on a smaller scale. We believe some small and medium-sized banks will be entry points for international financial groups seeking to offer their clients a safe haven. However, the past few years have shown that regulatory approval for a takeover can be a major hurdle for foreign buyers.

## M&A in the private banking space

### Swiss private banking transactions \*

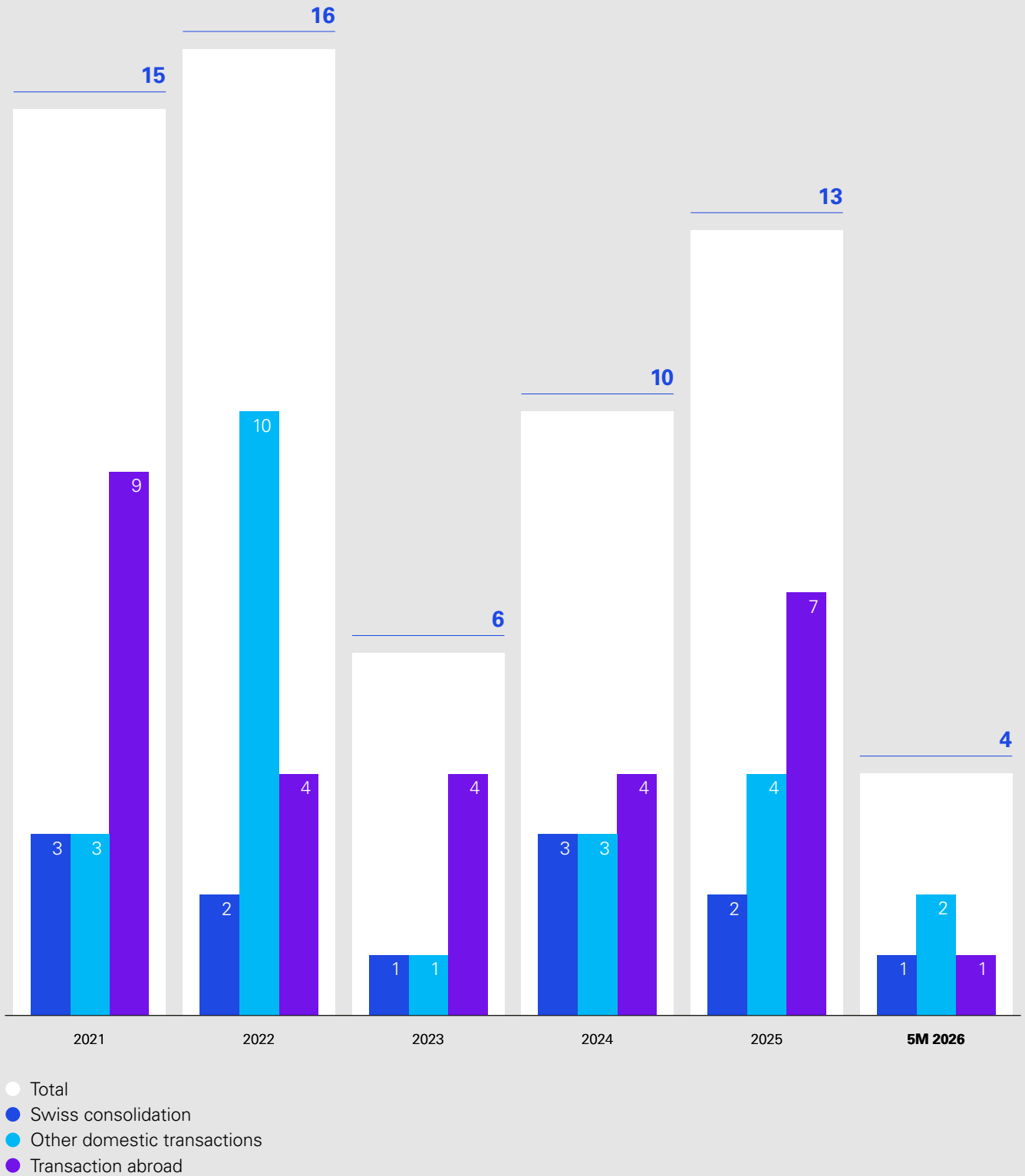
2025 – May 2026

Announced date	Target	Bidder	Seller	AuM CHF bn	Deal type
<b>5 months 2026</b>					
May 26	Cornèr Bank Ltd.	Cornaro family	Piotrkowski-Dollfus family	n.a.	Share deal
Feb 26	Makowem & Isaacs Financial Planning Ltd	EFG International AG & Investment Services Group Ltd	n.a.	0.3	Share deal
Jan 26	Reyl & Cie Holding SA	Fideuram-Intesa Sanpaolo Private Banking SpA	Reyl & Cie Holding SA	14.7	Share deal
Jan 26	Quilvest (Switzerland) Ltd	EFG International AG	Bemberg Capital SA	5.3	Share deal
<b>2025</b>					
Oct 25	Vontobel cosmofunding – digital financing platform	Zürcher Kantonalbank	Vontobel Holding AG	n.a.	Asset deal
Oct 25	Finpromotion Société de Promotion Financière SA	Cornèr Bank Ltd.	n.a.	n.a.	Share deal
Jul 25	JTC Trust & Fiduciary Services (UK) Ltd	JTC plc	UNION BANCAIRE PRIVEE, UBP SA	n.a.	Share deal
Jul 25	Brown Shipley (Southern African HNWI Expat Business)	Investec Bank Switzerland	Brown Shipley & Co Limited	n.a.	Asset deal
Jul 25	Kaleido Privatbank AG	Banque Richelieu France SA	Citadele Bank	n.a.	Share deal
Jul 25	Tenalis AG	Rothschild & Co Bank AG	n.a.	n.a.	Share deal
Jun 25	Investment Services Group Ltd	EFG International AG	n.a.	n.a.	Share deal
May 25	Bank of Nassau 1982 Ltd	Levant Advisors Ltd	Gonet & Cie SA	n.a.	Share deal
Apr 25	Banque Thaler SA	CA Indosuez (Switzerland) SA	n.a.	3.1	Share deal
Mar 25	Saxo Bank A/S	J. Safra Sarasin Group	Zhejiang Geely Holding Group Co Ltd and Mandatum Pankki Oyj	104.7	Share deal
Feb 25	Cité Gestion SA	EFG International AG	Guy Barbey, Laurent Kramer, Sven Blake (Management)	7.5	Share deal
Feb 25	Hottinger & Co Ltd	Edmond de Rothschild Holding SA	n.a.	n.a.	Share deal
Jan 25	Julius Baer Brasil Gestão de Patrimônio e Consultoria de Valores Mobiliários Ltda	Banco BTG Pactual	Julius Baer Group Ltd	9.0	Share deal

- Swiss consolidation
- Other domestic transactions
- Transaction abroad

\* The table includes transactions in broader wealth management, contributing to the bank's operational service delivery/portfolio, involving Swiss private banks either as a target or on the buy or sell-side. Investments of asset management subsidiaries/funds have been excluded.

### Number of announced M&A deals (buyer, target or seller is a Swiss private bank) 2021–5M 2026



\* UBS/CS transactions are not counted as in our transaction tool we have classified them as "diversified banking group". Only the UBS CS merger is counted

Number of transactions differ compared to values shown on previous "Clarity on Swiss private banks" as we now include all transactions involving a Swiss private bank (incl. Target such as AM, IAM, etc.)

## M&A in the EAM space

We have not yet seen a sustained wave of post-FinIA consolidation. Transactions in 2025 and 2026 to date showed consolidation being driven by a different type of buyer:

Private Equity-backed Swiss Cinerius Financial Partners positioned its portfolio company SSI Wealth Management as a nucleus for add-on acquisitions for small EAMs, e.g. Huber & Partner Vermögensverwaltung and Monaval Vermögensverwaltung. Early 2026 saw US wealth managers pursue growth strategies in the Swiss EAM market, including the acquisition of Baseline Wealth Management by Creative Planning, and the acquisition of Bedrock by Corient

Capital Partners. US wealth managers are likely to help drive consolidation going forward.

Larger EAMs (AuM over CHF 1–2bn) are ideal targets for such Private Equity-backed players as a basis for bolt-on acquisitions. We expect prices for larger, successful EAMs to be at the higher end. Smaller EAMs (AuM below CHF 1bn) are attractive bolt-on targets. The M&A market in this size bracket is less competitive due to the high number of players. While many owners are currently reluctant to sell, continued pressure on profitability may mean more deals sooner or later.

## Swiss external asset manager transactions\*

2025 – May 2026

Announced date	Target	Bidder	Seller	AuM CHF bn	Deal type
<b>5 months 2026</b>					
May 26	<b>HONESTAS-Group</b>	Cinerius Financial Partners AG	n.a.	n.a.	Share deal
Apr 26	<b>Valeria Capital AG</b>	Valère Consulting AG	n.a.	n.a.	Asset deal
Apr 26	<b>Bedrock SA</b>	Corient Capital Partners LLC	n.a.	8,400	Share deal
Feb 26	<b>Dynawealth Management Ltd</b>	Sept Finance SA	n.a.	n.a.	Share deal
Jan 26	<b>Octogone Holding SA</b>	Almha Capital and former partners (Management)	Focus Financial Partners	4,800	Share deal
Jan 26	<b>Baseline Wealth Management SA</b>	Creative Planning LLC	n.a.	806	Share deal
<b>2025</b>					
Dec 25	<b>FRS Financial Services GmbH</b>	Cinerius Financial Partners AG	n.a.	n.a.	Share deal
Nov 25	<b>Büttner, Kolberg &amp; Partner Vermögensverwalter GmbH</b>	Cinerius Financial Partners AG	n.a.	n.a.	Share deal
Nov 25	<b>Aequitum SA</b>	BG Valeur SA	n.a.	760	Share deal
Nov 25	<b>Amasus Investment AG</b> (Activities in Zurich)	Amadeus Capital SA	n.a.	360	Asset deal
Oct 25	<b>Cottonfield Family Office AG</b>	Bodewise AG	n.a.	n.a.	Share deal
Oct 25	<b>Finpromotion Société de Promotion Financière SA</b>	Cornèr Bank Ltd.	n.a.	n.a.	Share deal
Jul 25	<b>MainFirst Holding AG</b> (portfolio management services)	LAIQON AG	MainFirst Holding AG	n.a.	Share deal
Jul 25	<b>Monaval Vermögensverwaltungs AG</b>	SSI Wealth Management AG	n.a.	270	Share deal
May 25	<b>Labha Investment Advisors SA</b>	Point Capital Group AG	n.a.	n.a.	Share deal
May 25	<b>AGENDA INVEST AG</b>	Vector Wealth Management SA	n.a.	n.a.	Share deal
Apr 25	<b>Alpha Leonis Partners AG</b>	1875 Finance Holding SA	n.a.	n.a.	Share deal
Apr 25	<b>Tell &amp; Partner AG</b>	Swisspartners Group AG	n.a.	n.a.	Share deal
Feb 25	<b>Zwei Wealth Experts AG</b>	Swiss Life Holding AG	n.a.	3,500	Share deal
Jan 25	<b>Huber &amp; Partner Vermögensverwaltung AG</b>	SSI Wealth Management AG	n.a.	345	Share deal

### Target – Buyer

- Swiss consolidation
- Switzerland – Foreign country
- Foreign country – Switzerland

\* All EAM transactions with a Swiss angle considered (target, buyer or seller being a Swiss EAM)

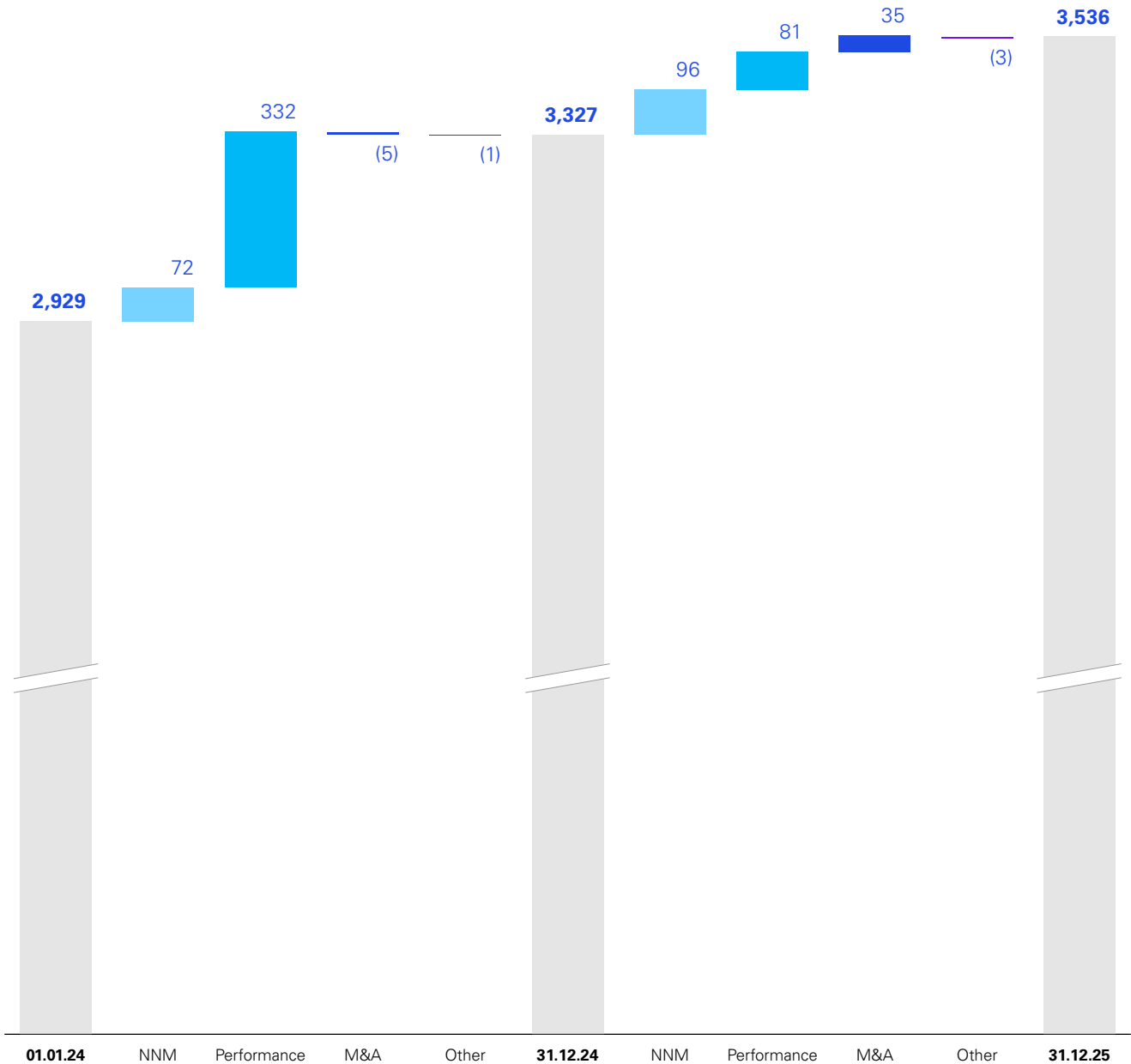
# 02

## AuM hits a record high as NNM gains momentum

2025 saw the 68 banks in our sample achieve record levels of AuM at CHF 3.5tn. This was driven in part by strong NNM of around CHF 96.0bn, being 32.8% higher than in 2024. Small banks performed particularly well, increasing NNM by almost 60%, while large banks increased it by almost 53%. While medium banks showcased flat NNM (5.0% lower), this was sustaining 2024's high levels of around CHF 25bn. Across bank sizes, M&A had a significant impact in 2025, at around CHF 35bn of NNM—far exceeding the CHF 6.5bn of the previous four years combined.

## AuM development

1 January 2024 – 31 December 2025, in CHFbn



\* Net AuM figures – double-counts are adjusted for Gonet & Cie SAs in Arab Bank (Switzerland) Ltd

**Strong levels of NNM across all bank sizes**

2025 ended with AuM at a record high of CHF 3.5 trillion. NNM was strong in absolute terms at CHF 96.0bn, being 32.8% above the prior year and the highest since 2021's CHF 130.1bn. Strong NNM development across all size clusters is likely supported by Switzerland's reputation as a safe haven in a currently unstable global landscape.

Large banks increased their NNM to CHF 66.6bn (52.7% higher than 2024), medium banks kept NNM flat at CHF 23.3bn (5.0% lower), and small banks grew NNM from CHF 3.8bn to CHF 6.2bn (61.4% higher). These figures show that medium banks continued their strong performance of 2024, large banks recovered from a weak 2024, and small banks were able to further increase already strong NNM.

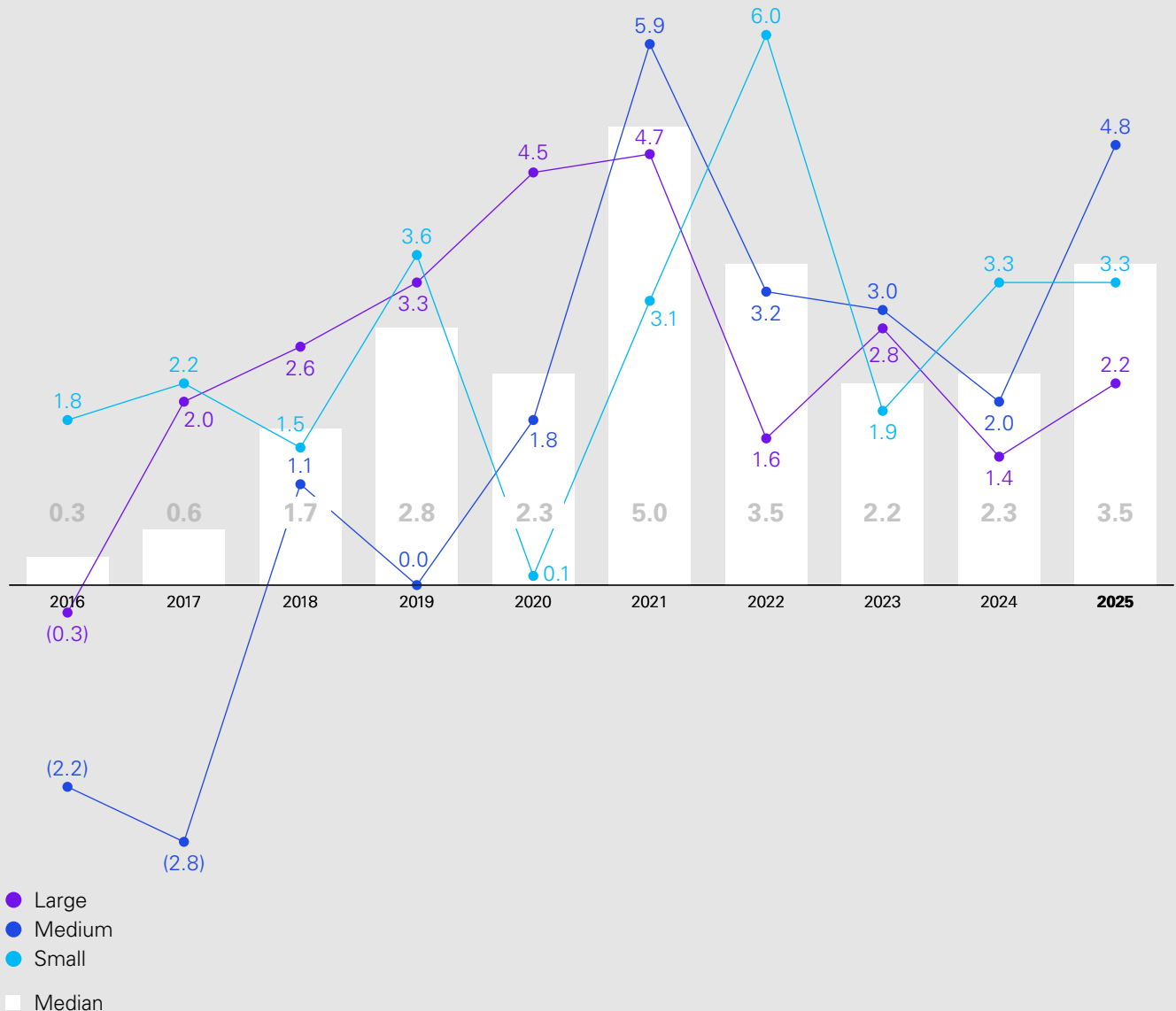
At CHF 96bn, the contribution of performance was significantly below 2024, but still positive. The very strong CHF had a negative impact on performance of about CHF 150bn, driven mainly by the strong depreciation of the USD against the CHF.

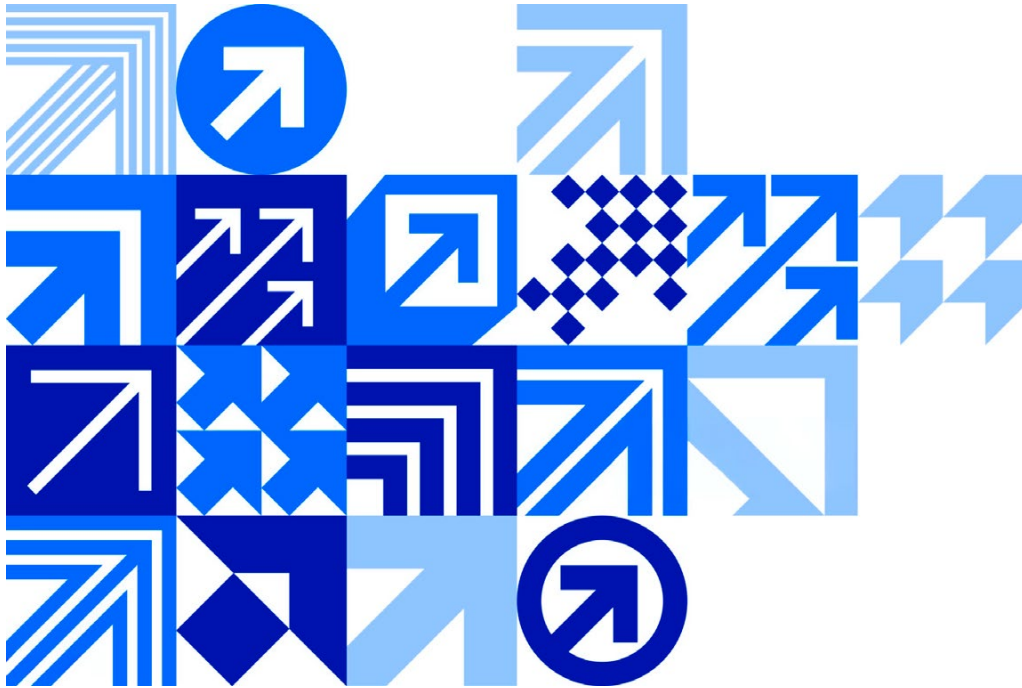
M&A had a strong positive impact for the first time in years. The aggregate impact of M&A over the previous four years was CHF 6.5bn; the impact in 2025 alone was around CHF 35bn. This is net of divestments, the largest of which was Julius Baer's sale of its Brazilian business with CHF 9bn AuM. Of the CHF 35bn, about CHF 25bn related to consolidation deals in Switzerland, meaning these AuM were taken over from other Swiss private banks.

Safra Sarasin's takeover of Saxo Bank closed in March 2026 and is not yet included in our figures.

**Median NNM growth**

2016 – 2025, in %





### Median NNM is second highest in the past 10 years after 2021

Median NNM rose from 2.3% in 2024 to 3.5% in 2025, with 39 out of 67 banks growing their NNM.

While large banks contributed the highest NNM in absolute terms, they achieved the lowest median NNM at 2.2% (1.4% in 2024). NNM is relatively stable among large banks, with only two banks reporting negative NNM in one year in the past three. Several Big 8 banks communicate NNM targets, generally in the range of about 3%-5%. Given levels achieved historically, this is a stretch target. Only two of the Big 8 achieved more than 3% NNM in each of the past three years.

Medium-sized banks performed most strongly in 2025, with median NNM of 4.8%. Fourteen, or about 60%, of the medium-sized banks performed very strongly with NNM between 4% and 20%. While the median NNM of medium-sized banks was only 2% in 2024, several subsidiaries of global banks had achieved more than 10% in 2024, potentially linked to inflows from UBS/CS. NNM performance varies greatly between medium-sized banks, however. Five of the 23 banks saw outflows in every one of the past three years. C/I rose significantly at three of these banks, demonstrating how years of weak NNM is often a sign of more deeply rooted challenges.

Small banks maintained a high level of NNM at 3.3% – the same as in 2024. Seven of them achieved NNM of more than 10% – these represent a diverse group with a range of business models.

NNM is key to growth. Banks use various measures to try to increase NNM, including hiring new client relationship managers. But even in a strong year such as 2025, median NNM was 3.5%, and only 10 of the 67 banks achieved NNM of more than 10%. For most banks, NNM is insufficient to grow the bank significantly.

Some of the banks with very high NNM appeared willing to accept NNM with lower profitability, leading to a fall in commission income margin in years following high NNM. Each bank needs to consider what makes more sense for them strategically and financially – a greater focus on volume or margins?

# 03

## AI survey: investments remain low for the time being

Swiss private banks' investment in AI remains low. The vast majority use AI to support individual tasks such as drafting client communications, rather than to transform end-to-end business processes. Advanced applications such as the use of multi-agents or revenue optimization are rarely used. Despite generally having the view that value will materialize only once AI is scaled and more deeply embedded into processes, banks are not investing significant amounts. Only around 18% (six banks) of our survey respondents invested more than CHF 500k in AI in 2025 – though this is expected to double in 2026.

For the first time, we asked Swiss private banks to participate in a short survey on AI. In total, 34 banks (four Big 8, 11 medium, 19 small) participated.

The 13 questions were on four topic areas to generate fact-based insights: current AI adoption, realized financial impact, forward-looking expectations, and AI strategy & governance.

The survey was conducted in collaboration with the Institute of Management & Strategy of University of St.Gallen (HSG).

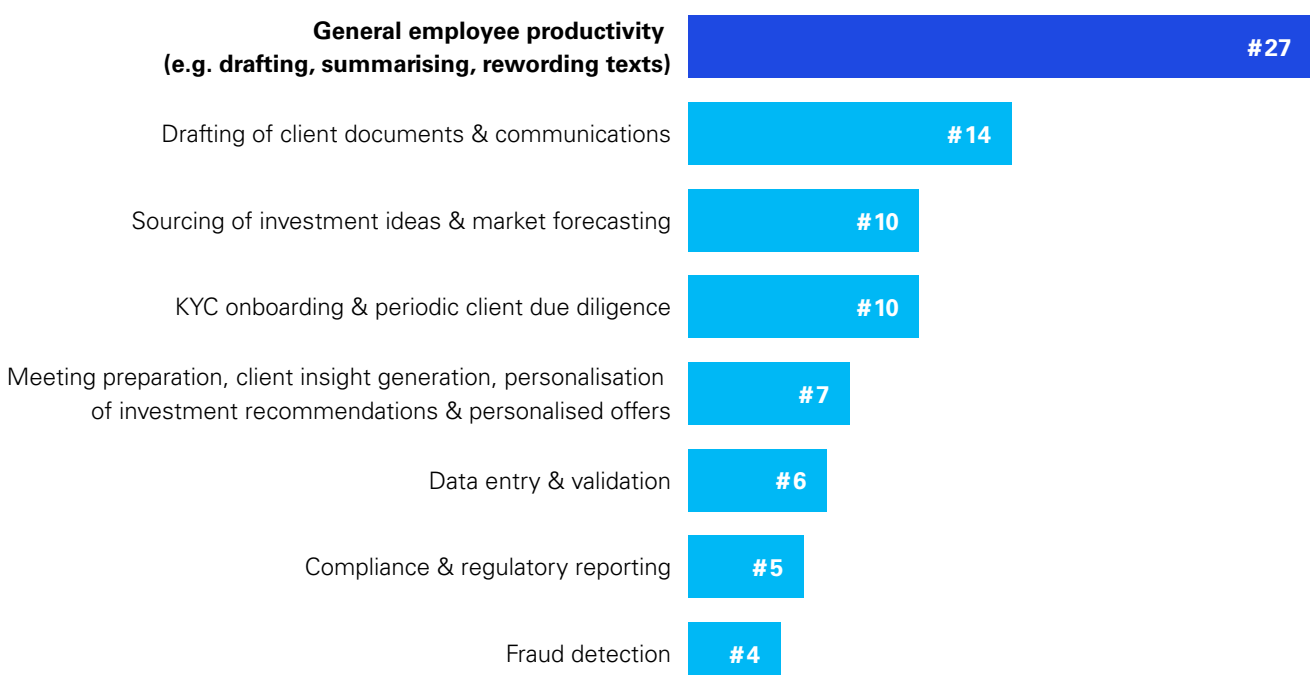
### AI adoption is accelerating but still productivity-led

Swiss private banks' AI journey is picking up pace, with four-fifths of banks already running AI in production. AI is predominantly used to support individual tasks rather than to transform end-to-end business processes. Adoption is concentrated in a narrow set of use cases, particularly general employee productivity such as drafting client communications. More advanced applications such as the use of multi-agents or revenue optimization play only a minor role so far.

### Deployment or piloting of AI solutions

Functional areas with at least four responses (except 'other')

Multiple answers possible per respondent



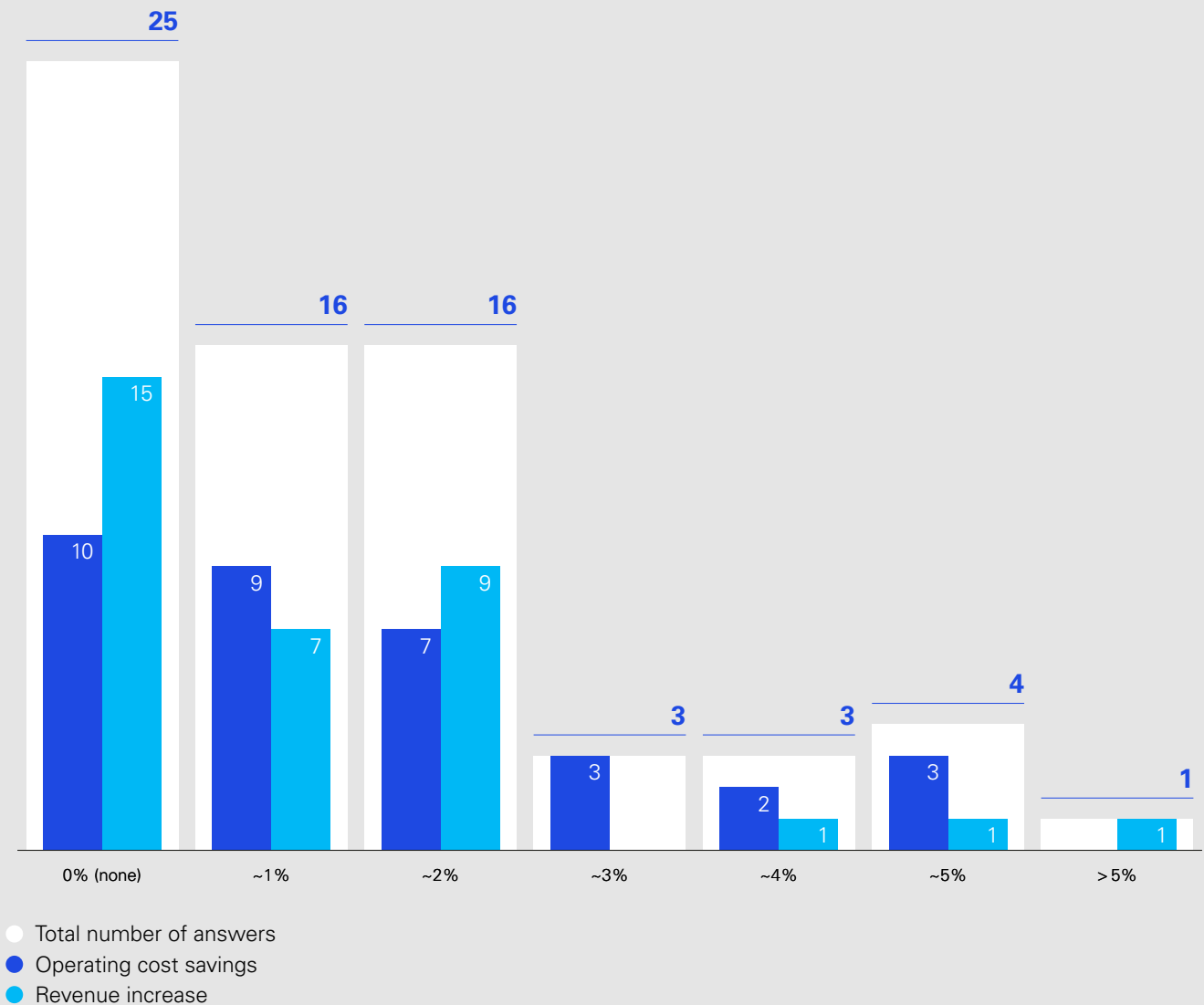
Only around 18% of banks invested more than CHF 500k in AI in 2025. This reflects directly in outcomes, with most respondents attributing no measurable cost reductions and almost no revenue increase to AI. One Big 8 bank stood out by indicating a 5% cost reduction in 2025. AI is therefore still largely treated as a pilot or exploratory topic rather than a fully funded transformation initiative. The proportion of banks investing more than CHF 500k is expected to rise to 32% in 2026.

Most banks rely primarily on standard vendor solutions, with almost three-quarters using off-the-shelf AI tools. Only a minority complement these with in-house or hybrid capabilities. The majority's approach enables relatively fast adoption but limits differentiation, as institutions are largely building on similar tools rather than leveraging proprietary

data or integration to create distinct competitive advantages. Despite this, 32% of banks – representing all size categories – describe their strategic approach to AI as being transformational (central to the bank's competitive strategy and future business model).

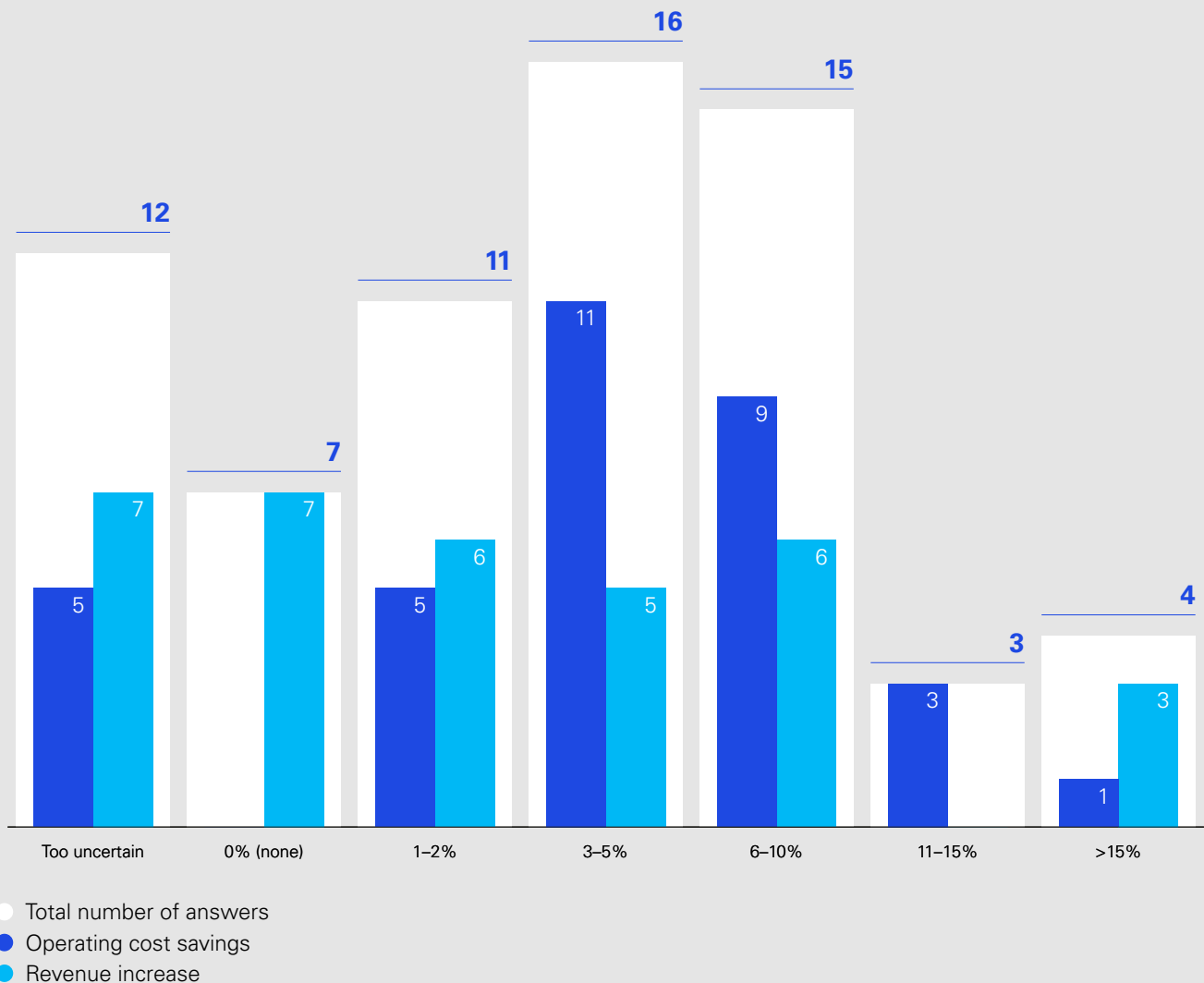
Survey respondents' expectations for the next 12 months are cautious, with two-thirds of banks expecting a revenue increase of up to 1% in the short term. Expectations improve for results over a three-year horizon, particularly for cost savings, although revenue outlooks are mixed and uncertain. This reflects a general view that value will materialize only once AI is scaled and more deeply embedded into processes. This is evidenced by one medium bank with a transformational strategic approach to AI expecting cost savings and revenue increases of more than 15%.

### Expected cost savings and revenue increases delivered by AI Next twelve months



## Expected cost savings and revenue increases delivered by AI

Next three years (cumulative)



### Practical realities of adopting AI

These patterns are visible not only in the data, but also consistently in our engagements with Swiss financial institutions. Organizations are still in the early stages of building confidence and scaling capabilities, which requires continued upskilling and strengthening technology-related competencies. At the same time, foundational topics such as legacy platforms, data access, and the use of cloud solutions remain critical enablers on the AI journey.

AI is a multidisciplinary topic where business, risk, and technology considerations intersect. Questions around cloud usage, data privacy, and security need to be understood not only at a policy level but at a technical implementation level.

Having the right talent, structure and governance is key.

Organizations establish AI-related roles or competence centers depending on the size of the bank and its ambitions to drive governance, define guardrails, and coordinate business case assessments. Responsibility for identifying and owning use cases meanwhile sits with individual functions. Particularly in larger institutions, this often creates challenges in aligning similar needs across the organization, leading to fragmented solutions or in-house builds where market solutions may already exist. Conversely, smaller institutions frequently face structural constraints, where the required technical foundations, such as a scalable data layer or integration capabilities, are not yet in place. As a result, AI use cases often remain limited to isolated processes or single-system applications, even though the greatest value would come from combining data and workflows across multiple sources and systems.

# Swiss Private Banks in the Age of AI

Complementing our survey on the use of AI among Swiss private banks, the HSG Institute of Management and Strategy at the University of St.Gallen carried out further analysis to deep-dive into selected aspects of AI adoption among Switzerland's private banks. Here is an excerpt of their findings.

Swiss private banking is entering the age of artificial intelligence from a position of both strength and structural conservatism. The sector's traditional model has been built around trust, discretion, and relationship-driven advice – strengths that remain central to its value proposition, yet that also make the adoption of AI a more delicate strategic challenge than in many other financial services businesses. Drawing on a Spring 2026 survey of Swiss private banks, an AI Advancement Index covering 73 institutions, and an analysis of roughly 4,700 job postings across six major banks, this deep dive points to a sector that is moving in earnest but unevenly.



**Tomi Laamanen** is a Chaired Professor of Strategic Management at the University of St.Gallen, Managing Director of the Institute of Management and Strategy and Center of Mergers and Acquisitions.

In addition, he is also Academic Director of the Master Program in Strategy and International Management (SIM) and the PhD Program in General Management.

Previously, he served as Professor and Head of the Institute of Strategy at Aalto University, Finland. His research focuses on strategic management, with a special emphasis on mergers and acquisitions and acquisition programs.

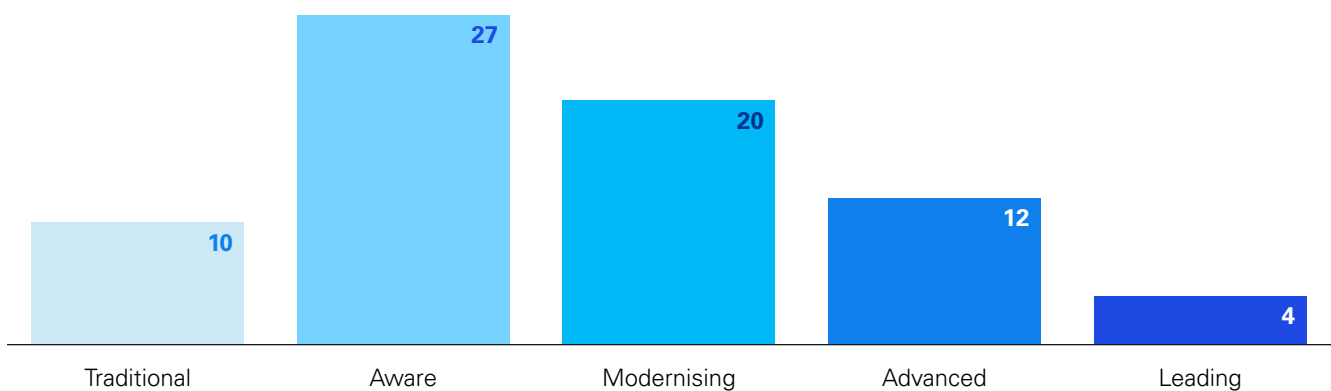
Three findings below stand out:

### First, AI adoption is widespread, but only a few Swiss private banks have yet developed leading-edge capabilities

AI has moved beyond experimentation for most of the sector. Among surveyed banks, 79% have deployed AI in at least one operational setting, and nearly 59% report deployment across multiple areas. Yet, 79% of respondents still remain at a developing or ad hoc stage, and only a small minority have built the formal programs, dedicated budgets, and operating

models required for scale and continuous deployment improvement. The AI Advancement Index, which HSG developed, classifies four of 73 banks as Leading, with advanced capability concentrated among a small group of frontrunners with explicit AI strategies and dedicated governance.

### HSG AI Advancement Index



AI Advancement Index categories among Swiss private banks

### Second, the value creation through AI is expected to come mainly from productivity gains

AI deployment in Swiss private banks is mostly concentrated on everyday productivity use cases, led by employee productivity and document automation, while more sensitive applications in investment, portfolio management, and client advisory remain comparatively marginal. The financial figures tell the same story: 38% of banks reported AI-driven cost savings in 2025, whereas 94% reported no AI-attributable revenue effects. AI is therefore currently used primarily to improve productivity rather than to generate new revenue sources.

### Third, the ability to scale AI differs significantly across institutions

Banks with stronger AI scores are generally larger and more advanced in digitalization, suggesting that digital infrastructure, data availability, cybersecurity, automation, and technology governance provide an enabling layer for AI. However, digital maturity alone does not guarantee AI maturity. Some digitally advanced banks remain only moderately advanced in AI, while some smaller subsidiaries benefit from the AI capabilities of their international parent organizations.

In summary, AI would seem to diffuse faster than the organizational capability required to turn it into true competitive advantage. Lasting advantage will accrue to banks that combine governance, data, talent, and disciplined use-case selection with the trust-based advisory model at the heart of private banking. Hence, while cost efficiency seems to be the current shared baseline, the longer-term competitive advantage will belong to the banks that build the governance, talent, and data foundations to move AI from the back office into client-facing value before the leaders pull away.

🔗 You may [download the full HSG study here](#).

# 04

## Performance by size clusters: a missed opportunity to improve profitability?

While the industry was unsuccessful at turning high AuM and income into higher gross profits, it managed to maintain an overall strong performance despite the significantly slower tailwind from high interest rates. More than half of banks achieved a C/I ratio of below 80%, putting them in the strong and upper-mid clusters. Eighteen banks were above 90%. The best performing bank had a C/I of 44.8%.

Key ratios shown in this chapter are the sum of the financial statements of all banks in the respective cluster. A larger bank in a cluster will have a stronger weighting than in the median section, where each bank has an equal weighting. This leads to different outcomes from median and absolute analysis

Large banks manage around 75% of our sample's AuM, and dominate the figures of all banks

## Key financials – All banks \*

in CHFm

	2021	2024	2025	Δ 2025/2021
Operating income	19,518	21,286	21,607	10.7%
Operating expenses	(13,594)	(15,135)	(15,639)	15.0%
<b>Gross profit</b>	<b>5,923</b>	<b>6,151</b>	<b>5,968</b>	<b>0.7%</b>
<b>KPIs</b>				
AuM (year-end in CHFbn)	3,234	3,332	3,546	9.7%
FTEs (year-end)	36,481	40,166	40,940	12.2%

### Profitability is flat despite 10% more AuM

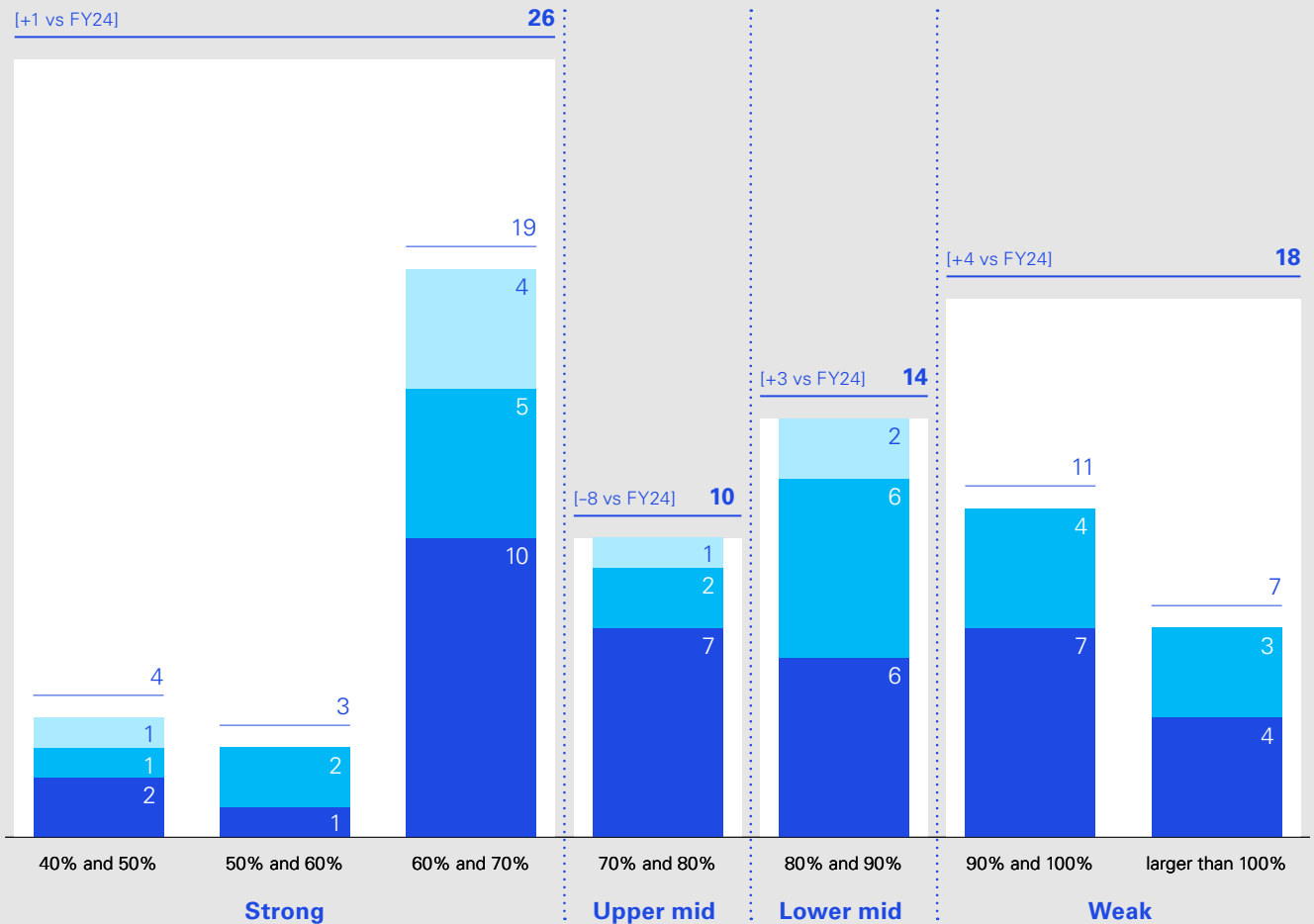
At around CHF 6bn, gross profit remained flat in 2025 compared to 2021 despite AuM increasing by almost 10% over that period. The main driver of AuM growth since 2021 was NNM of CHF 285bn. Performance added almost nothing due to very negative markets in 2022 and the strong CHF in the past few years. Even the 10% rise in AuM was not enough to increase gross profit, as banks' cost bases grew even quicker.

The C/I ratio therefore rose while gross profit stayed flat. Overall, efficiency fell, and productivity did not improve as the number of FTEs rose more than AuM and income.

\* In the analysis of this chapter we have included both Arab Bank and its subsidiary Bank Gonet as it operates as a separate bank. This results in a double counting of Gonet's AuM and a difference with overall industry AuM shown in the AuM chapter of this study.

### Cost-income (C/I) ratio distribution by performance cluster

2025



- Total banks by performance cluster
- Large (AuM > CHF 100bn)
- Medium (AuM CHF 10bn – CHF 100bn)
- Small (AuM < CHF 10bn)

#### Industry remains strong despite banks gravitating towards weaker clusters

The C/I ratio before depreciation is a good indicator of how banks are performing. We use it to allocate banks to the various performance clusters.

Higher interest rates pushed the median C/I in 2023 and 2024 to very low levels. With Switzerland’s return to a very low interest rate environment, interest income was down 20%. These factors combined with rising personnel expenses to push C/I ratios up to a median of 78.2% (75.6% and 74.2% in the two prior years) – though this is well below historical levels of above 80%. While the industry was unsuccessful at turning high AuM and income into higher profitability, it still managed to perform strongly overall.

Seventeen banks changed clusters last year. Three moved up one cluster, and one moved up by three clusters. Thirteen fell into a lower performance cluster.

More than half of banks (36) achieved a C/I ratio of below 80%. The strong cluster grew by one bank, while the upper-mid cluster shrank by eight banks. The best performing bank had a C/I of 44.8% and the weakest had 125.7%.

Eighteen banks had a C/I of more than 90%, with most of these having high recurring C/I ratios. This group of banks is where a business model review should be performed or a sale could be considered. As in previous years, a large proportion of these banks are subsidiaries of foreign banks (10 of 18).

## Key financials – Large banks

in CHFm

	2021	2024	2025	Δ 2025/2021
Net interest income	1,806	2,801	2,231	23.5%
Net commission income	10,525	9,399	9,974	(5.2)%
Net trading income	2,334	3,046	3,521	50.9%
Net other income	124	138	79	(36.6)%
<b>Operating income</b>	<b>14,789</b>	<b>15,384</b>	<b>15,805</b>	<b>6.9%</b>
Personnel expenses	(7,203)	(7,541)	(7,854)	9.0%
General and administrative expenses	(2,456)	(2,920)	(2,925)	19.1%
<b>Operating expenses</b>	<b>(9,659)</b>	<b>(10,461)</b>	<b>(10,779)</b>	<b>11.6%</b>
<b>Gross profit</b>	<b>5,130</b>	<b>4,923</b>	<b>5,026</b>	<b>(2.0)%</b>
<b>KPIs</b>				
AuM (year-end in CHFbn)	2,539	2,561	2,721	7.1%
FTEs (year-end)	26,193	28,666	29,286	11.8%
Cost-income ratio	65.3%	68.0%	68.2%	2.9pp
Operating income margin (bps)	62	64	60	(2)bps
Operating expenses margin (bps)	(40)	(43)	(41)	(1)bps

### Large banks perform well but fail to make efficiency gains

As a group, the Big 8 banks performed consistently over the past five years since 2021, which was a very strong year with booming financial markets and Swiss private banks generally performing well.

Gross profit fell slightly in 2025 compared to 2021 as operating expenses increased (+11.6%) by more than operating income (+6.9%), which was in line with AuM growth of 7.1%. Net profit fell to CHF 3.1bn – being CHF 561m lower than in 2021.

Margin pressure on core commission income was more than offset by a 50% increase in trading income over the past five years, and to a lesser extent by the positive impacts of interest income.

FTEs grew by 3,093, or 11.8%, which is significantly higher than AuM growth. Large banks' median cost per FTE was stable at CHF 278k. A rise in general and administrative expenses was driven by IT and communication expenses, which jumped 34% over the five years.

These figures appear to confirm that large banks are struggling to leverage growth to increase efficiency and profitability. This is visible from the group's C/I ratio growing by around 3% over the past five years, but staying below 70%.

Operating income margin for the Big 8 is very low at 60bps. Different business models cause significant differences. Three large banks for which around 50% or more of their business is asset management and asset serving, had lower operating income margins. These banks with significant asset management businesses reported margins as low as 34–61 bps. A bank with very limited asset management business reported the highest margin at 107bps.

## Key financials – Medium banks

in CHFm

	2021	2024	2025	Δ 2025/2021
Net interest income	593	1,363	1,088	83.5%
Net commission income	2,268	2,338	2,471	8.9%
Net trading income	366	376	355	(3.0)%
Net other income	329	317	363	10.4%
<b>Operating income</b>	<b>3,556</b>	<b>4,394</b>	<b>4,277</b>	<b>20.3%</b>
Personnel expenses	(1,837)	(2,189)	(2,292)	24.8%
General and administrative expenses	(1,116)	(1,367)	(1,422)	27.4%
<b>Operating expenses</b>	<b>(2,953)</b>	<b>(3,556)</b>	<b>(3,714)</b>	<b>25.8%</b>
<b>Gross profit</b>	<b>603</b>	<b>838</b>	<b>563</b>	<b>(6.6)%</b>
<b>KPIs</b>				
AuM (year-end in CHFbn)	545	610	654	20.0%
FTEs (year-end)	7,292	8,332	8,433	15.7%
Cost-income ratio	83.0%	80.9%	86.8%	3.8pp
Operating income margin (bps)	70	77	68	(2)bps
Operating expenses margin (bps)	(58)	(62)	(59)	(1)bps

### Medium banks see C/I increase and profits decline

At 20%, AuM growth of medium banks over the past five years was nearly three times higher than that of large banks. This was driven mainly by strong NNM, supported by a number of acquisitions. Operating income increased by the same percentage, due mainly to a significant increase in net interest income which stayed at a strong level in 2025 despite being lower than 2024. Net interest income may be more resilient for this cluster due to a high percentage of subsidiaries of global and international banks that benefit more from the higher USD, EUR, GBP interest rates and have less exposure to lower CHF interest rates.

Medium banks as a group did not succeed in translating the increase in AuM and operating income into increased profitability and efficiency, however. The C/I ratio of medium banks rose from 83% to 86.8%, and gross profit and net profit both fell compared to 2021 – by 6.6% and around 41% respectively.

Gross profit is down by one-third compared to 2024. While nearly half of the difference can be explained by an extremely large reduction in trading income and gross profit at one bank, overall only seven of the 23 banks were able to improve gross profit in 2025 compared to 2024. Revenue of medium banks fell by 2.7% in 2025, while operating expenses rose by 4.5% – the main drivers of the cost increase being personnel and IT expenses. The increase in FTEs was relatively modest at 1.2%, but the cost per employee rose to CHF 273k (previous year CHF 266k).

Seven of the 23 medium banks had a C/I above 90% in 2025; all were parts of global banks.

## Key financials – Small banks

in CHFm

	2021	2024	2025	Δ 2025/2021
Net interest income	201	426	360	79.0%
Net commission income	752	779	846	12.5%
Net trading income	154	230	246	59.7%
Net other income	65	74	72	10.5%
<b>Operating income</b>	<b>1,173</b>	<b>1,508</b>	<b>1,525</b>	<b>30.0%</b>
Personnel expenses	(676)	(734)	(755)	11.7%
General and administrative expenses	(307)	(384)	(391)	27.5%
<b>Operating expenses</b>	<b>(983)</b>	<b>(1,118)</b>	<b>(1,146)</b>	<b>16.7%</b>
<b>Gross profit</b>	<b>190</b>	<b>390</b>	<b>379</b>	<b>99.1%</b>
<b>KPIs</b>				
AuM (year-end in CHFbn)	149	161	171	14.9%
FTEs (year-end)	2,996	3,168	3,220	7.5%
Cost-income ratio	83.8%	74.1%	75.2%	(8.6)pp
Operating income margin (bps)	83	100	92	8bps
Operating expenses margin (bps)	(70)	(74)	(69)	1bps

### Small banks continue to perform strongly

Small banks are the only size cluster that managed to post both operating income margin and gross profit margin above 2021 levels. Their gross profit margin in 2025 was the highest of all the three size clusters. However, within the small bank cluster, differences in performances are stark. Of the 37 small banks, 13 have a C/I ratio below 70% and 11 sit above 90%. It is a group of very strongly performing small banks that is driving the cluster's overall extremely positive numbers.

Small banks achieved higher margins than the other size clusters for net interest income, net commission income, and net trading income. The operating income margin of 92bps is 53% higher than that of large banks and 35% higher than medium banks. This is driven in part by small banks having a lower level of low-margin asset management AuM, and in many cases smaller clients who have less negotiation power and who pay higher fees.

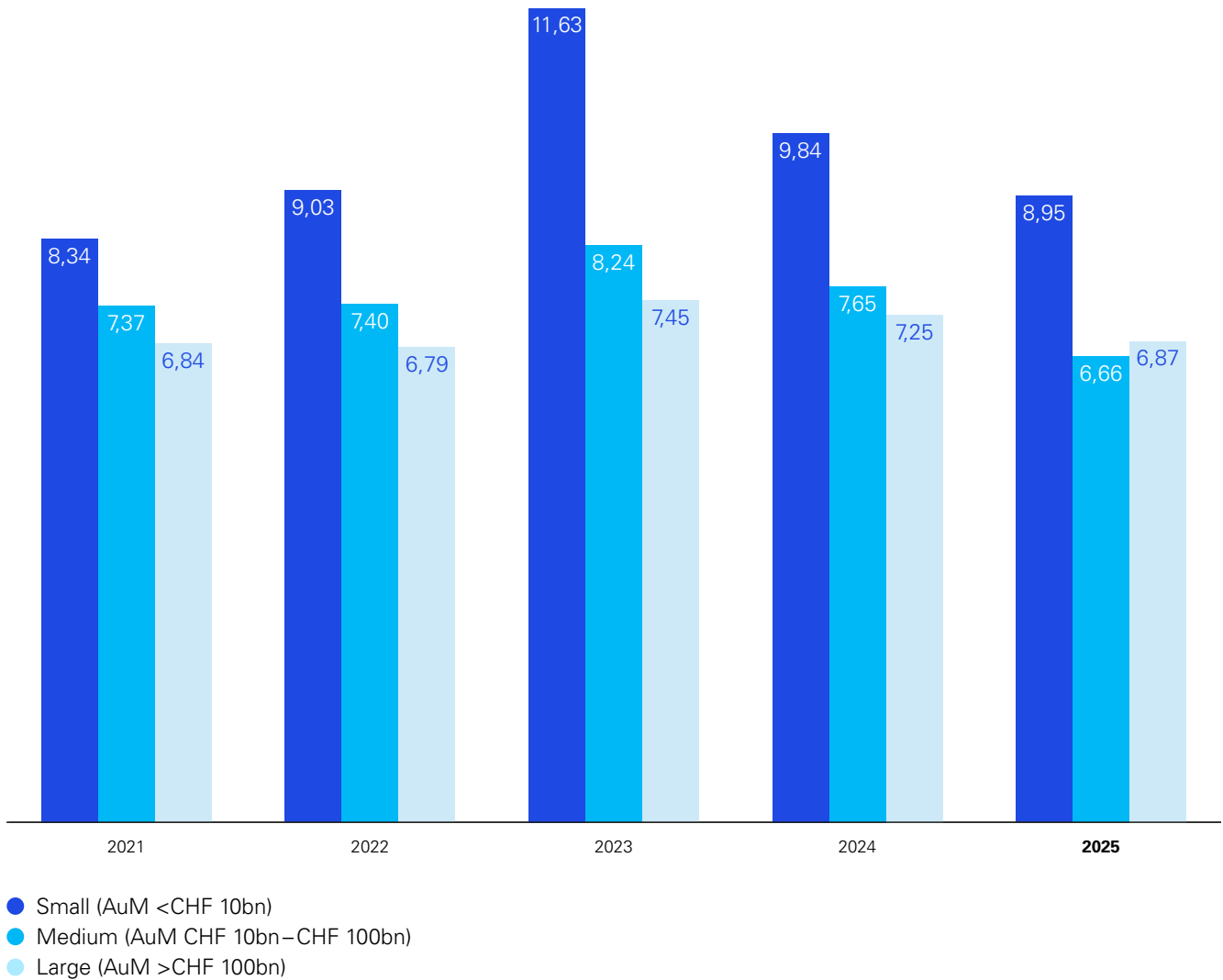
However, the operating expenses margin is also higher (68% higher than at large banks) due to the different type of clients and limited economies of scale. Despite this, small banks overall outperformed the other size clusters on gross profit margin over the past three years.

# 05

## No significant efficiency gains over the past five years

There was a remarkably flat trend in the past five years in how much revenue banks generated for each CHF 1bn of AuM, and the costs of servicing those client assets. The median for small banks peaked in 2023 and 2024 thanks to a rise in interest income and stable commission income margins. But no large bank, and very few medium banks, were able to increase commission income, and cost management also proved a challenge. The analysis suggests that banks work harder to reduce costs when they are performing less well – but when they are performing more strongly, as they are currently, there is less focus on reducing costs.

## Median operating income per average CHF 1bn in AuM 2021–2025, in CHFm

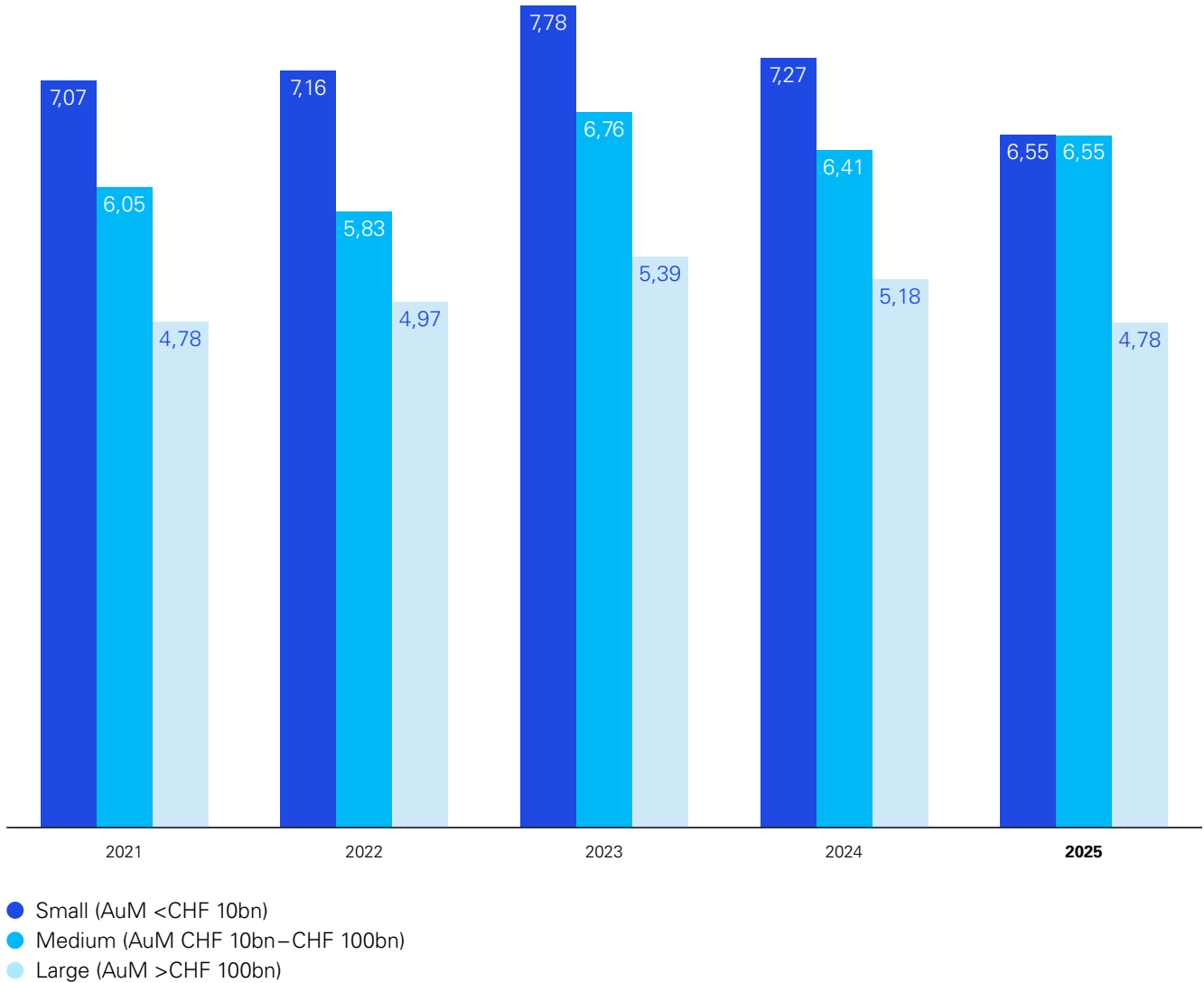


### Net revenue and operating expenses per CHF 1bn of AuM remains flat

We use net revenue and operating expenses per CHF 1bn of AuM to analyze and compare banks' developments in each size cluster. The figures are relatively flat across all clusters, which is remarkable given the volatility in financial markets and geopolitics. The median for small banks peaked in 2023 and 2024 due to an increase in interest income with relatively stable commission income margins. For most small banks that grew their revenue per CHF 1bn AuM in that time, it was largely thanks to interest income. Almost no medium and large bank was able to increase commission income per CHF 1bn AuM.

This seems to confirm that while many small banks benefited from interest income, they were also more protected in their niches on commission income. Medium and large banks seem to be subject to much stronger global competition and need to compromise more on fees to retain existing clients or attract new ones.

## Median operating expenses per average CHF 1bn in AuM 2021–2025, in CHFm



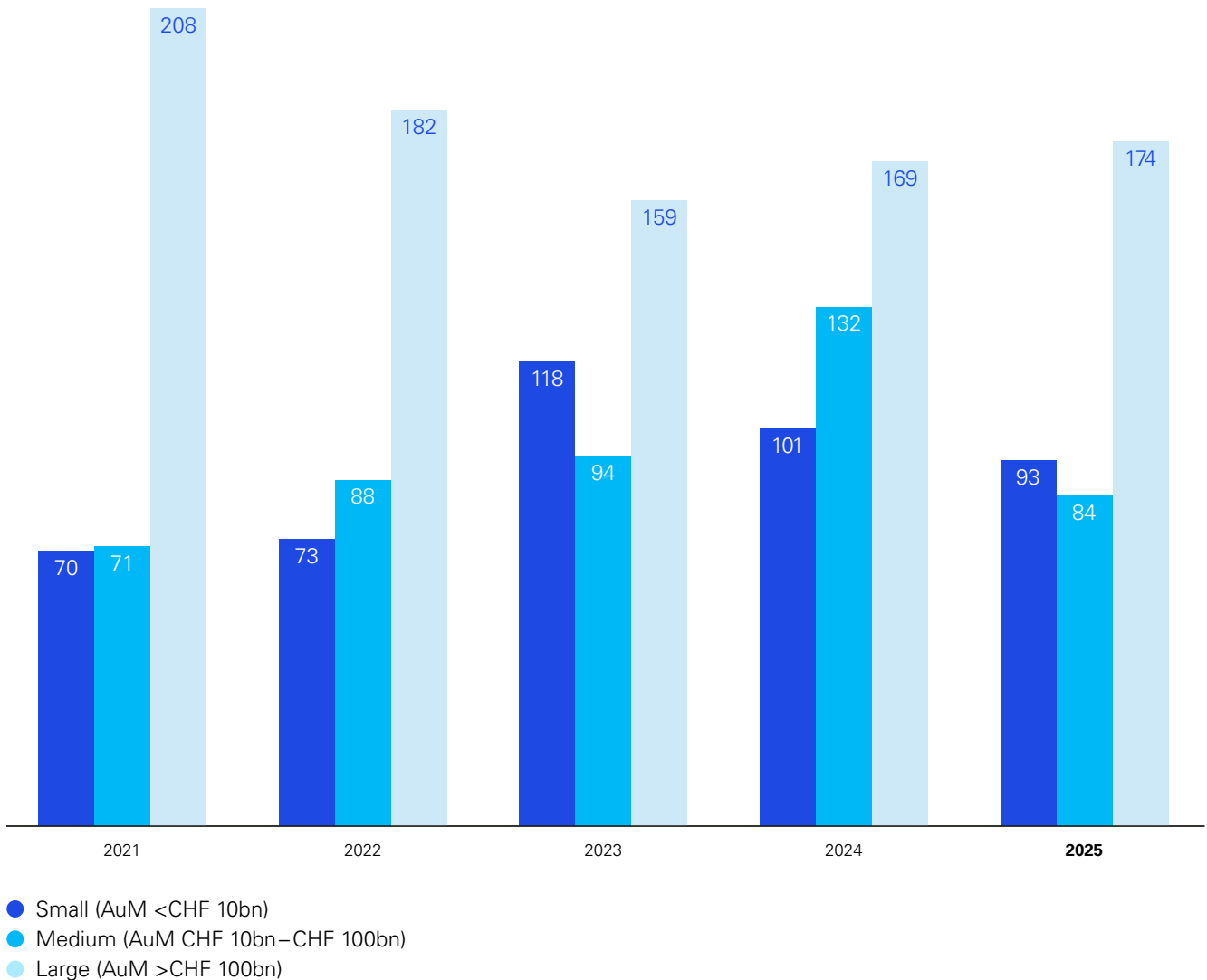
### Large banks benefit from economies of scale

The 2023 peak in median operating expenses per CHF 1bn AuM was driven by AuM hitting its lowest level in the five-year period. The reduction in the following years was due to increasing AuM rather than falling expenses. Large banks are able to use economies of scale to achieve a much lower cost to service AuM, but have not been able to reduce this over time. Interestingly, large banks with a significant asset management business and falling operating income reduced

their costs, while large banks with a growing operating income saw costs per CHF1bn AuM increase. Significant pressure from lower operating income seems to trigger banks to start reducing costs, but without that pressure they do not capture potential efficiency gains. Banks that benefited most from higher operating income due to the increasing interest income had some of the highest cost increases, offsetting a significant part of the gain from interest income.

## Median gross profit per average FTE

2021–2025, in CHFk



### A greater focus is needed on managing gross profit per FTE

Private banking is a people-driven business, where personnel expenses make up nearly 70% of total cost. Gross profit per FTE is therefore an insightful measure of efficiency. Large banks generate much more gross profit per employee thanks to economies of scale, but this is declining due to pressure on commission income. By controlling costs better than other size clusters, large banks were able to limit the negative impact.

Gross profit per FTE at medium banks peaked due to interest income, but pressure on commission income combined with significant cost increases put them back to much lower levels.

Small banks used the period of high interest income to narrow the salary gap with other clusters. The increase in gross profit per FTE was therefore more limited than one might expect.

There has been no significant improvement in gross profit per FTE for the industry overall. Banks seem to work harder to reduce costs mainly when they are performing less well. When they are performing more strongly, like currently, there is less focus on cost management. The impact of AI is also not yet visible. As shown in the results of the AI survey, banks have very different expectations how much AI will impact, operating income and expenses.

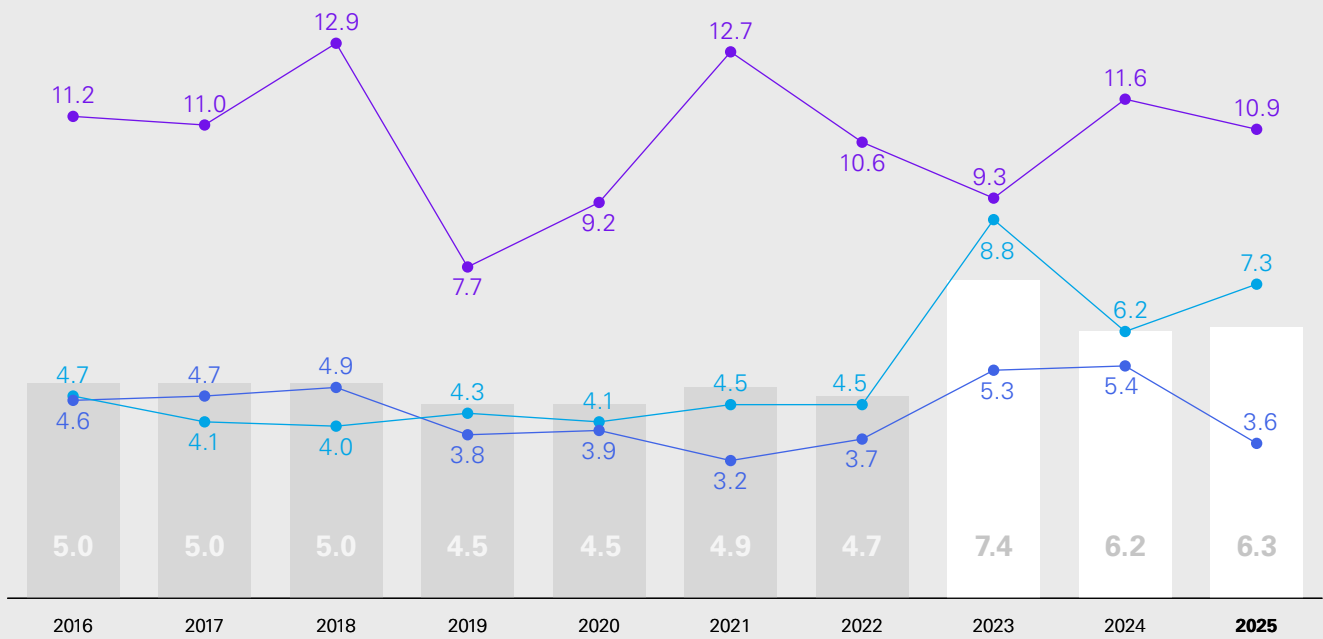
# 06

## Median key ratios: 10 years historic

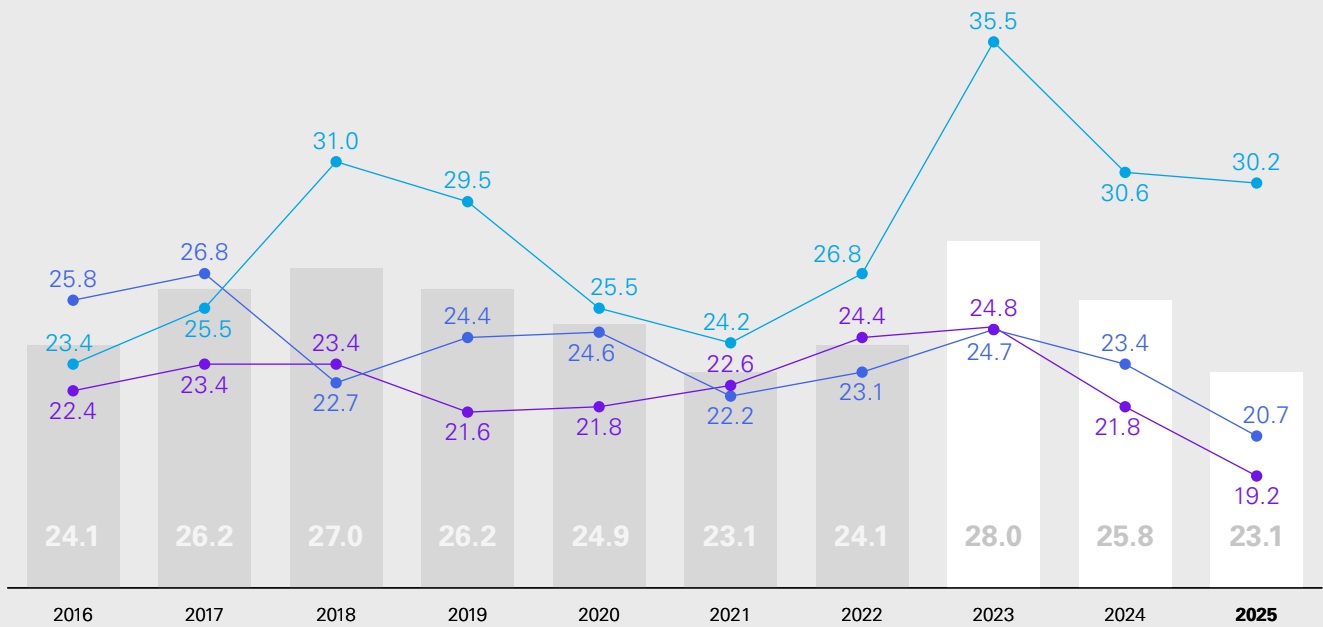
This chapter contains an overview of how the key ratios' median has developed over the past 10 years. As every bank has the same weight in the median calculation, the median ratios are heavily influenced by the small banks, as they represent the majority of the bank population. We have therefore also provided the overall development by size cluster.

As we have already presented the analysis in the previous chapters, we have not added further commentary in this section on the median. Our median analysis confirms the conclusions in previous chapters that show the Swiss private banking industry still performing strongly in general. Declining interest income combined with a cost base at many banks that continues to increase, however, led to a rise in median C/I, which is in our view the key ratio to measure the industry's overall performance.

**Return on equity**  
 2016–2025, in %

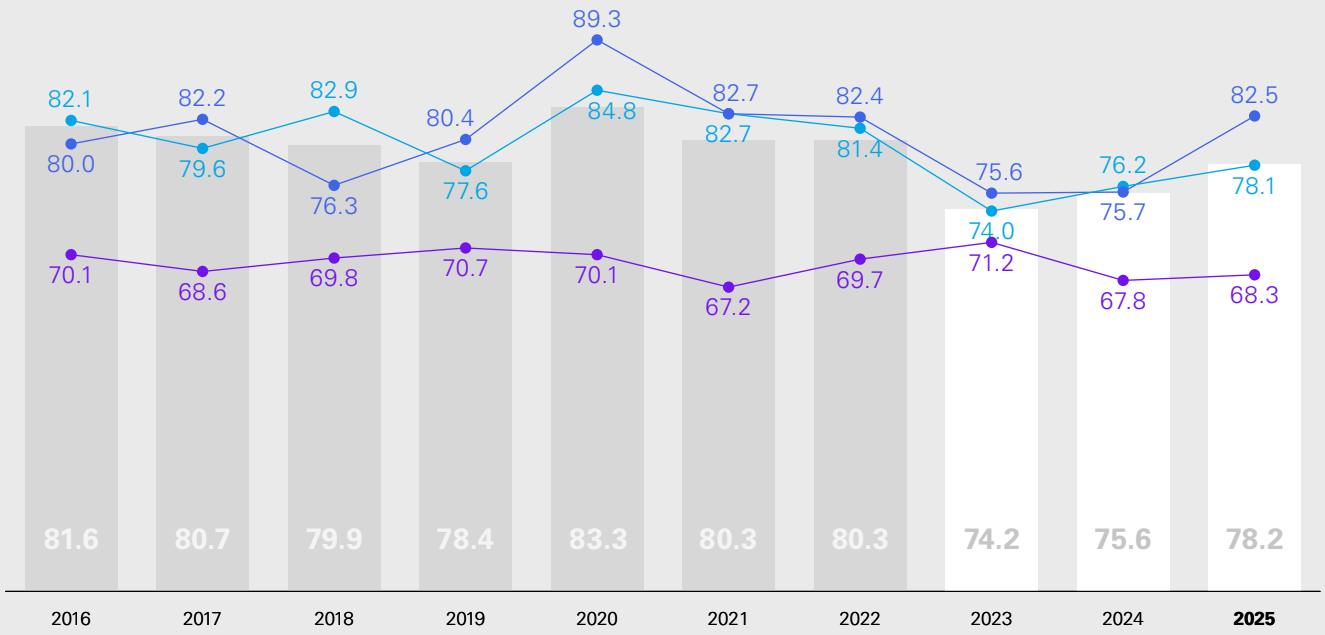


**CET 1 ratio**  
 2016–2025, in %

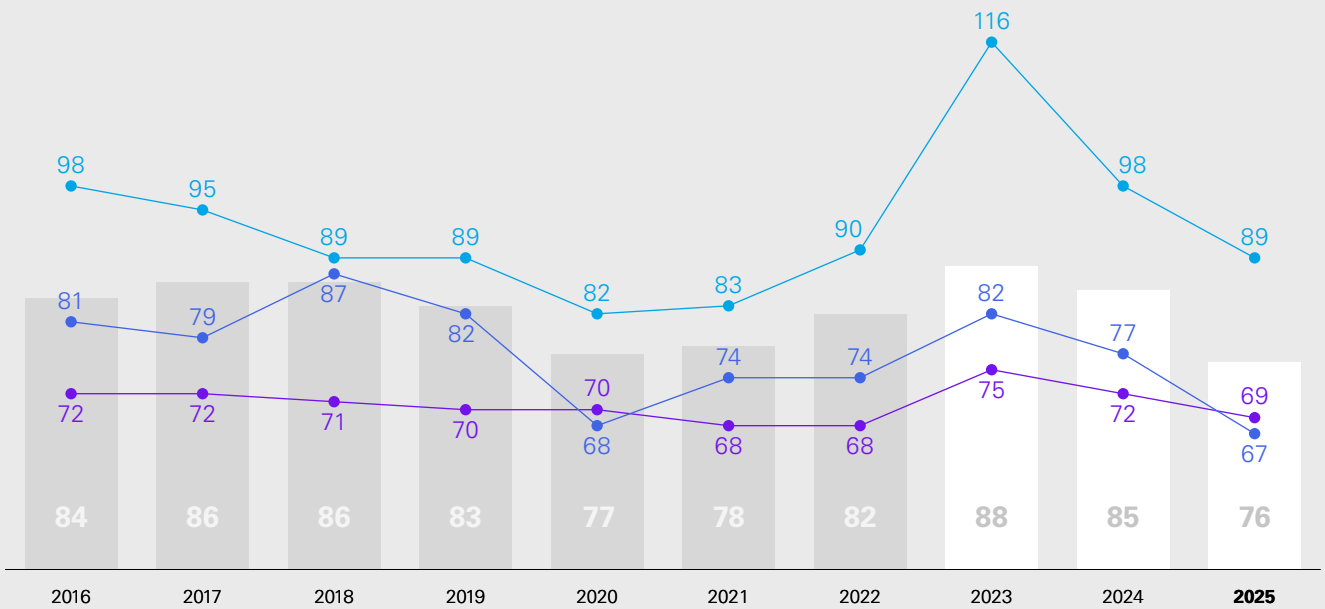


- Large
- Medium
- Small
- Median

**Cost-income ratio**  
 2016–2025, in %

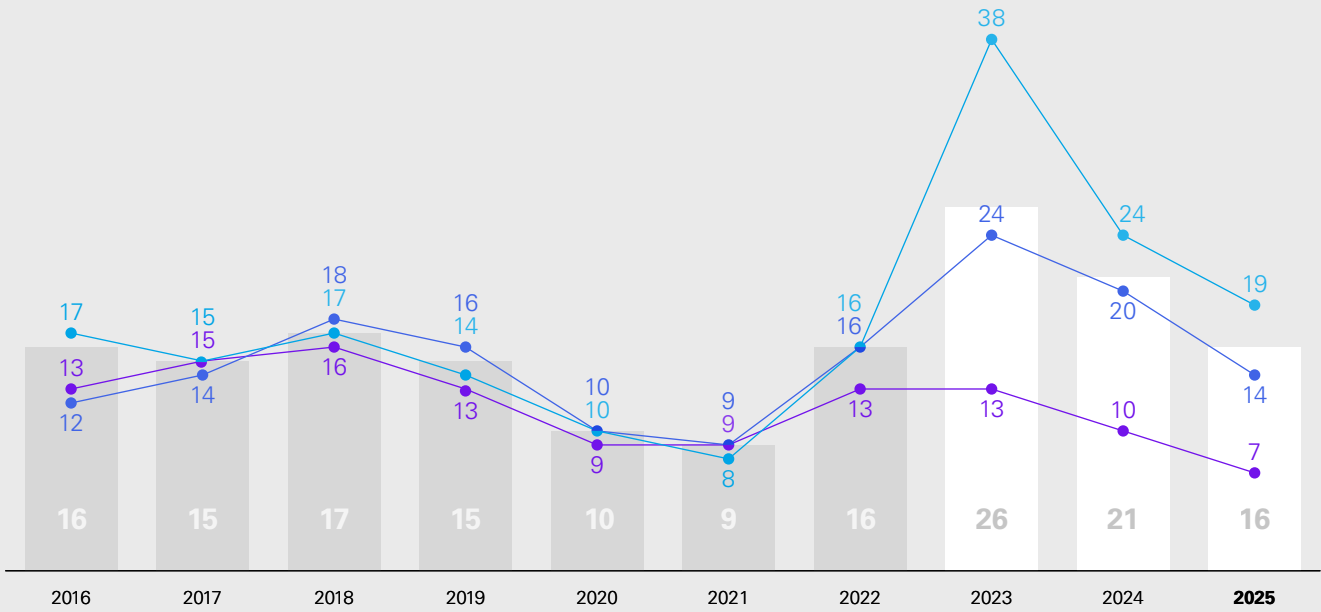


**Operating income margin**  
 2016–2025, in bps

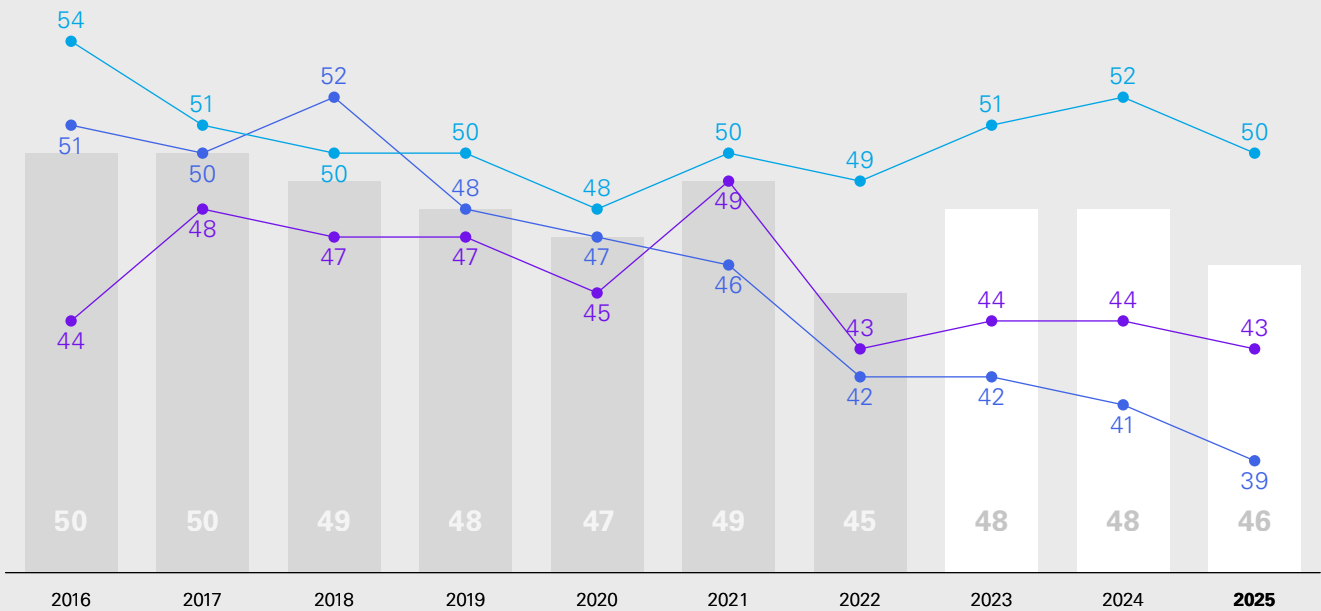


- Large
- Medium
- Small
- Median

### Net interest income margin 2016–2025, in bps



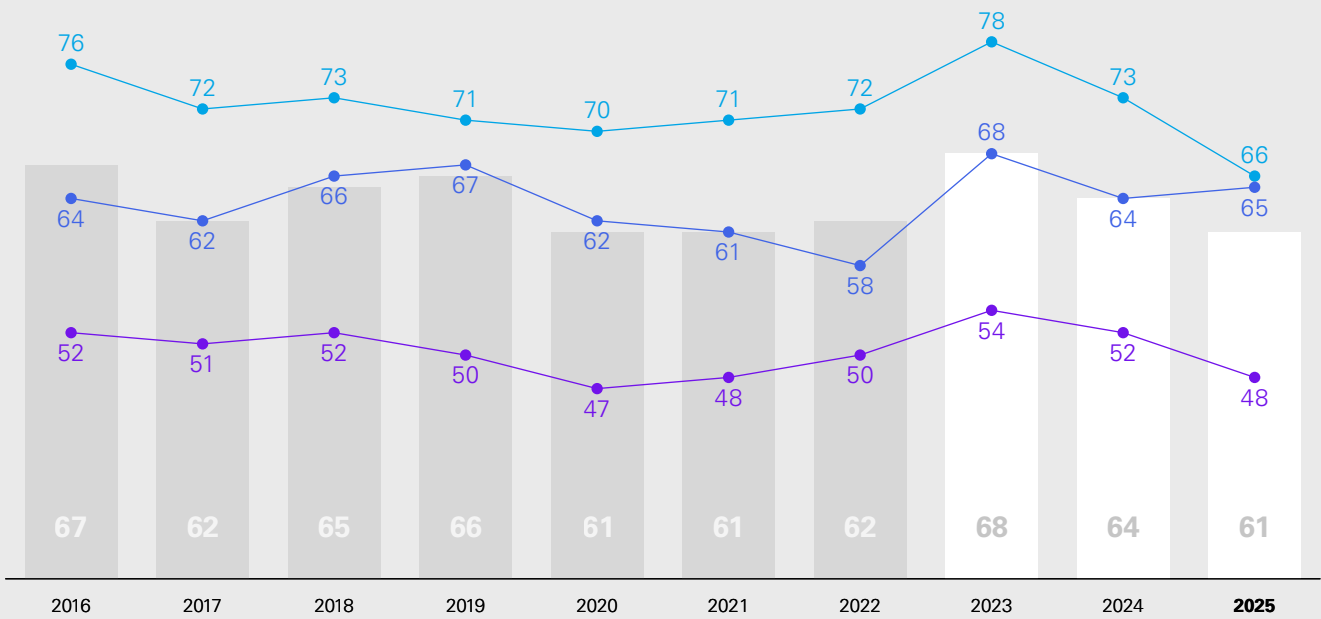
### Net commission income margin 2016–2025, in bps



- Large
- Medium
- Small
- Median

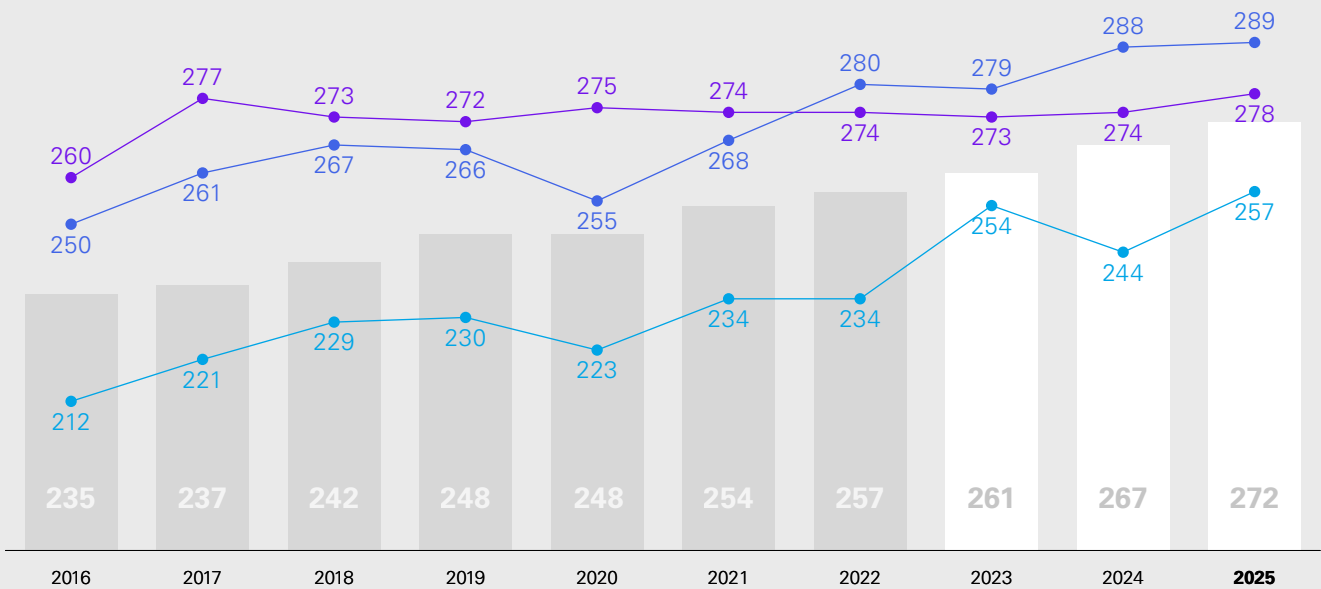
### Operating expense margin

2016–2025, in bps



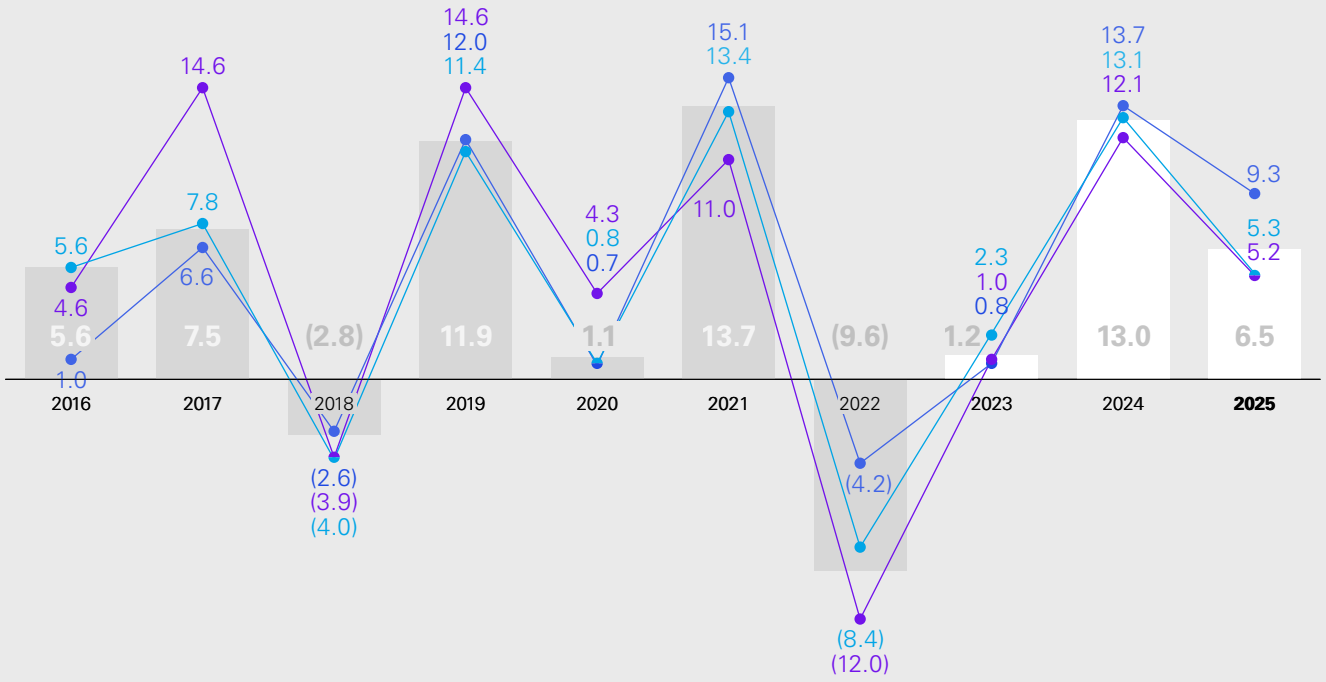
### Personnel expenses / average FTE

2016–2025, in CHFk

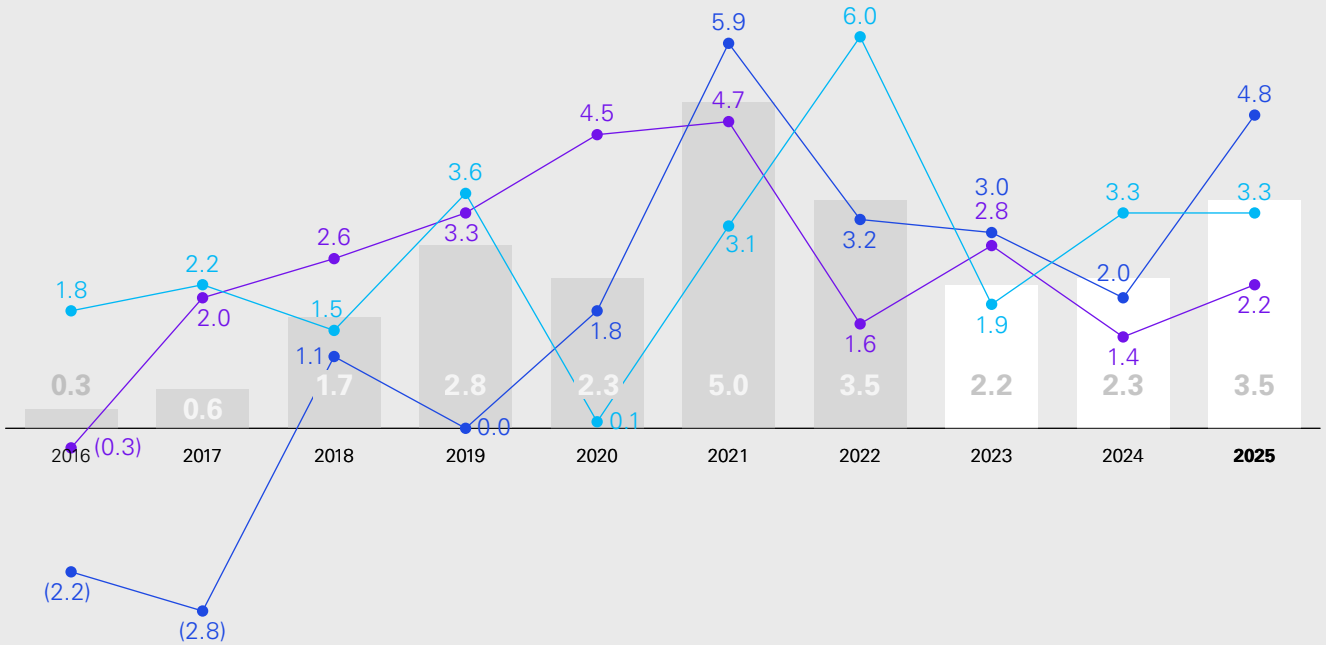


- Large
- Medium
- Small
- Median

**AuM growth**  
 2016–2025, in %

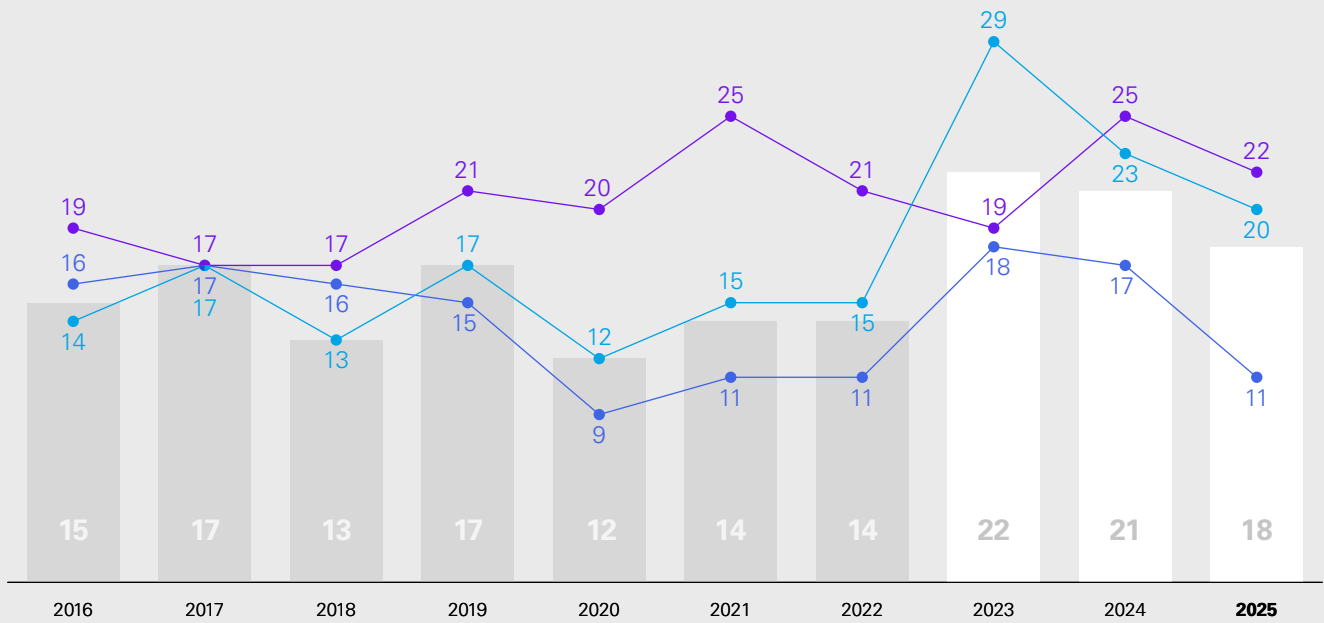


**NNM growth**  
 2016–2025, in %

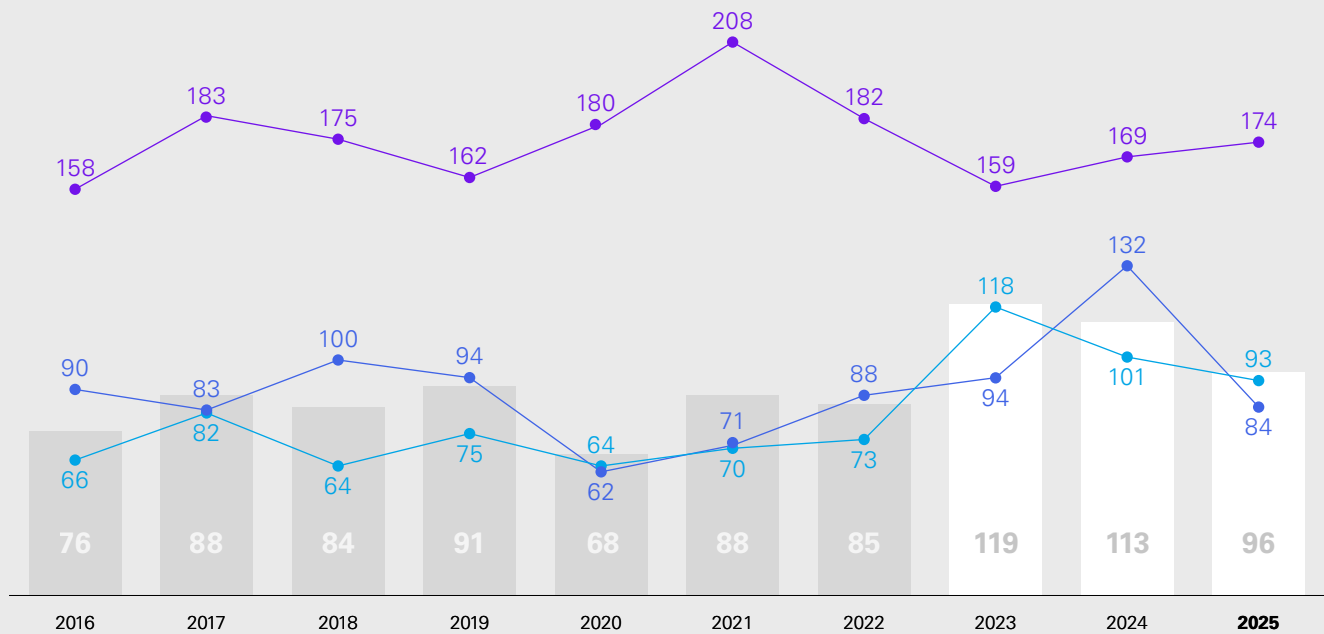


- Large
- Medium
- Small
- Median

**Gross profit margin**  
 2016–2025, in bps

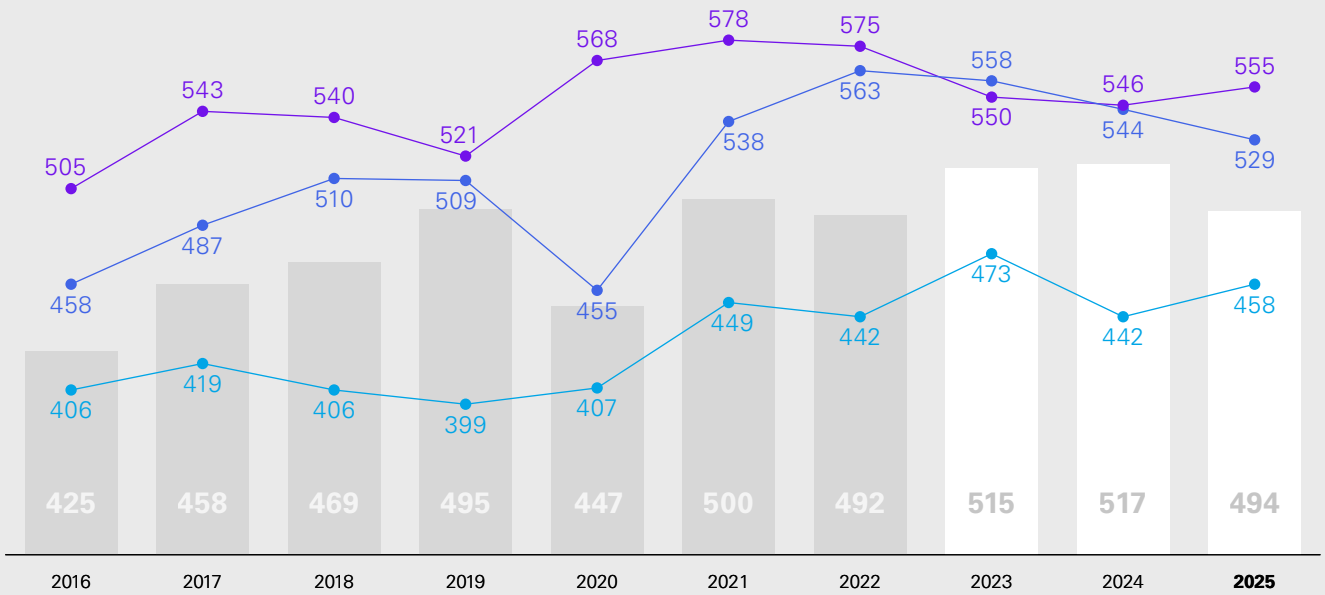


**Gross profit / average FTE**  
 2016–2025, in CHFk

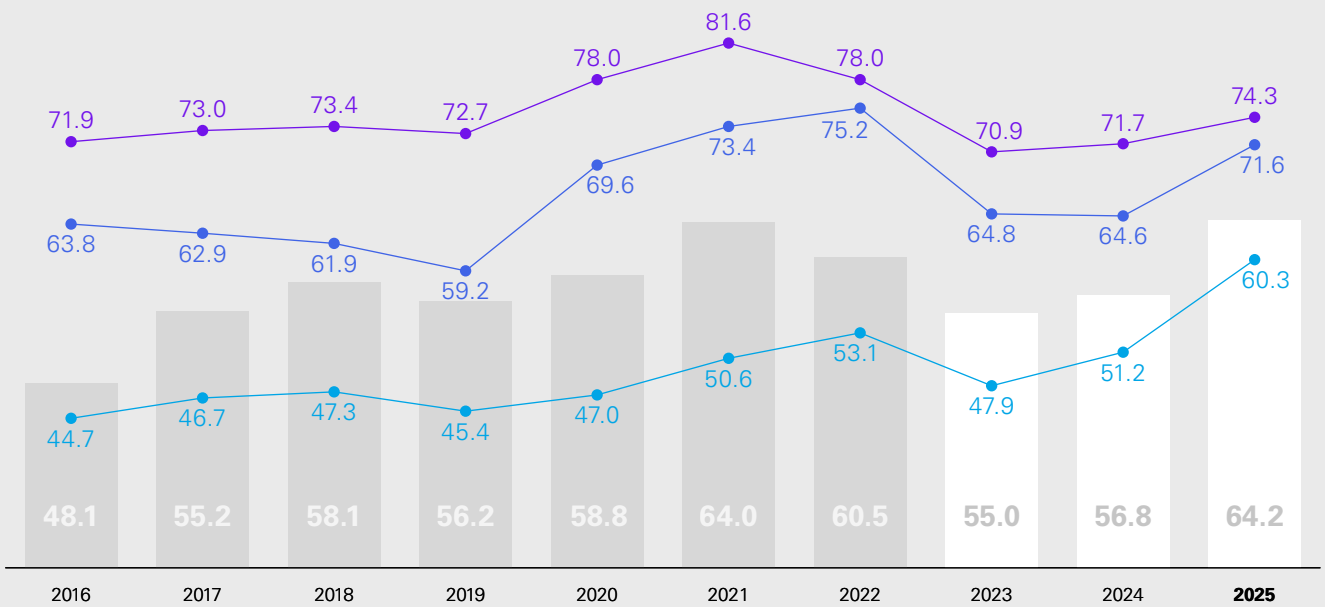


- Large
- Medium
- Small
- Median

### Operating income / average FTE 2016–2025, in CHFk



### Average AuM / average FTE 2016–2025, in CHFm

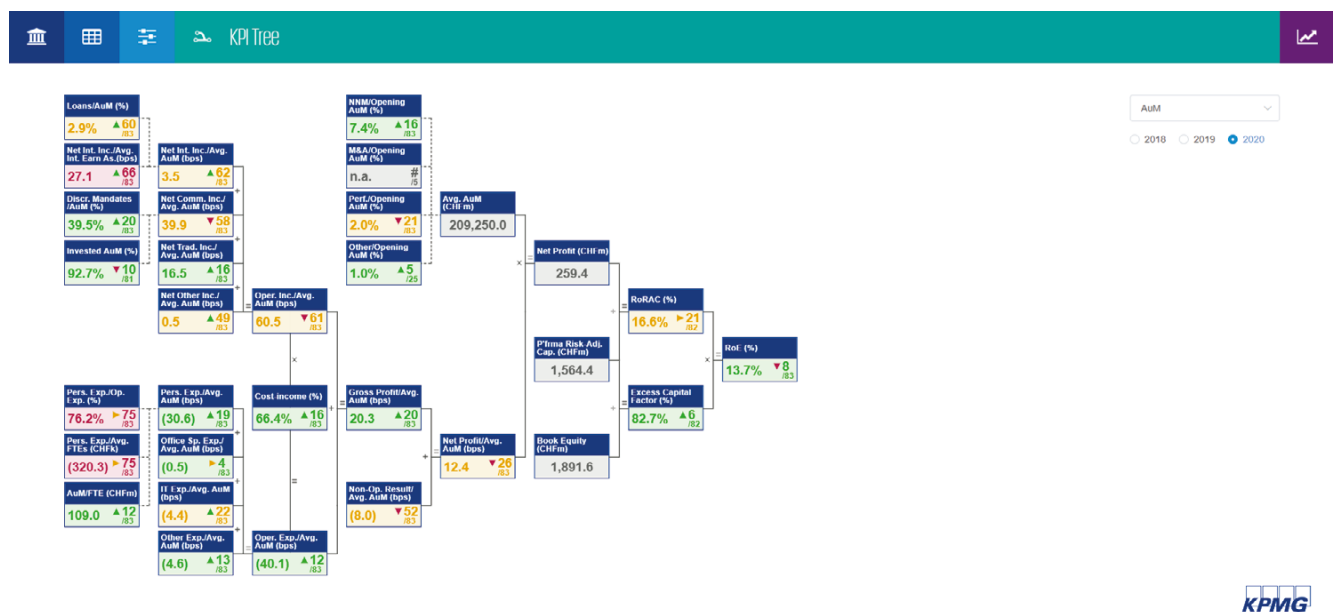


- Large
- Medium
- Small
- Median

# KPMG Digital Benchmarking Tool

Our proprietary digital benchmarking tool contains data from 78 private banks: 69 Swiss and 9 Liechtenstein. Banks can use the tool to undertake a detailed comparison with their peers using unique KPI drill-down capabilities.

Ours experts are pleased to help you identify areas of performance enhancement for your bank and how they can be delivered practically and efficiently.



- Our KPI tree contains more than 50 KPIs across three performance perspectives.
- Each KPI is individually ranked so you can see exactly where you stand against your peers and the overall market.
- Color coding enables you to immediately identify for which KPIs you are better, comparable or worse than the peer group.
- We can help you elaborate on the performance drivers by reference to the various private banking business and operating models employed in the market.
- Fine tune your peer group with just a few clicks to enable an enhanced performance comparison.
- Detailed insights into any KPI can be obtained by clicking on the respective KPI tile.
- The three-year trend is provided for any KPI against both the peer and overall market performance.
- KPI improvement / deterioration can be easily assessed from this analytical perspective.

Please contact us to understand how our benchmarking tool can help you drive enhanced understanding and improved performance.

# Basis of preparation

Our analysis of the past 10 years covers 68 Swiss private banks, representing 85% of the private bank population.

## Our definition of a Swiss private bank

For the purpose of this study, a private bank is defined as a Swiss bank that holds a full FINMA bank license and for which a significant proportion of its business is private wealth management. There were 80 such private banks as at 31 December 2025.

## Only survivor banks are included in our analysis

We have excluded those banks that disappeared before the end of 2025 in order to show only the performance of banks that are still in existence as at the publication date. UBS was excluded due to its size, which would distort the results and make the analysis less meaningful as well as 12 banks whose financial statements are not available.

## 68 banks analyzed for the past ten years

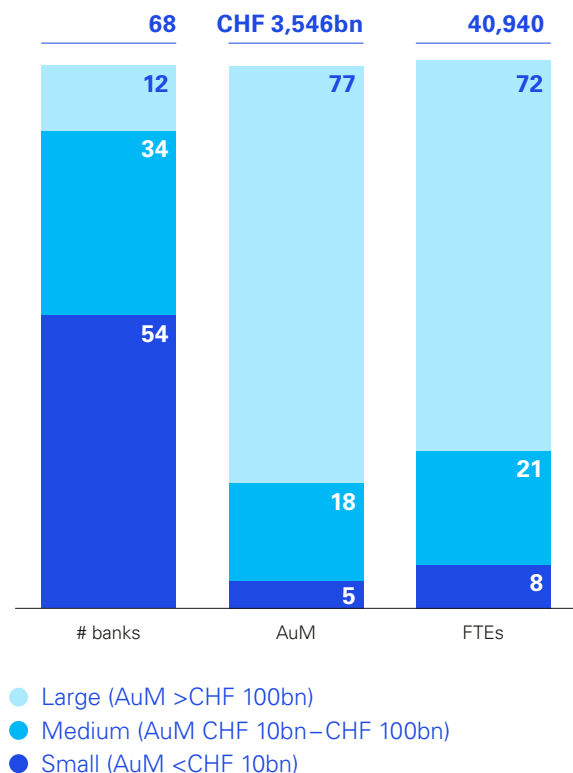
We analyzed the annual financial statements of 68 Swiss private banks from 2015 to 2025, examining both the aggregated (by AuM size) and the median perspective. The study also includes analysis and graphs with shorter time periods.

The aggregate perspective sums up individual banks' financial information by level of AuM—large (AuM >CHF 100bn), medium (AuM CHF 10-100bn) and small (AuM <CHF 10bn). It is dominated by the larger banks in each size segment.

The median perspective takes the middle bank's KPI value. It better represents the broader industry, which is dominated by small and medium banks (88% of the banks in our sample).

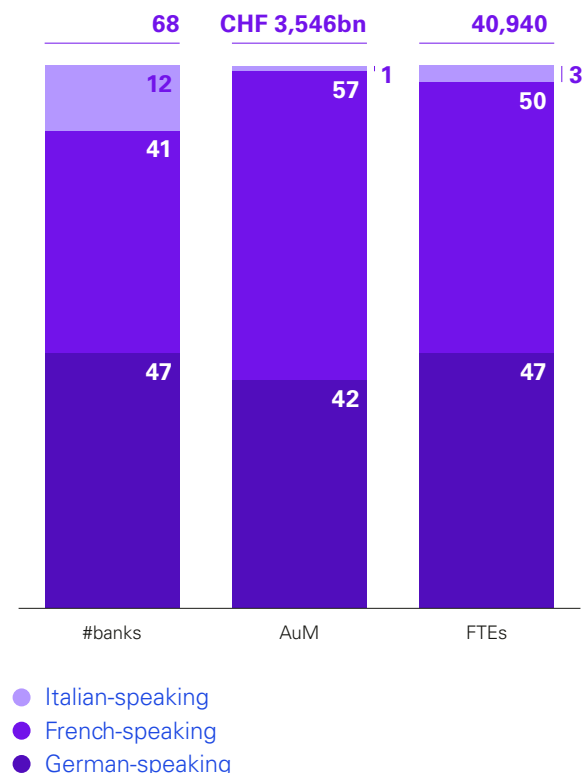
### Key statistics by bank size

31 December 2025, in %



### Key statistics by region

31 December 2025, in %



**Strong and  
steady**

**As banks post  
strong  
performances,  
how could  
AI shape  
their futures?**

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