

The Geneva financial centre in international comparison

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The profitability of Swiss wealth management institutions is regularly compared with that of their foreign competitors. The Asian and Gulf financial centres benefit from salary costs that are sometimes lower, from lighter taxation and from faster growth in local fortunes. The large American banks have a scale and an integration with investment banking that the Geneva houses lack. European institutions, on the other hand, are subject to regulatory constraints and a fragmentation of markets that can place them at a disadvantage.

The Geneva financial centre retains strengths in this comparison: the quality and stability of its framework, its accumulated expertise, the loyalty of its clients, the presence of groups of global scale and the density of its ecosystem. It suffers from handicaps: the cost of living and of salaries, the taxation of individuals, limited access to the European market and the small size of its domestic market.

Sector studies highlight the growing polarisation between highly profitable institutions, often large or highly specialised, and institutions in difficulty, often of intermediate size.¹ This polarisation, which fuels consolidation, is expected to continue. It is in the interest of the financial centre that the institutions that make it up should be profitable, because profitability finances investment, innovation and compliance, and it determines the capacity to attract capital and talent.

Key points. The price of talent, the valuation of institutions as a percentage of assets, the risks of integration, the triangular relationship with independent managers and the international comparison complete the analysis of the business model. The profitability of the financial centre determines its capacity to invest and to transform itself.

1 Notes

1. KPMG, Clarity on Swiss Private Banks 2025 (press release of 26 June 2025, [kpmg.com](https://www.kpmg.com)): 83 private banks in 2024, fewer than 80 expected at the end of 2025, around 76 having disappeared since 2010; 22 banks report a return on equity above 10%, while 9 are loss-making, which illustrates the polarisation of the sector. ↩

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