Monitor **Deloitte.**

Swiss Affluent Clients
Building a winning proposition for a growing client segment

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Foreword

Political, economic, technological and societal changes continue to challenge the financial services industry: geopolitical uncertainties, new digital players entering the market, and young generations of clients with fundamentally different perspectives, needs and values. Banks' business models and value propositions will need to evolve to stay relevant and competitive going forward.

Affluent clients are the strongest growing segment of the population in Switzerland[1], but they remain under-researched and under-served by domestic banks. In our discussions with bank executives, we often observe that affluent clients appear to be perceived as "difficult" by banks, for a variety of reasons: difficult to understand, to segment and monetise, or to reach and engage with.

To explore the affluent client segment and suggest practical ways how Swiss banks may develop this untapped giant, Monitor Deloitte has conducted a proprietary survey of 300 affluent Swiss banking clients.

We are pleased to share our findings in this study. We hope that it provides useful insights into an attractive client segment and related opportunities for unlocking its value – both for your clients and your business.

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[1] Change in % of population from 2015 to 2018, Source: Eidgenössische Steuerverwaltung, Gesamtschweizerische Vermögensstatistik der natürlichen Personen (2015-2018).

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Executive summary

Affluent people, in this survey defined as clients with bankable assets between CHF 200,000 and CHF2 millon, constitute around a quarter of Switzerland's population and so are a sizeable market segment owning nearly 40% of Switzerland's total of approximately CHF2 trillion onshore financial assets. The projected asset growth (CAGR 2018-2025) of affluents appears attractive with 1.9% for the lower affluent segment (CHF 200,000 to CHF 500,000), and 3.9% for the upper affluent segment (>500,000 to CHF2 million). This study proposes that there are significant business opportunities for Swiss banks focusing on the growing affluent segment.

We begin by investigating the unique *characteristics* of affluent banking clients. Our broad and proprietary survey of a diversified sample of 300 Swiss affluents across cantons has revealed a number of interesting characteristics. In their own opinion, affluents have a high level of *financial literacy* (71% understand their risk tolerance, 55% feel comfortable investing their savings), and use a wide range of *banking products and services* (69% have a 3rd pillar account, 64% have a mortgage). Their portfolio of *financial assets* appears diversified (75% own shares, 48% own mutual funds or ETFs). In general, satisfaction levels with their bank seem mixed, ranging between an unimpressive 62% level of satisfaction with cash/savings accounts and a high level of satisfaction (92%) with mortgages, whereby they *trust* their bank to a significant extent (76%), but do not trust internet giants in financial matters at all (8%).

In summary, the Swiss affluent market is sizeable with attractive projected growth and attractive business opportunities for banks (e.g., by building an attractive proposition for the lower affluent segment, or by capturing a part of the healthy market growth of the upper affluent segment). As affluents' financial literacy appears high, banks may consider offering more targeted educational materials, further increase the discretionary mandate penetration, or increase the (currently low) Lombard and personal loan penetration. In the light of banks' significant *trust premium* over internet giants and other new entrants, banks should consider re-defining the role and setup of their branches, and further emphasise safety and security in their marketing materials.

Our survey also looked at the main concerns ('*pain points*') of affluents in banking and investing, which banks will need to address or risk failing to meet the expectations of their affluent clients:

- *Retirement worries* keep 59% of affluents awake at night, and 38% look for help from their banks with this complex issue, whereby 64% would welcome financial planning around life events
- *Bank fees* are generally perceived as (too) high, and there is dissatisfaction at having to pay excessive amounts for bank products and services that are commoditised (with a whopping 74% citing low fees as the most important feature a bank may offer)
- *Investment advice* is often considered irrelevant or mass-produced without adequate personalisation (whereby 41% would welcome investment ideas relevant for them)
- Banks' *online portals* scored very low in the survey for communication purposes, hinting at an overall poor omnichannel experience, whereby 65% expect a seamless banking experience across multiple channels orchestrated by their bank
- *Sustainability* is matter of concern for almost three-quarters of affluents, and banks may need to give greater consideration to environmental and societal issues in their own operations and in the products and services they sell

In view of the latest geopolitical events and macroeconomic trends, notably the war in Ukraine, energy shortages and rising inflation, we conducted a further survey in Q4 2022 to investigate how the concerns of affluents have been affected. We found that although they are having a short-term impact (with 52% troubled by geopolitical risks, 51% by climate risks, 50% by high energy costs), in the longer term, the pain points for affluents remain much the same as described above.

We have not yet found any Swiss bank that has addressed comprehensively all of these key pain points. However, we identify five prominent *Swiss players* that in our opinion are instructive examples of how Swiss banks have approached the affluent segment:

- Vontobel Volt
- VZ Vermögenszentrum
- VIAC
- Alpian
- Stableton

Assessing these players' key strengths, value propositions, and service models based on publicly available information, we find that they mainly focus on addressing affluents' retirement worries (VZ Vermögenszentrum, VIAC) or improving affluents' omnichannel experience around investments (Vontobel Volt, Alpian, Stableton). By contrast, we have not observed a low-cost offering or a high level of customisation of investment ideas and advice in the affluent segment. In summary, a true "hybrid leader" (offering personalised products and services in a hybrid interaction model) has yet to emerge in the Swiss affluent market.

Our study concludes by suggesting five *action areas* for forward-looking banks to build a winning proposition for affluent clients and unlock new opportunities for growth:

- Be a partner for comprehensive *wealth planning* for life events and become unique as a trusted "life advisor"
- Provide a seamless *hybrid banking experience* through state-of-the-art, mobile-first technology
- Build an *exponential platform*, drive cost efficiency at scale and simplify fee structures
- Leverage *client insights* (data) to provide mass-customised and relevant products and services
- Embed *responsibility and sustainability* into the entire organisation and become a role model for purpose

Characteristics of the affluent client market segment

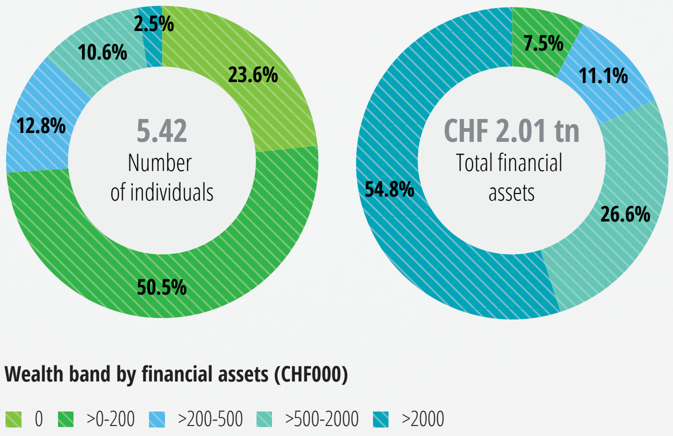
Sizeable market with healthy growth

Our survey indicates that in general, affluent clients share certain characteristics that help to define them as a distinct market segment. For the purpose of this study, we define affluents as banking clients with bankable assets between CHF 200,000 and CHF2 million. Approximately a quarter of Switzerland's adult population are affluent – a sizeable proportion. Retail banking clients with bankable assets between CHF 0 and CHF 200,000 make up about three-quarters of the population, and high net worth individuals (HNWI) with bankable assets above CHF2 million constitute less than 3% (see Figure 1).

Affluents own nearly 40% of Switzerland's onshore financial assets and therefore constitute an attractive target segment for banks. In comparison, HNWIs in Switzerland own 55% of onshore financial assets, and retail banking clients own 7%.

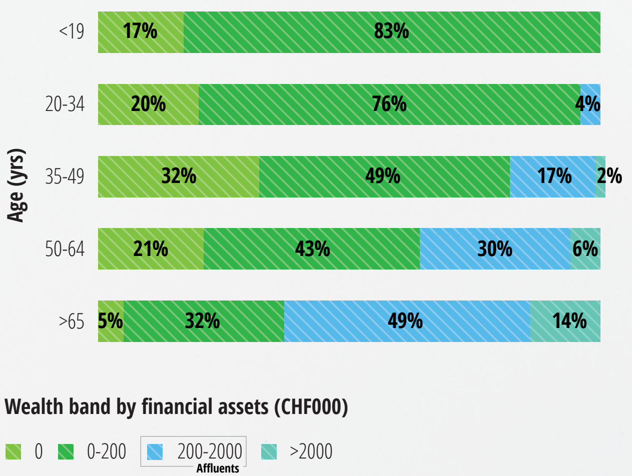
Wealth distribution by age is not publicised at a Federal level in Switzerland, and we have found only a few cantons that make such data public. Figure 2 shows the wealth distribution (# of persons) by age of persons subject to taxation in the canton of Aargau (Northern Switzerland, approximately 700,000 inhabitants). This indicates that the highest percentage of affluents may be found in the age brackets 50-64 (30%) and over 65 (49%). Jointly, the age brackets 50-64 and over 65 possess 79% of affluent wealth in the canton of Aargau. We have found a similar wealth distribution pattern in the canton of Thurgau (North-East Switzerland, approximately 300,000 inhabitants).

Figure 1. Distribution of Swiss population and their financial assets across wealth brackets (2018)



Source: Swiss Federal Statistical Office

Figure 2. Wealth bands across age groups (# of persons), Canton of Aargau (2019)

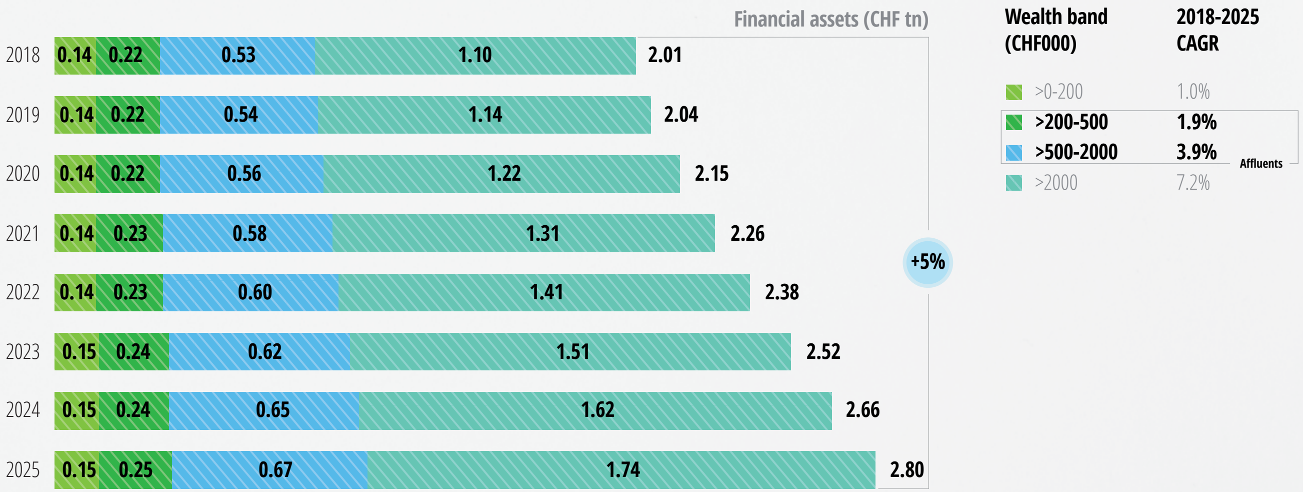


Source: Tax Administration (Steuerverwaltung), Canton of Aargau

Overall, onshore financial assets in Switzerland are projected to grow by 5% annually up to 2025 – a healthy rate of growth. Going forward, wealth inequality may increase further, with HNWIs and UHNWIs owning the lion's share of this wealth in both absolute and in relative terms (growing by 7.2% annually to 2025). The wealth of affluents with assets between CHF 200,000 and CHF2 million, is forecast to grow between 1.9% and 3.9% annually, reaching approximately CHF250 billion in total by 2025.

In comparison the wealth of other affluents and retail banking clients is expected to grow annually by just 1.9% and 1.0% respectively over the same period (see Figure 3). Looking at these asset growth rates by wealth band, it seems indeed that the higher the absolute wealth, the faster the growth rate. While there may be various explanations, such growth divergence may, in the long run, lead to increasing wealth inequality (not in the scope of this study).

Figure 3. Distribution of financial assets across wealth bands



Source: Swiss Federal Statistical Office, OECD, Deloitte analysis

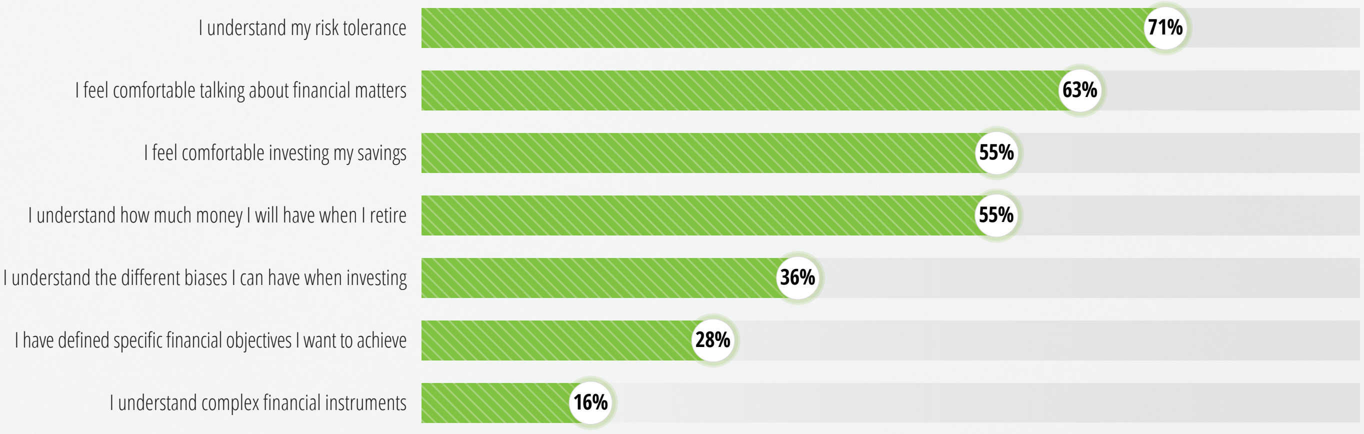
Financial literacy and asset diversification

Swiss affluent clients consider themselves to have a high level of financial literacy. About two-thirds of our survey respondents say that they understand their risk tolerance and can talk knowledgeably about financial matters; and more than half (slightly fewer) feel comfortable investing their savings and claim to understand how much money they will have when they retire (see Figure 4).

In our experience, many investors tend to overestimate their financial literacy, and therefore such statements should be taken with a pinch of salt and often do not stand up to further in-depth questioning. When asked in more specific detail, many affluents reveal a significant lack of knowledge about their assets and liabilities today – let alone what they expect them to be when they retire. Lastly, only a minority of affluent Swiss clients have specific financial objectives they want to achieve and, perhaps unsurprisingly, very few understand complex financial instruments such as derivatives.

Figure 4. Financial literacy

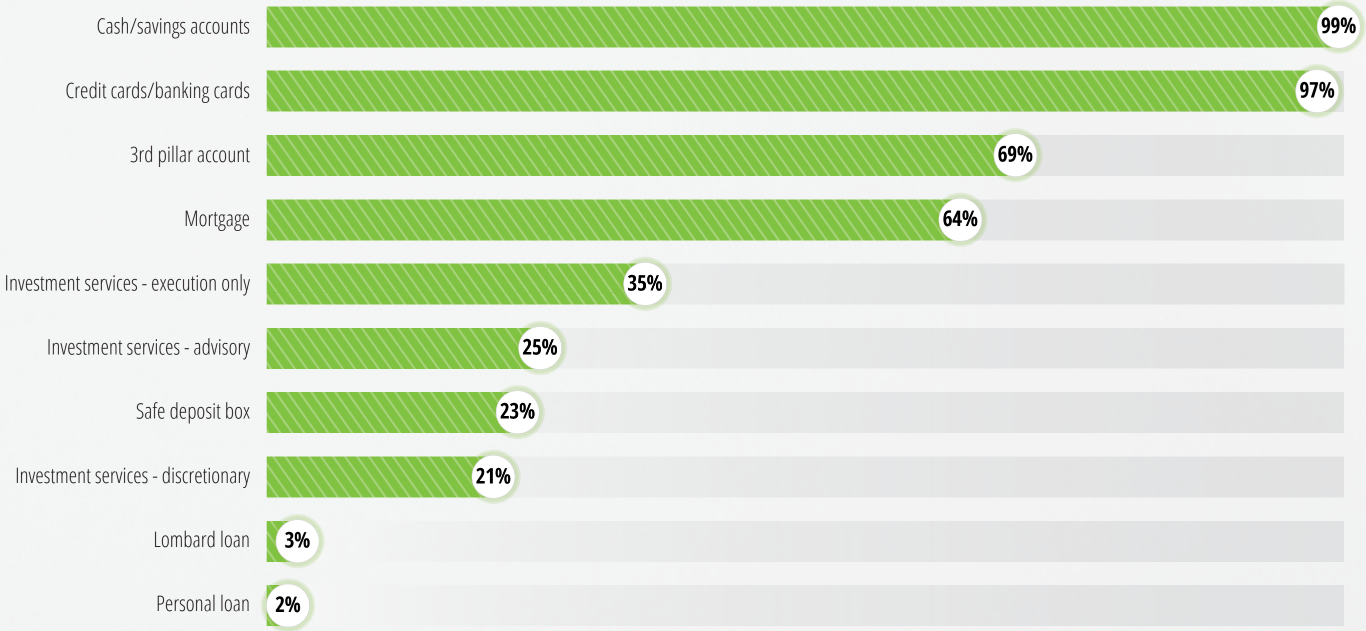
How experienced are you in financial planning and investment management matters?



Virtually all affluent clients use essential retail banking products such as accounts and cards, but only about two-thirds have a third pillar account (see Figure 5). This somewhat contradicts the claim to a high level of financial literacy referred to previously, since for most if not all affluent clients, having a third pillar account would undoubtedly make financial sense and provide attractive income tax benefits (as well as wealth diversification). For wealth management advisers, this means that there may be business opportunities in recommending a third pillar account to about one in three affluent clients.

Figure 5. Banking products and services currently used

Which banking products & services do you currently use?



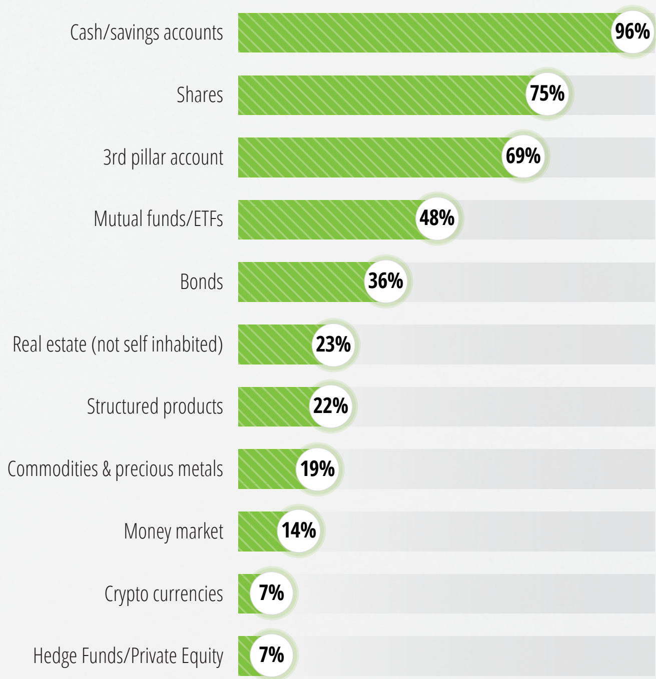
In terms of investment services used by affluent clients (discretionary, advisory, execution only), penetration rates seem relatively low, especially when compared to the rates of market penetration we typically find with Swiss private banks serving HWNIs. Among Swiss affluents, 35% use execution only services, only 25% have an advisory mandate, and only 21% have a discretionary mandate, although there is a significantly higher level of mandate penetration among wealthier affluent clients. Even so, increasing the provision of investment services to affluent clients represents an attractive growth opportunity for banks.

Investment services used (by affluent wealth bands)

	% of respondents with assets CHF200k – CHF500k	% of respondents with assets above CHF500k
Investment services - execution only	33%	37%
Investment services - advisory mandate	19%	31%
Investment services - discretionary mandate	16%	25%

Approximately two-thirds of affluents have a mortgage, whereas home ownership in Switzerland overall stands at only around 38%, one of the lowest levels in Western Europe.[2] Lombard loans (often used for leveraged trading) and personal loans are used by only a small percentage of affluent clients (particularly when compared to the provision of loans by private banks to HNWIs). In our survey, less than 5% of affluents responded that they used Lombard or personal loans. Providing Lombard loans and personal loans to affluent clients is therefore another growth opportunity that Swiss banks may consider.

Figure 6. Ways of investing savings
How do you invest your savings?



[2] Bundesamt für Wohnungswesen BWO, *https://www.bwo.admin.ch/bwo/de/home/Wohnungsmarkt/zahlen-und-fakten.html*

Three-quarters of affluents own shares, but only 48% own mutual funds or ETFs (see Figure 6). This is somewhat surprising and suggests that affluents, despite having less wealth than HNWI investors, prefer to make their own decisions about investment diversification (or perhaps do not take diversification seriously enough). 36% of affluent clients invest in bonds (an asset class that has not been particularly popular with private investors over the past decade, because of low interest yields); and 23% own real estate for investment purposes (e.g., a holiday apartment or multi-family home for rent). When it comes to more sophisticated or specialised financial instruments, only a small minority of affluent clients currently invest their savings in exchange traded derivatives, cryptocurrencies, alternative investments or tokenised assets. Interestingly, despite widespread media coverage over the past couple of years, cryptocurrencies have not made up a large part of affluents' investment portfolios.

Affluent client satisfaction

Satisfaction levels with their bank among Swiss affluent clients seem mixed, ranging in our survey between an unimpressive 62% level of satisfaction with cash/savings accounts and a high level of satisfaction (92%) with mortgages (see Figure 7).

There may be a number of reasons why levels of satisfaction are so varied. Overall, banking products and services may be characterised as being abstract and sometimes complicated in nature, making high levels of client satisfaction less likely than in other industries offering more tangible products and services, such as consumer goods or travel services. In addition, basic banking products and services such as cash and savings accounts may be regarded as highly commoditised – almost an "essential public service", comparable to electricity provision or basic telecommunications services – again making high client satisfaction levels less likely. To increase client satisfaction, banks may explore the addition of differentiating or value-adding enhancements to their basic products and services (such as loyalty programmes, shopping discounts, client journals, or online communities).

In contrast, high levels of client satisfaction exist for banking products and services that may be characterised as more emotional in nature, due to their connection with important personal documents or belongings or due to their connection with key life events (e.g., a mortgage). The very high level of satisfaction with mortgages may also reflect record low interest rates during the survey period (i.e., affluent clients may feel that they have "negotiated well" or "got a good deal").

For investment services, arguably one the core competencies expected from banks, satisfaction levels are lower, but still high in absolute terms (68% satisfaction for advisory mandates, 69% for execution only, and 79% for discretionary) - also due to favourable returns on stock market investments during the survey period. Interestingly, client satisfaction is highest for discretionary mandates: the full service and "carefree package" provided by banks seems to be highly appreciated. For banks, increasing discretionary investment services to affluent clients represents another business opportunity.

Figure 7. Satisfaction with products and services

How satisfied are you with these products & services?

High level of trust in banks – and mistrust of technology companies

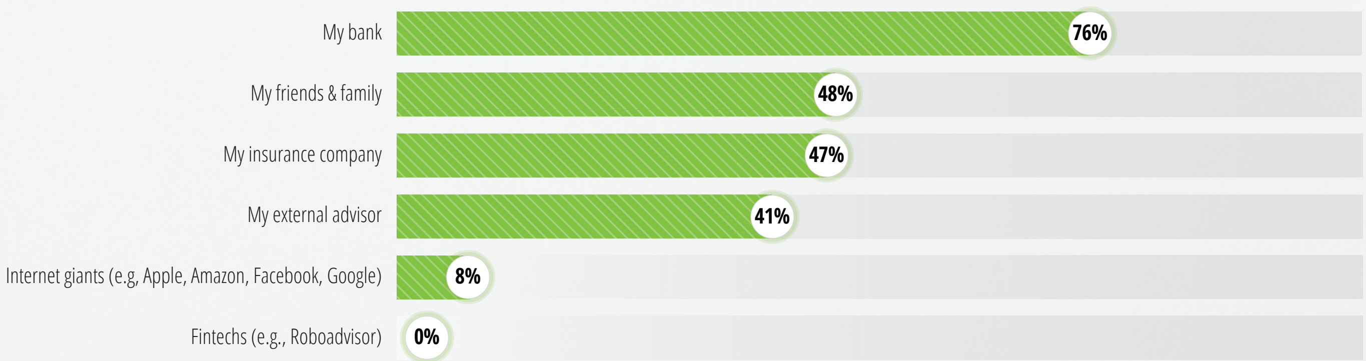
In general, affluents trust their banks (76% of survey respondents completely or generally trust their bank), and to a lesser extent trust their insurance companies (47%; see Figure 8). Banking and insurance are both highly regulated industries, which may help to explain the relatively high trust levels. Interestingly, friends and family score higher (48%) than professional advisors (41%). These findings emphasise the point that even in a digital age banking (and financial services overall) remains a trust and people business at its core, where personal relationships – to bankers, advisors, or friends and family – continue to play a crucial role.

In contrast, we found a significant level of mistrust towards internet giants (73% of respondents were skeptical about them or did not trust them at all). Ongoing public concerns about data privacy and data leaks at well-known internet companies may contribute to such low levels of trust. Affluent clients also seem to mistrust Fintech companies (49%), and many hardly seem to know much about them (43% have a neutral view or no opinion). This is consistent with our observation that many B2C Fintech companies have struggled to build up a sufficient client base, while B2B Fintechs have become more common in the market.

These findings reveal a key source of competitive advantage for banks: they enjoy a significant trust premium over players from other industries. This advantage will most likely be sustainable and may even increase, as media coverage of aggressive data monetisation, cyber security leaks, and other malpractices continue to hamper trust in internet giants.

Figure 8. Trust to manage financial matters

Whom would you trust to manage your financial matters?



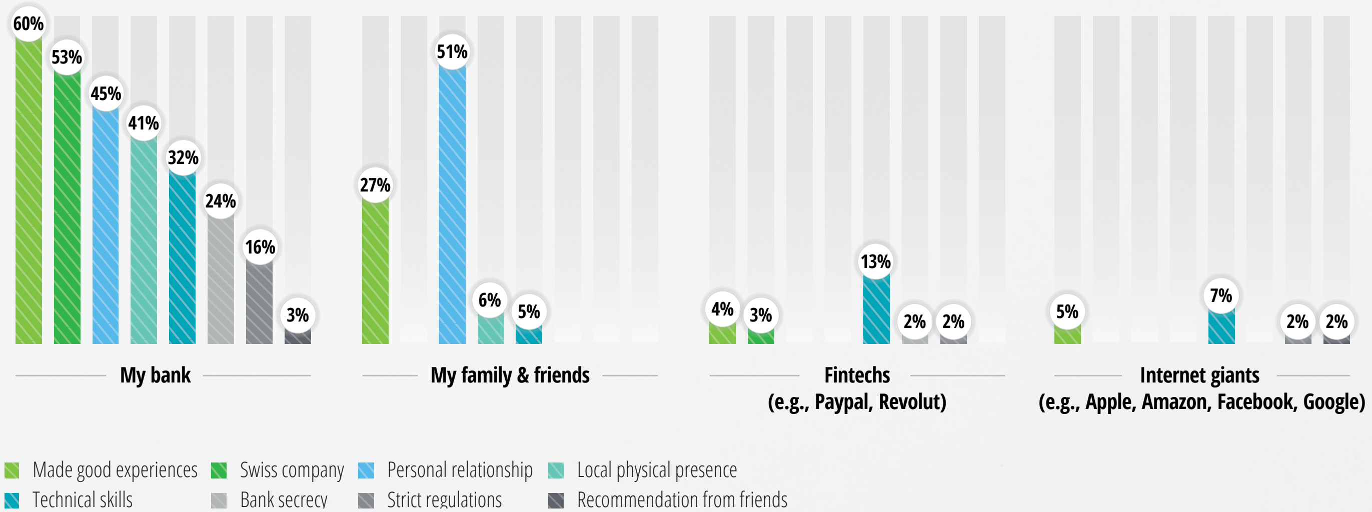
However, when asking affluent clients why they would trust banks to manage their financial affairs, mixed levels of satisfaction re-appear (see Figure 9). Our survey found that 60% of respondents had a good experience (which means that 40% did not); only 45% have a personal relationship with their bank; and, perhaps most concerning, only 32% believe that their bank has the required technical skills. Although banks score well in comparison with other organisations, these figures should be a matter of concern. The fact that 40% of affluent clients do not state that they made good experiences with their bank as a driver of trust indicates significant potential for improvement and should be a call to action for banks to build a winning proposition for their affluent clients.

The fact that banks have a local branch was mentioned as a positive factor by 41% of the survey respondents, confirming the well-known fact that branches, even in an increasingly digital banking age, continue to be important in a business that is based on trust. In addition, Swiss bank secrecy continues to be a factor that some affluent clients consider (24%), but is not a dominant concern.

In comparison, internet giants scored poorly across the board, and Fintechs seem to suffer from a general lack of awareness among affluent clients.

Figure 9. Reasons to trust

Why would you trust the following institutions to manage your financial matters?



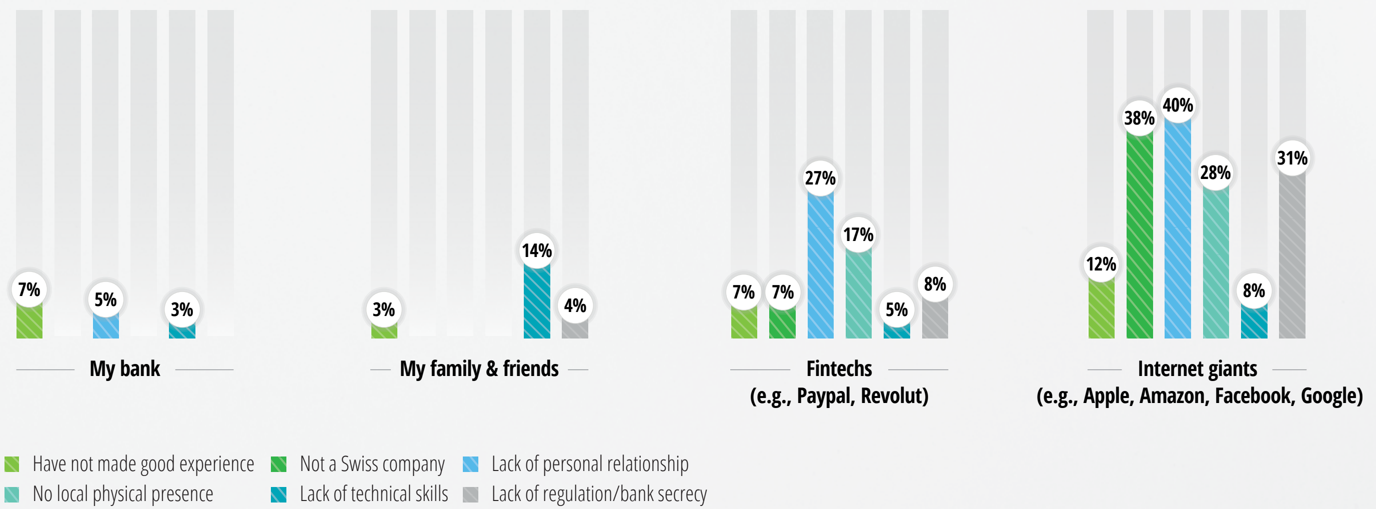
Asking survey respondents the same question in a negative way (i.e., why they would not trust certain providers to manage their financial matters), many said that internet giants are not Swiss companies (38%) or do not have personal relationships with them (40%; see Figure Figure 10). A lack of regulation (31%) and a lack of a local physical presence (28%) contribute further to the levels of mistrust.

Overall, our findings indicate the sources of competitive advantage for banks:

- Banking for affluent clients is primarily a national, or even a local business
- The experience and personal relationships continue to be essential, but investments needed to fully exploit these levers
- Physical local branches contribute significantly to building and maintaining client trust
- Regulation, including Swiss bank secrecy, while sometimes onerous and costly for banks, continues to be valued and appreciated by clients

Figure 10. Reasons not to trust

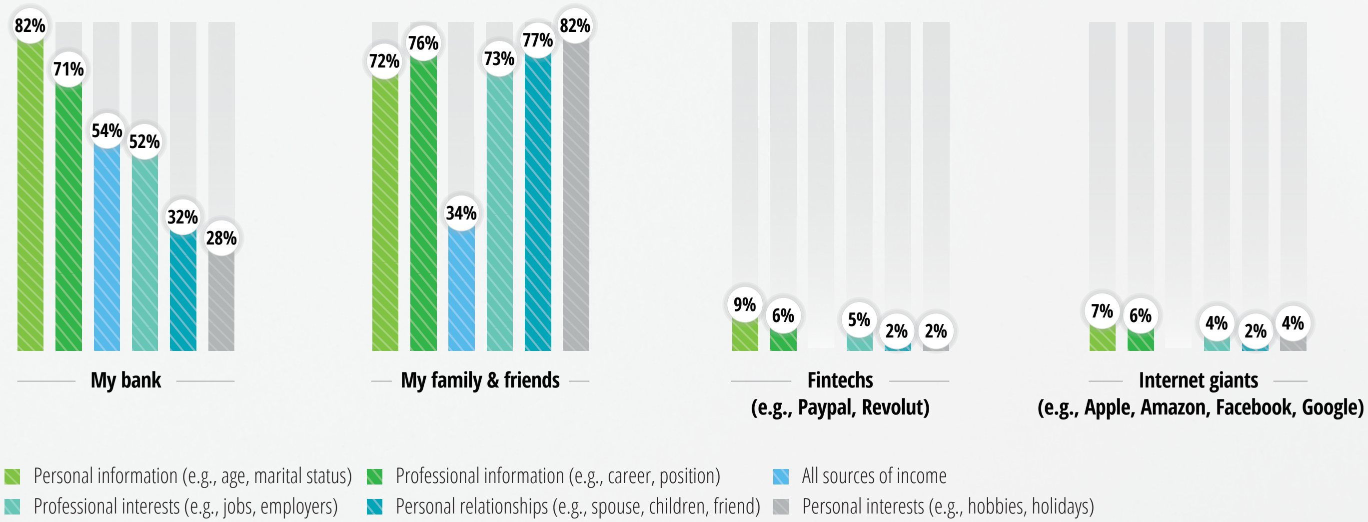
Why would you not trust the following institutions to manage your financial matters?



Looking at the willingness of affluents to share personal information, banks again score high, indicating that their trust in banks may be more than just a theoretical concept: many seem willing to trust banks with their personal financial information, such as their income (see Figure 11). While these values are certainly positive, they also show still upward potential - clients expect a benefit from sharing the information, as explored later in the report around customised services or the lack thereof.

In comparison, internet giants again score badly, with only about 5% of respondents saying that they would be willing to share any type of information with them. This is perhaps surprising, since in practice users of social media or other internet platforms – consciously or unconsciously – provide large amounts of highly personal data to internet giants, which monetise it.

Figure 11. Information recipients
Who would you share the following information with?



Affluent client segment characteristics – a summary

This chapter has looked at four characteristics of affluent client banking, and has suggested potential ways of improving the products and services offered to this market segment. These are summarised in the table below.

There are a number of strategic considerations arising from these survey findings that we will address in more detail later. Most importantly, banks that develop an attractive proposition for affluent clients will be well positioned to capture a share of a sizeable and growing market segment.

Dimension	Outlook	Business potential for Swiss banks	Strategic considerations
Market size			• Build attractive proposition for **lower affluent** segment (>CHF 200k – 500k), also as "entry ticket" into the upper affluent segment • Capture healthy market growth (3.9% p.a.) of sizeable **upper affluent** segment (>CHF 500k – 2m)
Financial literacy			• Offer attractive and easy-to-understand **education materials** on investment topic • Increase **mandate penetration** (particularly discretionary mandates) • **Increase Lombard** and **personal loan** penetration
Client satisfaction			• Enhance (omnichannel) **client experience** • Increase attractiveness of the investment offering, specifically the discretionary and advisory mandates
Trust in banks			• Re-define role and setup of **branches** • Emphasize **safety** and **security** in marketing and client communication (e.g., cyber security) • Build dedicated programs that foster trust through superior experience and relationships with the bank

Low High

Key pain points of affluent clients

The previous chapter describing the characteristics of affluents suggested that there is an opportunity for banks to deliver greater client satisfaction and a better customer experience by making affluent clients feel understood and taken care of as individuals. This chapter looks at what we call key 'pain points' for affluent clients that can provide banks additional guidance on where to focus. These pain points reflect the high expectations of affluents towards their banks – but with some reluctance to pay for the products and services they receive. For banks, this means that there is a need to balance carefully the expectations of affluent clients with their own profitability targets.

"How much do I have?" – retirement worries

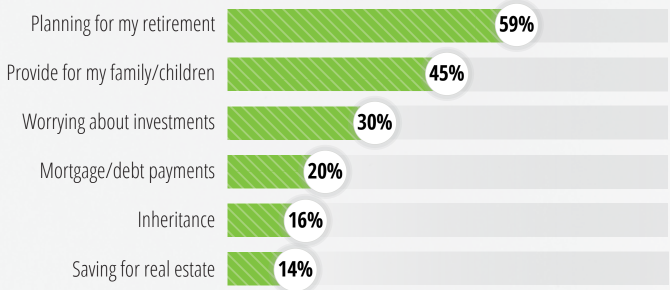
When asked what keeps them up at night, a majority of our survey respondents (59%) cite retirement planning as their main pain point (see Figure 12). Reasons for this probably include:

- the relative complexity of Switzerland's three pillar retirement system
- the difficulty obtaining accessible and understandable financial planning for affluents, as current service offerings seem expensive and somewhat exclusive, and are often not digitally supported
- problems for affluent individuals in getting a consolidated view on their overall wealth
- general concerns about the long-term sustainability of the Swiss retirement system

Another key concern for affluents is to provide for their families and children (45%). For banks, both of these key concerns may open up attractive business opportunities around wealth planning, which we explain in a later chapter. Other (somewhat technical) financial topics seem to be less of a concern. Some respondents mentioned worrying about investments (30%, but more of a concern for affluents with assets in excess of CHF 500,000), mortgage or debt repayments (20%) and inheritance topics (16%).

Figure 12. Matters keeping respondents "up at night"

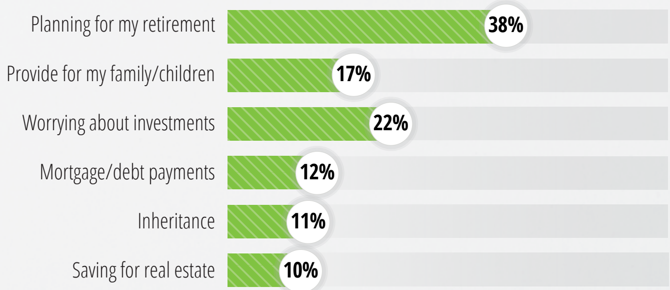
Which financial matters "keep you up at night"?



The complexities of retirement planning are the main reason why affluent clients expect (more) support from their banks (see Figure 13, in the same order as Figure 12 above). Supporting affluent clients in retirement planning is therefore an opportunity to truly understand the client, their hopes and fears, and build a trusted relationship at a topic that matters to them. In addition (a somewhat related issue), many affluents expect (more) support with their stock market investments.

Figure 13. Topics banks could help with

Would you like your bank to help you with the following topics?



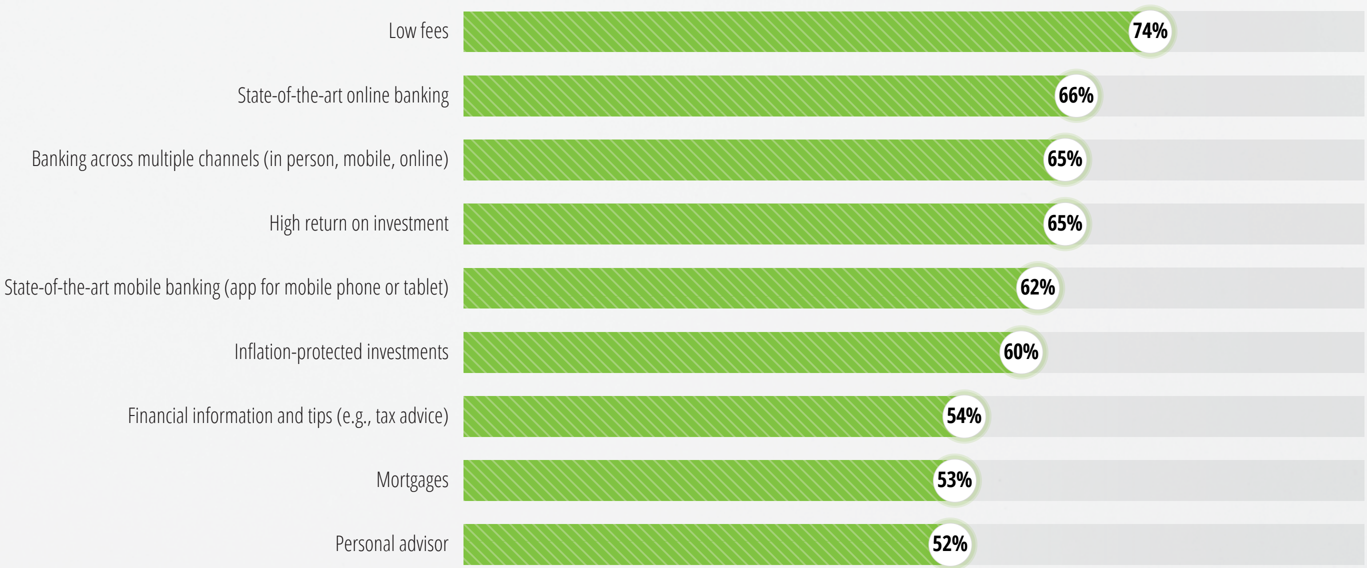
"Why is this so expensive?" – perceived high fees

Affluent individuals expect to obtain advice on the services that matter to them at a low cost, and through multiple channels (see Figure 14). Low fees are by far the most important consideration (74% of respondents). Advice is expected to come in a combination of ways: state-of-the-art online and mobile banking, but 52% also believe that a personal advisor is important, re-emphasising the crucial importance of the human element in banking for the affluent segment. The orchestration of all these channels is also a top priority for affluents (65%) and certainly an area of focus for many banks. With regard to investment products and services, the most commonly cited concerns were achieving a high return on investment (65%) and inflation-protected investments (60%), suggesting that affluent clients may desire an upgrade in the quality of service that their banks are currently providing.

These answers reveal a somewhat demanding position – i.e., affluents "want it all" without paying for it. However, they also reveal a clear call to banks to digitalise their products and services and provide better quality at lower (delivery) costs. Further digitalisation may not only increase client satisfaction by enhancing the client experience, but, in the long run and with significant scale, may also enable banks to lower their fees.

Figure 14. Most important features

What would be the most important features for you of what a bank offers?



"Why am I getting this?" – mass-produced investment advice

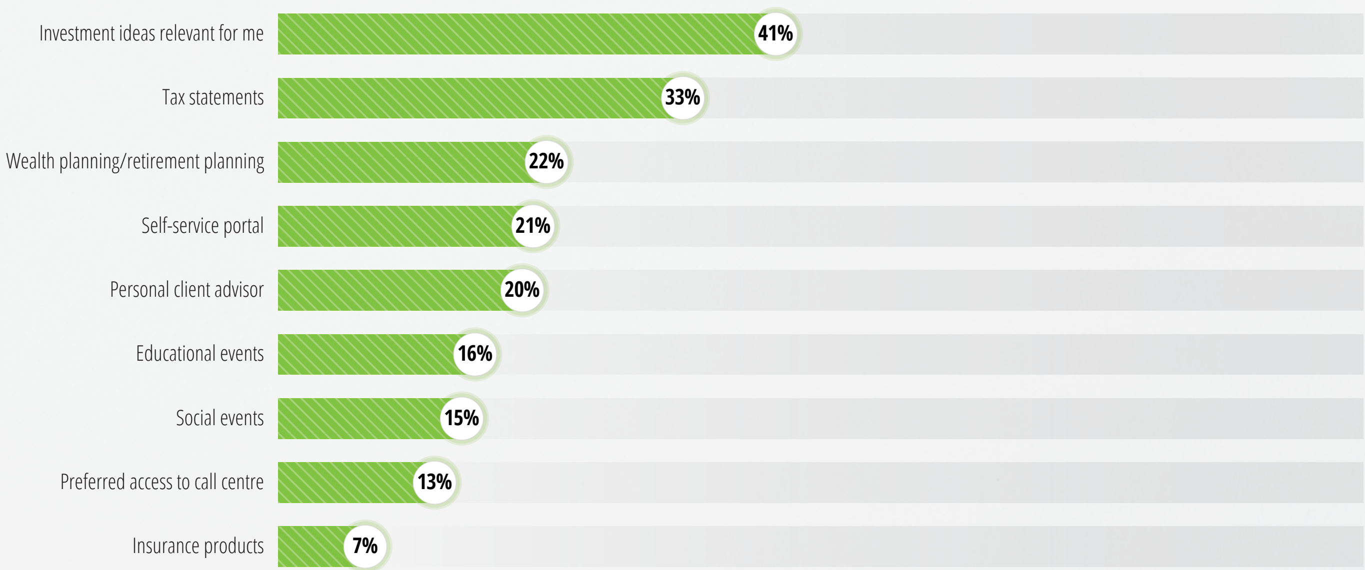
When asked which banking products and services they are currently missing the most, our survey respondents gave clear answer: relevant investment ideas (41%; see Figure 15). As Switzerland is certainly not "under-banked" and there is a broad scope of investment products available in the market, this answer may seem surprising – but it indicates that there may be potentially attractive business opportunities for banks.

Our respondents complained specifically about the perceived lack of investment ideas that are *relevant for them*. This suggests that although they probably already receive generic investment advice, what is missing are targeted and personalised investment ideas relevant for a particular life situation or investment objective.

Anecdotally, from their everyday experiences with online shopping entertainments, many affluent individuals have become accustomed to receiving customised and personalised suggestions from their advisers. Banks, despite their wealth of available client data, lag behind other industries in leveraging data for the benefit of their clients.

Figure 15. Currently missing products or services

Which banking products or services are you currently missing or feel are not good enough?



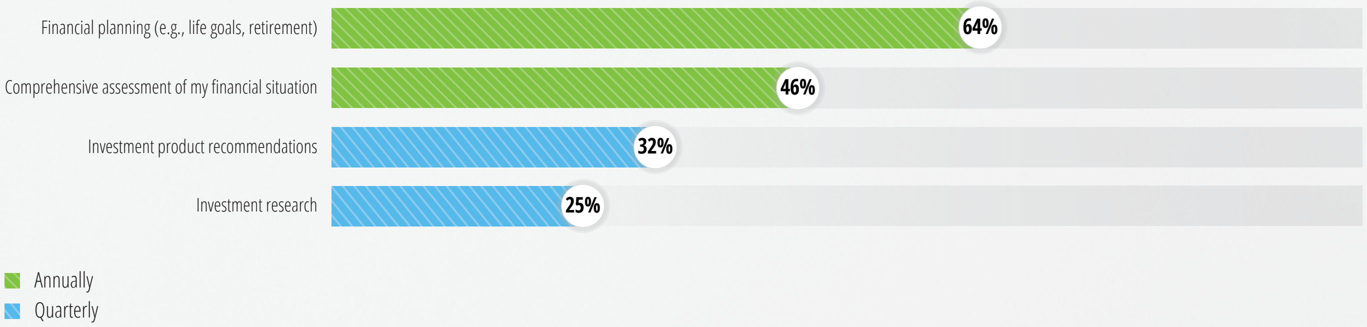
When asked what type of investment advice they would like to receive, 64% of respondents said they would welcome annual financial planning (e.g., for life goals or retirement), and 46% would like to receive an annual assessment of their financial situation (see Figure 16). However, interest in receiving generic investment advice scored much lower, probably because of the generic and non-personalised approach of many banks to this service.

Leveraging client data to suggest only investment ideas truly relevant and interesting for affluent individuals will play a pivotal role here. Leading Swiss banks have started deploying promising solutions (e.g., providing curated and customised news content, along with personalised investment ideas, directly in the banking app).

Surprisingly, a third of affluents (33%) seem to be missing tax statements from their banks – a service that most banks have offered for decades. Affluents' specific pain points would therefore need to be further examined. One explanation for this stated pain point may be that affluents could be missing *support* from their banks in taxation matters (or in filling out tax forms they receive from the government), again pointing towards an opportunity for comprehensive wealth planning by banks.

Figure 16. Frequency of investment advice

What type of investment advice would you like to receive from your bank and how often?



"How can I do this online?" – poor omnichannel experience

The actual frequency of contacts by banks with their affluent clients seems to be broadly in line with client expectations (see Figure 17 and 18). Approximately half (47%) of our respondents had been contacted one or two times by their bank in the past year, and 45% desired this frequency of contact. Another quarter had been contacted three to five times over the past year, and 28% expected this frequency.

Contact was mostly by telephone (66%), followed by e-mail (41%; see Figure 19). Interestingly, traditional paper mail (30%) appears to be still much more common than use of banks' online platforms for client communication (11%) – suggesting that most affluents do not read or even find the many notifications and PDF documents that banks put on their online platforms.

The low use of online banking as a means for client communication hints at a poor overall omnichannel experience – both for affluent clients and for banks' client advisors. Many recent studies also clearly highlight clients' preference for using the mobile channel over other channels, and since most affluent individuals undoubtedly spend much of their time online both during their working hours and their free time, banks should be able to reach them through digital channels. If banks provided the same attractive and 'fun' user experience that individuals have grown accustomed to from social media or online shopping, their digital channels may be used much more extensively.

Figure 17. Contact frequency
Over the past 12 months, how often have you been contacted by your bank?

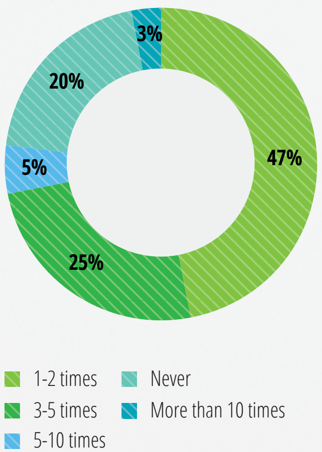


Figure 18. Preferred contact frequency
Over the past 12 months, how often would you have preferred to be contacted by your bank?

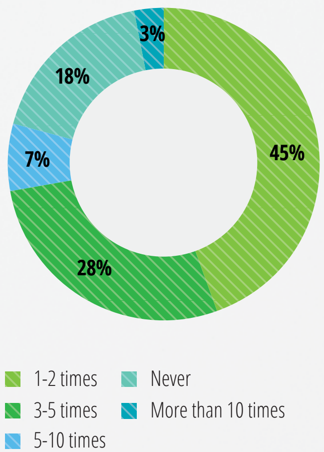
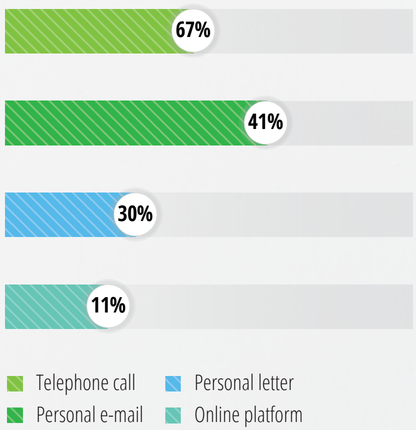


Figure 19. Communication channels
How has your bank contacted you?



"Is this just about money?" – lack of purpose

Sustainability in general, as well as sustainable investing, is a matter of concern for many investors globally. Financial services firms now deploy substantial resources to enhance sustainability – not only in their own operations but also in their investment products and solutions.

Swiss affluents are no exception: almost three out of four survey respondents (72%) said that sustainability is 'important' or 'very important' to them (see Figure 20).

When asked how they invest their money (i.e., are they putting their money where their mouth is), more than half (54%) claimed to have 10-50% of their assets in sustainable of 'green' investments (with another 12% claiming to have over 50% of their assets invested in this way; see Figure 21).

In our experience, these percentage figures would seem high, leading to questions about:

- Whether affluents have a more relaxed or subjective definition of ESG investments (e.g., "I think X is a good company, so it must be sustainable")?
- Whether affluents systematically overestimate the scale of their ESG investments?
- Whether our survey respondents display a response bias (i.e., respondents characterise themselves as being more aware of sustainability than they actually are)?

In our view, these high scores for sustainable investments reveal both significant shortcomings and significant opportunities for Swiss banks. On the one hand, they probably reveal a lack of targeted advice on ESG topics that affluent clients can understand (e.g., providing clients with educational materials or training front office staff to communicate better on the subject). On the other hand, interest in sustainability among clients continues to be high, creating business opportunities for banks.

Figure 20. Importance of ESG topics

When investing, how important are sustainability topics (ESG)?

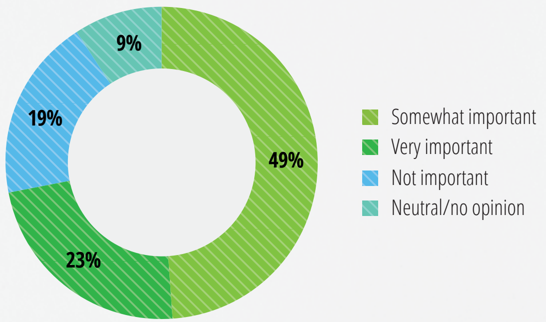
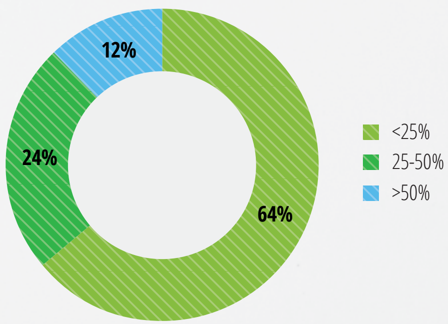


Figure 21. Investments in sustainable assets

Approximately what percentage of your investments are in sustainable assets (ESG)?



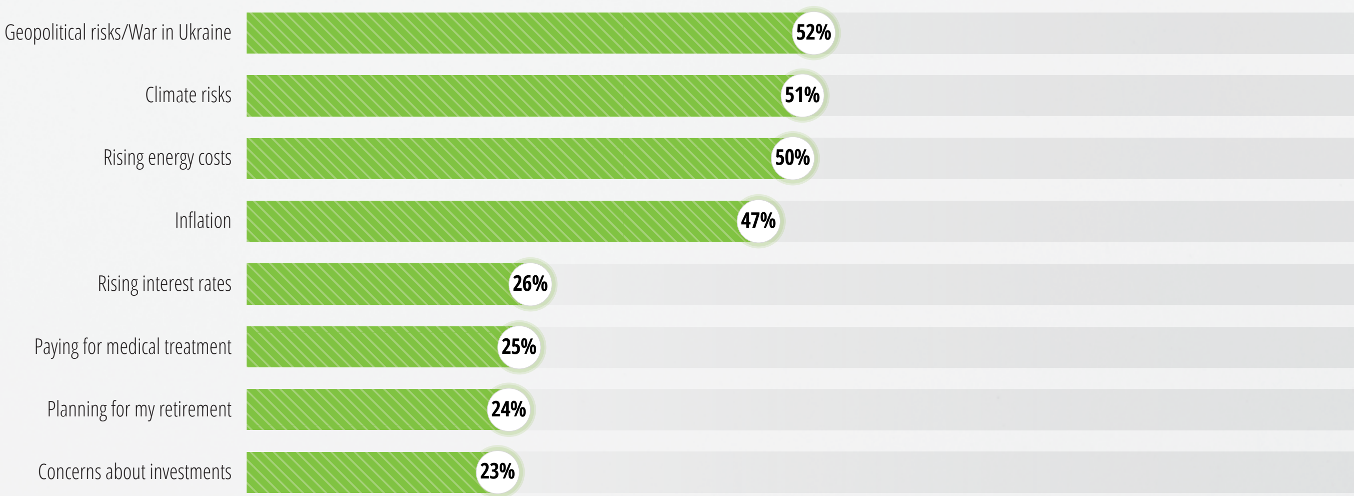
War, energy crisis, inflation: latest update

Recent geopolitical events and macroeconomic developments have had significant implications for banking and investment, not least for affluents. War in Ukraine, energy shortages and costs, and high inflation generally, added to continuing evidence of the consequences of climate change, are major developments casting a shadow over attitudes and concerns. We wanted to investigate how these developments have affected affluents and whether their 'pain points' have been changed by events. To ensure we have captured current views and sentiments, we surveyed an additional 150 Swiss-based affluent individuals in Q4 2022 by means of a digital questionnaire. The results indicate that current macroeconomic and geopolitical events, rather than personal circumstances, seem to worry them most, and geopolitical events (such as Russia's war on Ukraine) and related macroeconomic consequences (e.g., rising energy costs, inflation, interest rates) keep them awake at night (see Figure 22). And they appear concerned about how external events may affect their personal finances and investments. Climate change – another long-term trend with significant uncertainties – came second in the list of worries. Significant personal events, such as a medical treatment, were still a worry (25% of respondents) but to a lesser extent.

In this second survey which focused on significant recent events, retirement planning scored significantly lower (24%) than in our main survey, where retirement worries were the key pain point for affluent clients. This is probably because current events are having a strong negative influence in the short term, but longer-term concerns such as retirement worries will continue to be a key pain point for affluents.

Figure 22. Currently troubling issues

Concerning your personal finance and investments, what issues are troubling you at the moment, "keeping you up at night"?

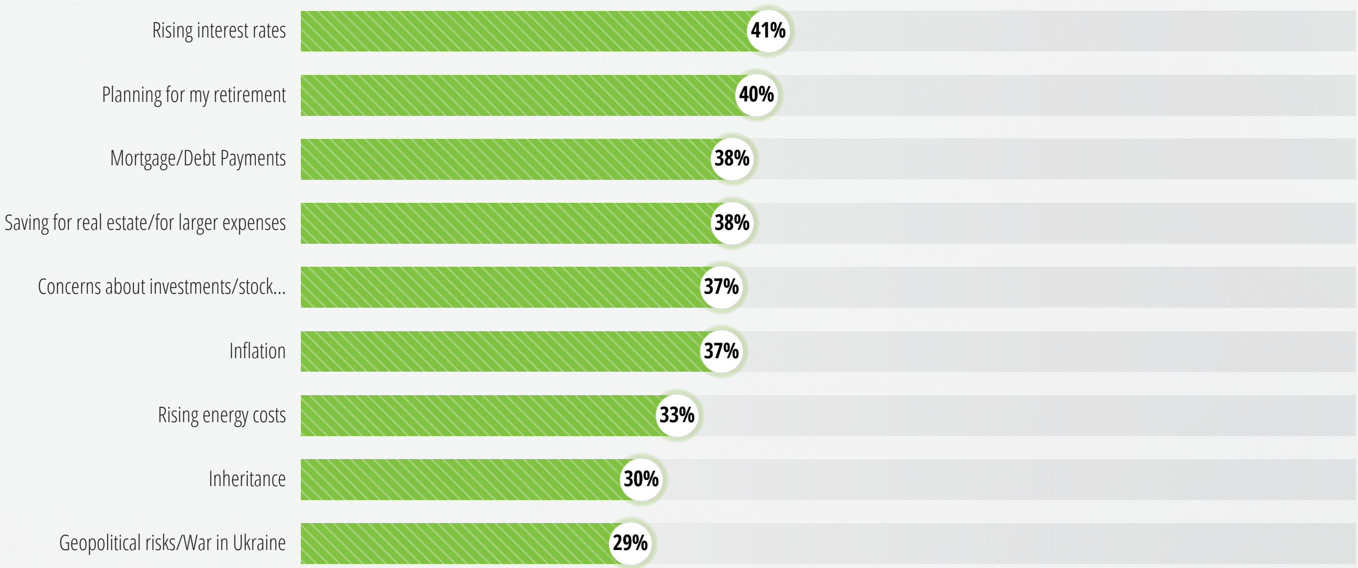


When asked about matters where they would like help from their banks, recent external events overall have not caused a shift in demand for products and services (see Figure 23). In the second survey, 41% of respondents said they would welcome advice from their banks about rising interest rates. Other financial issues where help from banks would be welcome were the same as in the main survey, including retirement planning (40%), mortgage/debt payments (38%), and saving for real estate or other major expenses (38%). In contrast, affluent clients appear less interested in advice from their banks on macroeconomic events; for example only 29% of respondents in our second survey seek advice on geopolitical risks such as Russia's war on Ukraine.

Overall, our additional survey revealed that, other than welcoming support in dealing with or benefiting from rising interest rates, the pain points for affluents appear to be relatively constant despite significant external events.

Figure 23. Matters banks could advise on

Please rate how much you would like your bank to advise/help you in these financial matters.



Service models for affluent clients observed in the market

Despite the impressive size, attractive growth and favourable characteristics of the market segment, dedicated service models for affluent clients continue to be relatively rare in Swiss banks. Retail banks seem to treat affluent clients as “large retail clients”, and many private banks seem to accept only affluent clients that are likely soon to become HNWIs.

We believe that banks could do more to address the specific needs of affluent clients by developing targeted products and services at scale, such as mass-customised investment services. We have not yet found any bank in Switzerland that has yet developed a comprehensive marketing approach to the affluent segment, but there are examples of banks successfully developing some initiatives.

Selected Swiss examples

In this chapter, we look at five well-known Swiss players with a dedicated offering for affluent clients that address their key pain points (see the table below). It is important to note that we do not intend to provide a comprehensive market overview, but select examples only. Overall, the business models of these five players provide examples of different approaches that Swiss banks have taken to the affluent market segment. The five players are:

- Vontobel Volt
- VZ Vermögenszentrum
- VIAC
- Alpian
- Stableton

Affluent pain points and select Swiss players active in the affluent segment

Affluent pain points	VONTOBEL VOLT	VZ	VIAC	ALPIAN	STABLETON	Highest assessment
Retirement worries	◑	◕ (key strength)	◕ (key strength)	◔	○	◕
Perceived high fees	◔	◔	◑	◑	◔	◑
Mass-produced investment advice	◑	◑	◔	◔	○	◑
Poor omnichannel experience	◕ (key strength)	◔	◑	◕ (key strength)	◑ (key strength)	◕
Lack of purpose	◑	◑	◔	◑	◔	◑

Does not address pain point   Addresses pain point   Player’s key strength

We have not identified any single player with a “perfect” offering for affluent clients that addresses comprehensively all their pain points. The various individual players seem to address different pain points.

- Affluents’ *retirement worries* are being addressed to a significant extent by VZ and VIAC – although in VZ’s case in a relatively traditional (offline) way, and in the case of VIAC with fairly limited customisation
- We have observed neither a true *low-cost offering* to affluents nor *customisation of investment advice* to individuals
- Vontobel VOLT’s latest omnichannel client interaction model seems to come close to a true *hybrid advice* solution – although certain elements may arguably be enhanced further (e.g., physical touchpoints with advisors, online or offline prospect communities)
- We have not observed any offering for affluent clients that focuses on or emphasises *purpose*, beyond increasing personal financial wealth

Affluent service models observed in the Swiss market

	VONTOBEL VOLT	VZ	VIAC
Country	• CH	• CH	• CH
Description	• Investment app delivering private banking-level service combined with the option of personal advice	• Independent one-stop-shop for wealth advice	• Easy-to-understand investment app for pillar 3a investments
Client segments	• Affluent	• Affluent, HNWI	• Affluent
Strategic rationale for provider	• Invest in long-term growth • Meet increasing client demand across segments and be able to interact with RMs and investment experts seamlessly across digital and hybrid channels	• Build personal client relationship by providing holistic financial advice • Combine expertise of financial advisors, lawyers, and tax advisors	• Offer low-cost access to pillar 3a investing • Democratise 3a investing using customized investment strategies for individuals
Interaction model	• Hybrid	• Physical	• Digital
Primary client interaction	• App • Telephone	• Personal meeting • Telephone	• App • Telephone
AUM	• CHF600 m	• CHF38 b	• CHF1 b (3a assets)
Minimum investment	• CHF 10,000	• n.a.	• CHF 1
Revenue model	• All-in-fees	• Advisory fees • Product fees	• Administration fee • Product-specific fees
Asset classes	• Traditional, Alternative	• Traditional	• Traditional

Source: company websites (October 2022), annual reports, Deloitte estimate.

Affluent service models observed in the market

	ALPIAN	STABLETON
Country	• CH	• CH
Description	• Digital private bank combining a multi-currency account, a debit card and investment services	• Online market network for private market investments, notably late-stage venture capital
Client segments	• Affluent	• Affluent
Strategic rationale for provider	• Target digitally-savvy affluents currently feeling under-served by both retail and private banks	• Enable affluents to invest in previously inaccessible private markets
Interaction model	• Semi-hybrid	• Digital
Primary client interaction	• App • Telephone	• Website
Volume	• n.a. (launched in Q4/2022)	• n.a.
Minimum investment	• CHF 10,000	• CHF 10,000
Revenue model	• Quarterly account fees • Fixed investment fees	• n.a.
Asset classes	• Traditional	• Alternative

Vontobel Volt[3]

Vontobel Volt has been one of the first movers in digital wealth management for affluent clients, having made significant technology investments (around CHF40 million, according to Vontobel). With Volt, Vontobel has created a modern investment app and has entered the area of digital investing. With its hybrid advisory approach, Vontobel aims to offer investment services at a private banking level to affluent clients. While many affluents previously had to rely on robo-advisors or had to invest themselves without advisory support, Volt aims to combine personal advice and investment expertise with new digital technologies.

Since its launch in 2019, Vontobel has been gradually enhancing its Volt offering with expanded functionalities, such as:

- Access to human investment advisors by telephone and physically through higher-end packages of its "Volt Access" offering
- Availability of ready-to-invest portfolios and individually selected portfolios to meet specific client preferences and needs
- Availability of alternative investments (e.g., gold, real estate, hedge funds)
- Individual financial check-ups
- ESG certification on its basic investment portfolio in accordance with article 8 of the EU Sustainable Finance Disclosure Regulation
- Refreshed app design

Lastly, through "Volt 3a", affluent clients may also access pillar 3a pension solutions.

VZ Vermögenszentrum[4]

VZ Vermögenszentrum aims to serve affluents as an independent gateway for all their finance-related matters. VZ provides website visitors news on financial markets, as well as tips on financial decisions to be taken at various moments in life, such as tax planning, fund and real estate investments, and retirement and succession planning. However VZ's key strength arguably lies in its differentiated and highly personal wealth planning. This encompasses the analysis of clients' investment portfolios, the structuring of mortgage payments and the setup of individual wealth plans that project the available and necessary financial assets beyond retirement.

VZ's value proposition rests on its independence from other financial institutions or product providers. Because VZ earns significant fees from providing wealth planning (i.e., advisory fees), the quality of its advisory services is decisive. Moreover, the absence of its own VZ products alleviates potential client concerns about VZ's independence, which is key to attracting and retaining affluent clients. VZ's client interaction model can be described as traditional and highly personal, relying on a dense network of local branches with locally-based personnel, as well as telephone advice.

VIAC[5]

VIAC has been among the digital disruptors in the pillar 3a pension market of Switzerland. The app-first solution has reportedly attracted over 70,000 clients since its inception five years ago. With CHF2 bn of assets under management, the collaboration between the VIAC and WIR bank is now amongst the market-leading 3a pension scheme providers.

[3] Source: Vontobel press release (12 May 2022).
[4] Source: company website.
[5] Source: company website.

The speed with which VIAC was able to attract a high number of clients may be due to its competitive fees of up to 0.53% annually. Arguably VIAC has innovated 3a pension investments, in particular through a comprehensive investment offering. Customers may choose from six strategies – ranging from Swiss-focused to sustainability-focused strategies, each containing up to 100% equity – as well as through thirty lower-cost index funds.

More recently, VIAC has expanded its product offering with life insurances and mortgages, where the key value proposition is a digital-only low-cost offering to attract homeowners as a new client segment.

Alpian[6]

Alpian aims to be one of the forerunners of digital private banking in Switzerland. The Geneva-based start-up bank, founded in 2020 and backed among others by REYL Group, launched its mobile-first digital service in October 2022. The service is built on two key pillars: investments and payments.

On the investment side, Alpian offers a discretionary investment service to those willing to invest CHF 30,000 or more. Investors may indicate preferences for risk and sustainability ("people vs. planet") to inform investment decisions. Clients willing to invest on their own may use decision-supporting functions within the app or talk to a financial advisor via chat or video call. The Alpian website also publishes its house analysts' views on recent economic trends and their probable impact on financial markets.

On the payments side, Alpian offers a multi-currency account (CHF, EUR, GBP, USD) with a sole IBAN. A metal debit card, which can be integrated in Apple Pay, is linked to the account. One function, yet to be implemented, will link card payments to climate action. For every thirty payments clients complete using their metal debit cards, Alpian finances the removal of 100 kg of CO_2 through a partnership with a dedicated third-party company. These innovative examples demonstrate how Alpian is targeting finance-savvy yet ecologically conscious affluents in Switzerland.

Stableton[7]

Stableton offers a fairly unique value proposition in the Swiss affluent market. This Fintech may be described as of the democratisers of private markets, by offering affluent clients access to these sophisticated asset class markets, which were historically reserved for institutional investors and the ultra wealthy. With minimum ticket sizes of just CHF 10,000 – only a fraction of what is customary in venture capital and private equity – Stableton targets affluent clients who want to diversify their portfolios through private market investments.

Stableton describes itself as a "marketplace for alternative investments". Users may search its digital platform for investment opportunities sourced by in-house deal experts. Although the firm's vision is to cover a broad spectrum of private market asset classes – such as private equity, private debt, real estate and liquid alternatives – deals currently available on the platform seem to be geared towards growth-stage venture capital. Many of them are in the tech and finance sector, and/or active in areas such as blockchain, neobanking, or payments. Affluents may co-invest in such deals alongside reputed venture capital and private equity investment firms.

These private market investment opportunities are likely to reach even more affluents in the future, as Stableton has begun

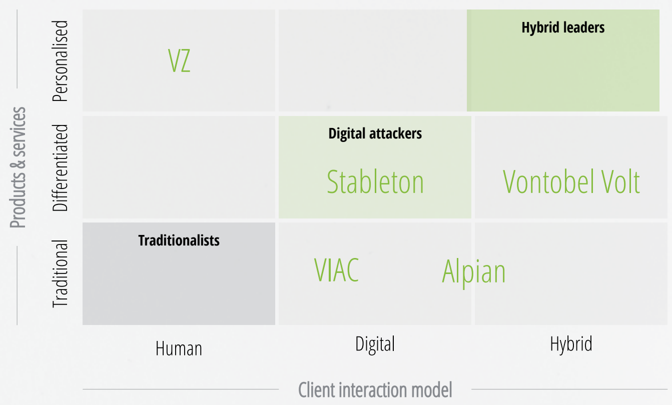
[6] Source: company website.
[7] Source: company website.

partnering with established private banks. For example, Bank CIC has recently joined forces with Stableton to create a structured product that provides access to pre-IPO investments sourced by Stableton.

Towards hybrid leaders

These selected examples may be categorised according to their client interaction models (human, digital, hybrid) and the products and services they offer (traditional, differentiated, personalised). None of the five examples, according to our terminology, fall into the "traditionalist" category of service provider, as all offer at least some form of digital client interaction. Only Vontobel Volt, through the higher-end service packages of its "Volt Access" offering, is currently providing a true hybrid client interaction model, where clients receive direct personal access (by phone or e-mail) to a dedicated relationship manager or investment specialist.

In terms of products and services, some of these players seem to offer relatively traditional investment solutions, but with Stableton and Volt also offering access to alternative investments.



Overall, these five selected examples, in our assessment, demonstrate promising elements of a winning proposition to affluent clients. However, a fully personalised hybrid proposition – a true "hybrid leader" – has yet to emerge in Switzerland. The final chapter of this study will describe the key action areas we believe are needed to build a winning proposition.

Hybrid leaders – building a winning affluent proposition

We believe that significant opportunities exist for banks to grow their business by building a strategy for the affluent market segment. In this chapter, building on the characteristics and pain points of affluents that we have identified, we describe five key action areas where forward-looking banks can benefit from attractive opportunities in the affluent market segment and gain an advantage over less proactive peers.

Action area	Affluent insights	Winning propositions for hybrid leaders
Unique offering as trusted "life advisor"	• Retirement planning as a key pain point • Banks expected to help on key life events	Be a partner for **comprehensive wealth planning for life events**
State-of-the-art, mobile-first hybrid banking	• Physical locations and personal relationships are key drivers of trust • Digital client experience should be continuously improved	Ensure seamless **hybrid banking** with state-of-the art digital channels and a focus on **mobile-first**
Exponential platforms and competitive fees	• Fees are critical in selecting a bank • Dissatisfaction with current fees may lead to increased churn	Build an **exponential platform**, drive cost efficiency at scale, and **simplify fee structure**
Personalised products and services	• Clients expect personalised products and services • Significant variations in information needs and desired contact frequency	Leverage client insights (data) to provide **mass-customised relevant products** and **services**
Role model for purpose & responsibility	• Growing relevance of sustainable investments • Increasing scrutiny by clients into how banks operate in terms of responsibility and sustainability	Embed **responsibility and sustainability** into the entire organisation

Be a partner in comprehensive wealth planning for life events

As core products and services for affluent banking clients have become mature and may be seen as commoditised, identifying new offerings to drive growth has become a necessity for banks. In order to remain relevant and justify their fees, new offerings must have a clear and tangible value proposition to clients.

In this regard, we have identified *comprehensive wealth planning around life events* as a key opportunity for banks in the affluent market segment. Retirement planning is both a key concern that keeps affluents awake at night, and the main area where they would appreciate help from their banks.

Inheritance is another area where affluent clients would like help from their bank. Another business opportunity, related to wealth planning, lies in the data that affluent clients are willing to share with their banks. As an out-of-the box example, banks may think of ways to leverage their professional information (e.g., professional interests, sources of income) to develop value-adding offerings.

Overall, affluents seem to seek a partner for key milestones in their lives, such as buying real estate or retirement. For banks to capitalise on this, they need to build capabilities to improve their understanding of their clients' life journeys and to anticipate when and to what extent clients may be ready for certain conversations. Insights gathered from client data will play a pivotal role here, as well as increasing client loyalty. Ideally, banks should provide affluents with digital self-service capabilities to provide regular updates of their data (as well as to manage costs for banks in providing such services). In addition, banks may tailor their wealth planning services around clients' key milestones in life, and also to enable them to change course when faced with unexpected challenges (e.g., rising interest rates or inflation).

Provide seamless hybrid banking

In our main survey, 94% of respondents indicated that state-of-the-art online banking was an 'important' or 'very important' requirement, which banks should offer going forward. In addition, a local physical presence remains a key reason why affluent clients trust their banks. Even so, telephone calls (67%) remain the main interaction channel which banks are currently using to communicate with their affluent clients.

While physical interactions will remain crucial, banks also need to bring their mobile and digital channels up to the next level, to cater to affluents' evolving needs for a state-of-the-art digital banking experience. Banks must ensure that their online and mobile presence does not lag behind competitors (including neobanks). Looking ahead to future generations of affluents, Deloitte's "Omnichannel Retail Maturity 2022"[8] survey found that 85% of millennials (individuals born between 1980 and 2000) and Gen Z (born after 2000) prefer to interact via multiple channels. Yet, 50% of them wanted to be able to contact a live person when needed.

Multichannel banking is also needed to keep costs at levels that allow banks to charge competitive fees while generating suitable returns.

A state-of-the-art digital banking experience may be provided by configuring each channel to its specific use cases and by allowing affluent clients seamless and frictionless access to any physical

[8] Omnichannel Retail Maturity 2022, Deloitte (October 2022), p.4.

and digital touchpoints. As an example, a quick personal meeting at the branch followed by digital interaction on the same topic should build into a unified dialogue and experience for both affluent clients and relationship managers.

In summary, key omnichannel opportunities for banks may be as follows:[9]

- Move towards a *shared screen experience*: support advisors with a digital platform that can be shared with clients, and that enables detailed tracking and sales attribution
- Make *assistance* more effective: provide remote assistance, make product information available to clients and frontline staff in all channels to enable a faster, more effective and more personalised assistance
- Make sure to *follow up* on all sales inquiries: have in place processes for lead capturing and automated follow-up, in both digital and physical channels

Build an exponential platform, drive cost efficiency at scale and simplify fee structure

90% of affluent clients say that competitive fees are 'important' or 'very important' to them, and are apparently dissatisfied with the current level of fees. Addressing this pain point has become crucial for banks. Leading banks in the affluent segment have responded to the price pressure with hybrid banking platforms that enable them to combine personal interactions and personal advice with data-driven recommendations and automated portfolio management. Such hybrid models drive both customer satisfaction and cost-efficiency,[10] enabling banks to sustain profit margins by offering customised services at scale.

While traditional private banks serving HNWI clients usually have fairly complicated and detailed fee schedules, broken down into service categories (e.g., custody, advisory, transaction) and differentiated across wealth or volume bands, affluent customers may want a more simplified and transparent approach to pricing (perhaps with all-in or flat fees). Looking at the revenue models of the five selected players featured in this study, we can see elements of simplified fee structures. For example, Vontobel Volt relies on easy-to-communicate and transparent all-in fees, and Alpian operates with quarterly account fees and fixed investment fees.

Leverage client insights to provide customised products and services

A recent global study by Deloitte[11] on wealth and asset management found that personalised products and services are a key element of trusted relationships, as they reflect a bank's in-depth understanding of their clients' needs and values. Swiss affluents also expect personalised advice and have indicated that relevant investment ideas are the most-missed service.

In addition to customised offerings, personal interactions can be arranged to fit in with affluents' expectations about when and how they should be contacted by their bank, and with what type of information.

To generate and leverage insights for personalised services and client experiences, banks need to grow their data analytics and artificial intelligence capabilities, while re-thinking their approach to client segmentation and service models. In doing so, banks

[9] Omnichannel Retail Maturity 2022, Deloitte (October 2022), p.13.
[10] Hybrid Banking: The Convergence of Physical with Digital Banking - An Evolving Transformation, in: International Journal of Science and Research (IJSR), ISSN: 2319-7064, SJIF (2020): 7.803.
[11] ThoughtLab: Wealth and asset management 4.0 (2021), p.34.

benefit from greater trust from clients, brand differentiation and a higher client retention rate.[12] More specifically, for affluents such capabilities will bring tangible benefits in the form of personalised investment ideas. As our Canadian colleagues have highlighted in their recent study "The 'Spotifying' of wealth advice"[13], tapping into the potential of data-driven personalisation can unlock attractive business opportunities for banks. As an example featured in the study, Morgan Stanley deployed a 'next-best action' advisory engine in 2018 and post implementation has experienced both a significant increase in inbound client calls as well as significant efficiency gains in the form of freed-up advisor time no longer spent on manually generating investment ideas for clients.

Embed an awareness of sustainability across the entire organisation

Given that affluents invest their wealth, offering attractive investment products and services gives banks an opportunity for organic AUM growth. In our survey 83% of respondents said that finding "attractive investments" was 'important' or 'very important'. As investor demand for sustainable investments continues to increase (in both Switzerland and globally),[14] and as banks in Switzerland believe that ESG investing is here to stay,[15] new growth opportunities will emerge.

The demand from affluent clients for sustainable investing is driven largely by a growing consumer awareness of sustainability issues. With a high number of affluents (72%) indicating that sustainability is 'very' or 'somewhat' important to them when investing, banks should broaden and deepen their ESG offerings further to capture a share of the growth in purpose investing. In particular, affluents seem keen to understand how their investments will "make a difference".

In addition, we observe growing scrutiny of corporations (including banks) by affluents (and the wider public) with regard to ESG issues and policies (e.g., net-zero CO_2 targets). When it comes to meeting clients' demand for sustainable investing, there are typically three main gaps in the services offered by Swiss banks to their affluent clients:[16]

- ***Lack of investment products***: often, a limited range of sustainable investment products and mandates are available, and in particular for private market or impact investing where large ticket investment is required
- ***Lack of knowledge***: clients often lack understanding of ESG products and their impact, and advisors often lack a basic understanding of ESG concepts and products. As a result, advisors often do not make proactive recommendations to clients about ESG products and services
- ***Lack of client understanding***: only a fraction of advisors currently seem to discuss sustainability issues when engaging with clients. Instead, most advisors still rely on clients' self-assessment of their interest in sustainability

Leading banks may therefore differentiate themselves with a wider range of ESG products and services, and better trained advisors, leading to better interaction with clients. More

[12] Deloitte Insights. 2022 banking and capital markets outlook (2022), p.12.
[13] The Spotifying of wealth advice, Deloitte (August 2022).
[14] Deloitte Insights. Deloitte Insights: Ingraining sustainability in the next era of ESG investing (2022), p.2.
[15] ThoughtLab: Wealth and asset management 4.0 (2021), p.15.
[16] Mit ESG positive Veränderungen vorantreiben, Vontobel (September 2019); Sustainable Investing Capabilities of Private Banks, University of Zurich, Center for Sustainable Finance & Private Wealth (2021).

specifically, we recommend that forward-looking banks should focus on the following issues when it comes to embedding purpose across their entire organisation:

- ***Brand***: while sustainability strategies and objectives may appear similar across banks, leading players focus on their implementation (getting things done) as their real differentiator
- ***Offering***: as sustainable portfolio solutions have grown in number and size, leading banks are now offering ESG products as the main option
- ***Client interaction***: skilled sustainable investment advisors remain scarce despite initial training and upskilling programmes. Leading banks use digital tools and solutions for enhanced client interactions on ESG topics

Overall, we observe that sustainability is becoming increasingly embedded in banks – across their operating models and not just in the investment products and services they offer.

Methodology

In 2021, Deloitte commissioned a representative survey of 300 affluent Swiss banking clients across Switzerland. The survey was conducted by Altiant[17], a leading global research and insights organisation for the wealth management industry, using its proprietary database of affluent banking clients to obtain the sample (whereby Altiant verifies the wealth levels of affluent banking clients).

The diversified sample covers different wealth levels and age groups, as shown in Figure 24 and 25. To make proposals about where banks should focus their efforts over the next few years, the survey focuses mainly on individuals above the age of 45, as they constitute the largest and therefore the most attractive segment of the market. In contrast, affluent people below the age of 45 could be characterised as outliers or special cases (e.g., inheritors of wealth or financial "overachievers"), as they make up only a small proportion of the total affluent population in Switzerland. Deloitte explores the longer-term implications of the younger generation for wealth management in a "Future of Wealth Management" series of studies and publications.

The 300 affluent banking clients were asked questions on 13 topics in an online survey which took approximately 20 minutes to complete.

In addition, to capture the views of affluents about major recent developments (e.g., war in Ukraine, energy crisis) we interviewed an further 150 Swiss-based affluent individuals in Q4 of 2022 in a second digital survey.

Figure 24. Assets distribution

Investment assets distribution among survey participants

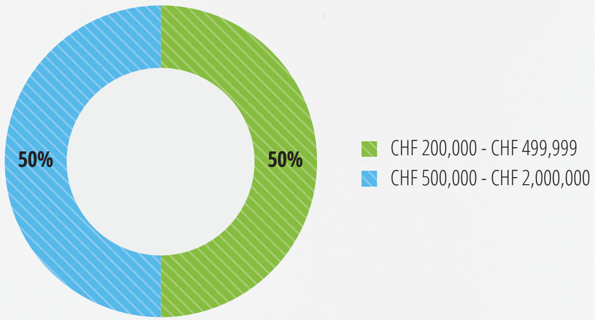
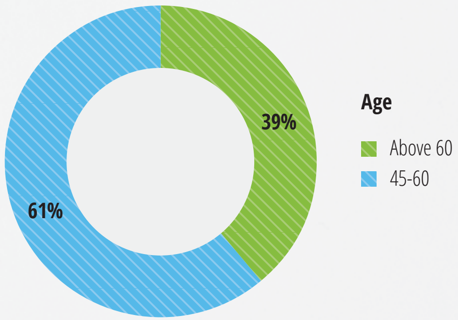


Figure 25. Study age distribution



[17] *www.altiant.com* (2021).

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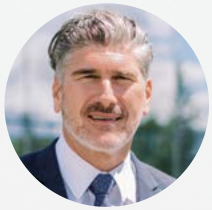

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