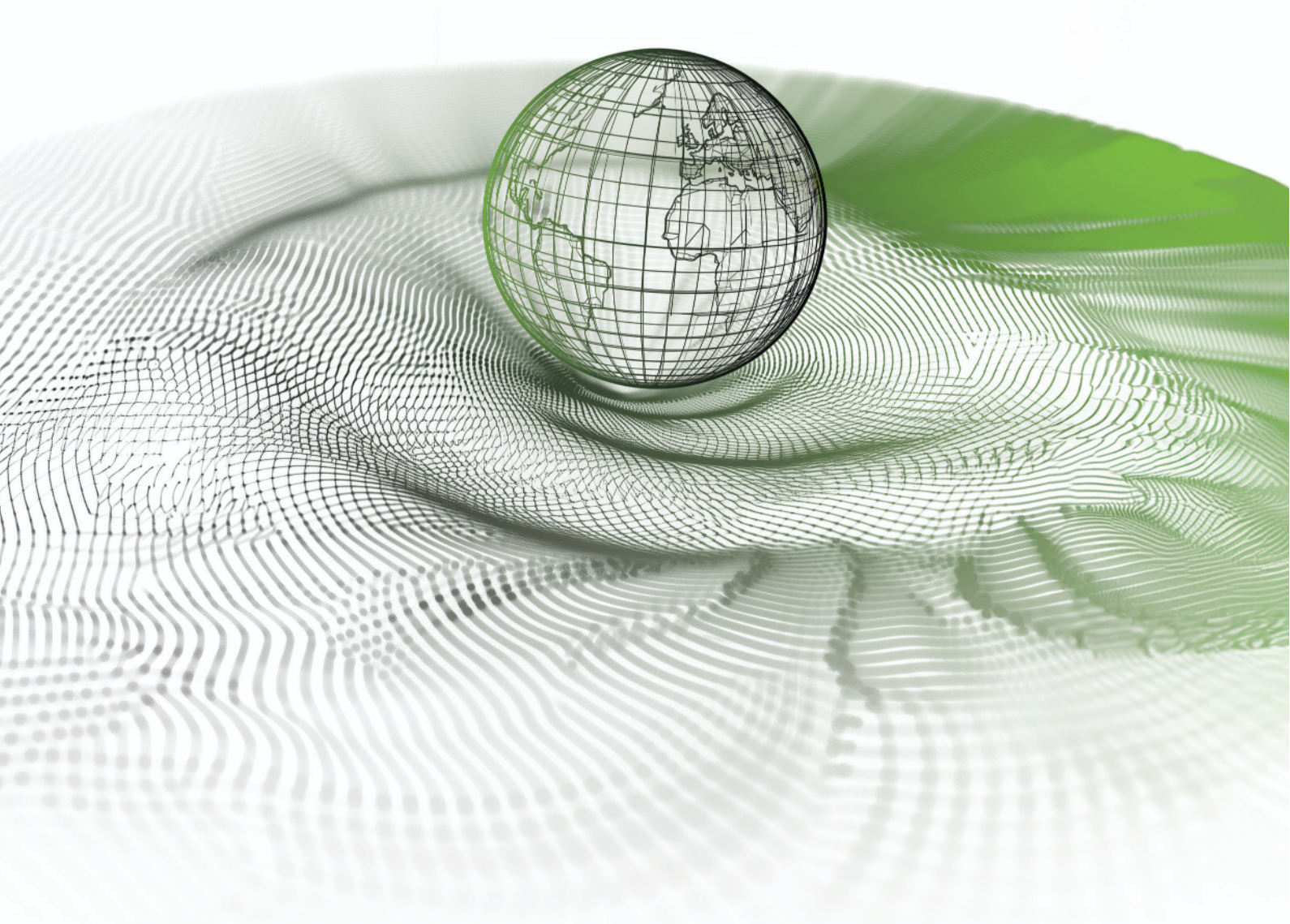
Monitor
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The Deloitte International Wealth Management Centre Ranking 2024

Seismic waves impacting leading financial centres

Fifth Edition

MAKING AN IMPACT THAT MATTERS since 1845

Scope of the research

International Wealth Management Centres (IWMCs) are defined in this report as countries or jurisdictions specialising in and attracting international private clients. A key feature of this definition is the provision of a significant scale of private banking/ wealth management services to clients with foreign domiciles. Consequently, a large proportion of client assets in IWMCs are privately-owned cross-border assets representing the International Market Volume (IMV), which is the focus for this report.

Highlighted IWMCs[1]

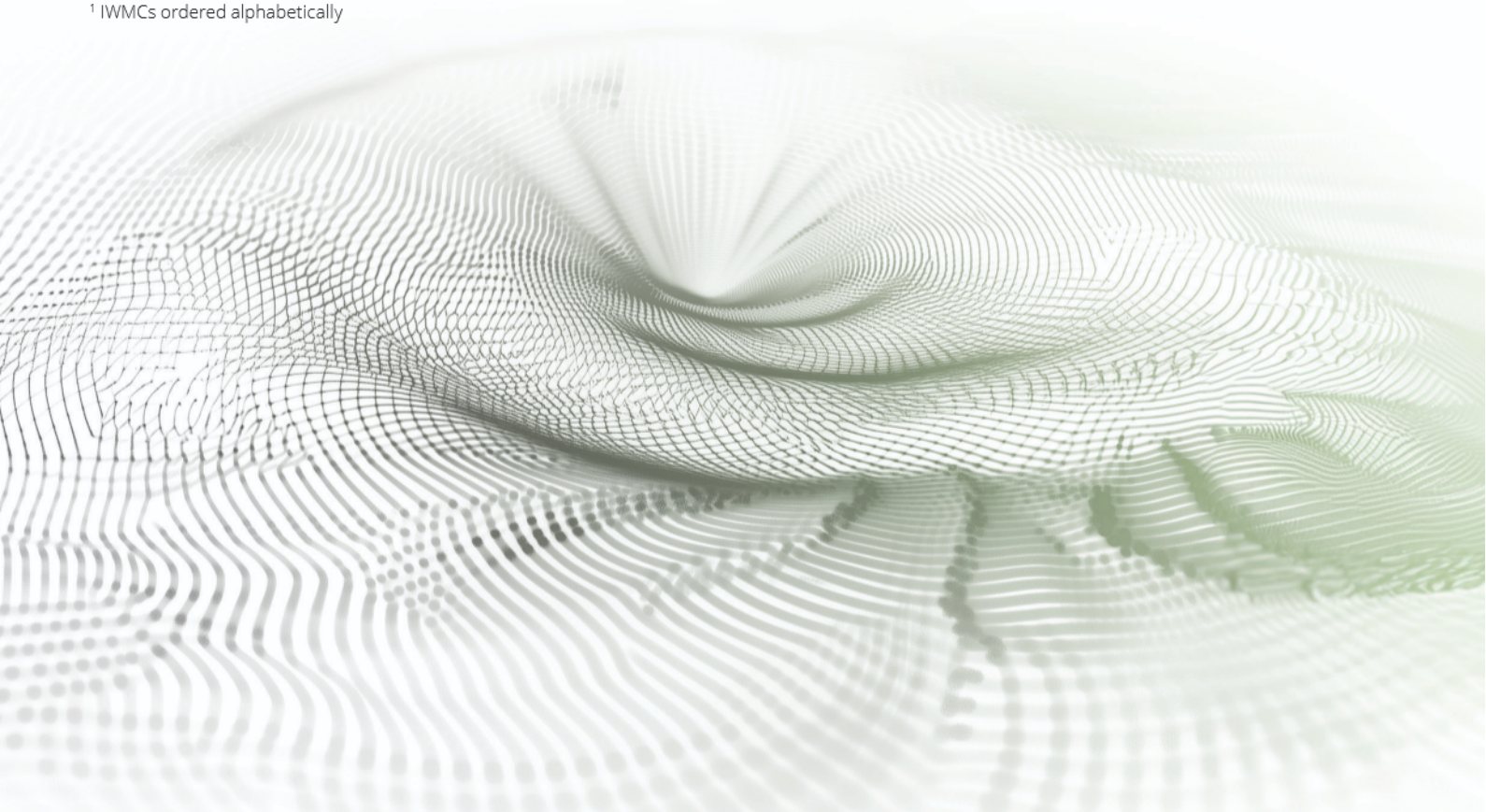


Bahrain | Hong Kong | Luxembourg | Panama & the Caribbean | Singapore | Switzerland | UAE | UK | US

Asset classes include bank accounts (checking and saving accounts), debt and equity securities (including shares of funds), derivatives and assets held in fiduciary structures such as companies and trusts. Total household wealth is considered in the analysis (i.e., no exclusion of particular wealth bands). Assets held via life insurers and pensions are excluded, as well as non-banking assets such as business equity and primary residences.

International Market Volume (IMV) refers to assets that are managed or administered in a location different from the domicile of the asset owner. This report emphasises IMV from the viewpoint of asset booking (the location where assets are booked). For the first time in this edition, we also present the perspective of asset origination (the domicile of the asset owner).

[1] IWMCs ordered alphabetically



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Foreword

Since our previous edition in 2021, the COVID-19 pandemic has ended, and there has been a resurgence of inflation and increase in geopolitical tensions. Rising interest rates have played a significant role in wealth management, influencing investment strategies, portfolio performance and financial planning decisions. Several notable bank failures occurred concurrently, causing disruption in the wealth management business. These failures were mostly due to liquidity mismatches, mishandling of interest rate risks, and broader economic pressures. In such a dynamic and uncertain environment, international wealth management has a crucial role in protecting, preserving and growing client wealth.

As the world changes rapidly, so too must wealth managers. The improving macro environment for wealth generation in 2023 is driving growth levels back to the historical trend, after a setback in 2022. Moreover, the advent of new technologies, particularly generative AI, is opening up new possibilities. Technology-driven interactions between clients and banks are becoming the norm, necessitating costly investments in the digital transformation of businesses. Questions arise about whether these investments in differentiated propositions and partnerships are being spent wisely, and if they will lead to improved performance – or whether they are just table stakes.

To face these challenges and capture new pockets of growth, international wealth managers are prioritising innovative collaboration models with clients and local partners, more sophisticated product offerings, automation for efficiency, and robust yet flexible technological platforms.

This fifth edition of our ranking report focuses on three main questions:

1. **How has the competitiveness of each wealth management centre changed since 2021?**
2. **How have the centres performed in terms of volume from international clients and growth?**
3. **What are the business priorities of wealth managers and the capabilities they need to succeed in the future?**

We are pleased to share our findings in this report, which we hope provides insights into an attractive market and related opportunities to unlock value for your clients and your organisations.

Jean-Francois Lagassé
Managing Partner
Financial Services Industry Switzerland and Global Wealth Management Leader

Patrik Spiller
Partner
Monitor Deloitte Strategy Consulting and Wealth Management Industry Leader North South Europe

Executive summary

Overall findings

New challenges

The business environment for International Wealth Management Centres (IWMCs) is challenging. From 2017 to 2021, leading centres saw growth in International Market Volume (IMV). However, IMV declined across the board in 2022, and the recovery from 2023 varies between centres. While global financial wealth has grown at an annual rate of 4.4% between 2013 and 2023, the international asset volumes have stayed steady over the last decade. In relative terms, the share of international assets (IMV) in total financial assets has decreased significantly, from 5.3% in 2013 to 3.7% in 2023, forcing wealth managers to plan for how to operate in this new normal. One approach is to survive the predatory competition by consolidating and scaling international business by means of mergers and acquisitions, while anticipating that international banking will not differentiate from local banking in the future, particularly in view of the offering and revenue potential. Another strategy would be to focus on local business by expanding the local distribution network and client base.

Stability and innovation are crucial for maintaining competitiveness for wealth management centres, especially in the face of rising geopolitical tensions and also the emergence of GenAI. Additionally, in such a fiercely competitive environment, regulatory arbitrage has become a key distinguishing factor. Adherence or non-adherence to international regulatory or tax initiatives, such as FATCA or the OECD minimum corporation tax, creates an uneven playing field. Therefore, while commitment to the highest regulatory standards is fundamental, careful evaluation is essential to determine which regulations are necessary and how they can be implemented optimally.

Switzerland still on top, others closely behind

Switzerland remains the leading centre in terms of both competitiveness and size. Singapore and the US rank second and third in competitiveness, and the UK and US follow Switzerland in size. Supported by a significant increase in International Market Volume in 2020 and 2021, the leading centres navigated the recent past quite well. However, the share of IMV as a proportion of total financial assets has continued to fall, highlighting the importance for globally active players to adapt continually to the ever-evolving needs of international wealth management clients. Increasingly, clients expect wealth managers to be present in their local markets in view of stagnating IMV volumes and increased share of local wealth.

Competitiveness

Competitiveness ranking

1.  2.  3.  4.  5.  6.  7.  8.  9. 

Shifting competitive factors

Competitiveness is a measure of the long-term prospects of a wealth management centre. While wealth managers can overcome adverse business conditions, especially in the short term, providers and clients can be expected to gravitate towards more competitive locations over time. The competitiveness ranking includes only the leading centres, where competition is fierce and constant improvement is essential for all centres to avoid falling behind. The market is continually evolving, leading to changes in competitive conditions. This edition adjusts the assessment of international capital flows, cost drivers and bureaucracy costs, and introduces indicators related to AI.

Tight race

The competitiveness ranking of the two leading centres is unchanged from 2021: Switzerland, followed by Singapore. The US advances to third place ahead of Hong Kong, and the UAE overtakes the UK in fifth place.

Switzerland and Singapore leading, US and UAE moving up

- Switzerland scores well for competitiveness. It is strong in fundamentals such as infrastructure, property rights and data privacy. Recent developments, however, threaten to weaken Swiss competitiveness in several areas, such as tax and regulation, as for example in the Credit Suisse bankruptcy and the ongoing regulatory framework review. Consequently, Switzerland needs to shape its strategy to ensure that it remains competitive.
- Singapore is a highly competitive, neutral business hub, with a strong innovation track record and only a few relative weaknesses, mostly relating to inflation and regulation, including anti-money-laundering.
- The US advances one place up the rating and comes in at third. It benefits from its excellent wealth management providers, its leading position in AI, and its dominant capital market. Its non-adherence to some international regulatory and tax agreements offers regulatory and tax advantages compared to compliant wealth management centres. However, it scores comparatively low for stability.
- Hong Kong also ranks well, with a superior talent pool and broad capital market. However, political stability, bureaucracy costs and data privacy are concerns.
- The UAE advances one place on the back of tax reforms, monetary stability, and the efficiency of financial service providers. However, the UAE ranks less well when it comes to the judiciary, financial rights, and government effectiveness, as well as the availability of talent.
- The UK has dropped one place. In spite of its exceptionally strong financial and wealth management cluster, the UK has been affected by generally unsatisfactory developments relating to its macroeconomy, infrastructure, and regulatory and tax environments.

Size

Size ranking

1.  2.  3.  4.  5.  6.  7.  8.  9. 

Switzerland remains the largest centre, although closely followed by the UK and US

With USD2.2tn of international assets, Switzerland remains the largest booking centre – slightly ahead of the UK by only USD8bn, which comes in second place. Total IMV reached USD10.1tn in 2023, an increase of 2.9% compared to the previous year. While total IMV has remained relatively stable over the past five years, the share of IMV per centre has changed. Switzerland (21.4% in 2023 vs. 23.7% in 2020) and Panama & Caribbean (1.7% in 2023 vs. 3.3% in 2020) lost market share while the UK (21.4% in 2023 vs. 18.8% in 2020), the US (20.8% in 2023 vs. 18.2% in 2020), Hong Kong (9.9% in 2023 vs. 9.1% in 2020), and Luxembourg (4.6% in 2023 vs. 4.2% in 2020) all gained. Singapore (7.2% in 2023 and 2020) and Bahrain (1.1% in 2023 vs. 1.0% in 2020) both remained stable.

IMV growth recovers after dropping significantly in 2022

2022 was marked by a significant fall in IMV, which dropped by 15.6% compared to the previous year. This was contrary to expectations given that there was a significant increase in geopolitical uncertainty in that year and IMV typically tends to increase in times of uncertainty, as wealthy individuals seek to park their assets in safe havens. However, the fall in IMV can be explained by the fact that the US dollar appreciated in 2022, thereby reducing the value of IMV on conversion of assets from local currency into USD. The reverse occurred in 2023, when the US dollar depreciated in value back to 'normal levels', increasing IMV on conversion of assets from local currency into USD. As a result, IMV increased in 2023 by 2.9% compared to the previous year.

Another key observation is the continuing fall in the share of IMV as a percentage of total financial wealth, from 5.3% in 2013 to 3.7% in 2023. This demonstrates a growing preference for local banking over international banking. A possible explanation for this is that wealthy individuals and their families may be less motivated to move assets to an international location to cut their overall tax liabilities, as the difference in taxation levels between home and foreign countries narrows. As a result, strategies with wealth managers focused on international clients must constantly adapt their go-to-market, product and booking centre strategies.



Strategic priorities and enablers to succeed

Strategic priorities

Globally active wealth managers must adapt to the evolving needs of local and international clients and understand shifting demographics and preferences. Focusing on wealth creation regions such as North America and Asia Pacific would enhance revenue streams and strengthen market positioning – whereby wealth managers should consider local and international strategies. Offering access to differentiated investments, such as private market opportunities, is crucial for attracting and retaining Ultra High Net Worth Individuals (UHNWIs). Additionally, wealth managers should offer alpha generating products, access to private equity or differentiated real estate investment opportunities, to justify fees and retain clients.

Enablers to succeed

To thrive in competitive international markets, wealth managers should consider five enablers for success:

- To meet the diverse needs of clients, deliver a hybrid client-advisor experience by combining digital convenience with personalised advisory services.
- Pursue inorganic growth through M&A to expand market presence and capabilities, enabled by effective integration. Those players that excel in implementing the other enablers will be best positioned both to afford acquisitions and to effectively integrate them, thereby creating superior scale on their platforms.
- Streamline operations, by automating routine tasks and optimising processes to enhance efficiency and service delivery.
- Develop a scalable and agile technology architecture to support growth and adaptability.
- Enhance data management and integrate GenAI to derive actionable insights and personalise client services, to achieve sustained competitive advantage.



The future of global wealth management

The future of global wealth management is poised to be shaped by significant technological advancements, regulatory changes, geopolitical risks, and macroeconomic shifts. As wealth centres navigate these dynamics, countries like the UK may face long-term challenges to their competitiveness, while Singapore, Hong Kong and the US appear positioned to emerge as potential leaders. Switzerland, today's leader, must focus on enhancing its regulatory frameworks and re-establish trust following the Credit Suisse debacle, and invest in digital transformation and optimising operational efficiencies, to defend its leading status in the global market.

Competitiveness ranking

Switzerland continues to lead the competitiveness ranking, followed by Singapore. The US advances to third place.

The competitiveness ranking provides an assessment of a centre's long-term potential. Greater competitiveness creates the preconditions for success, and improves the centre's ability to win client confidence and attract financial assets. Highly competitive centres typically offer better service providers, highly qualified staff, and superior products and services.

Our study measures competitiveness across four dimensions: business environment, provider capability, stability, and tax and regulation. Each dimension comprises several assessment criteria, as shown in Figure 1. Our approach has been revised to reflect developments in the wealth management landscape since 2021. This edition sharpens the assessment of international capital flows, cost drivers and bureaucracy costs, and introduces indicators related to AI investments, expertise, and regulation.

Assessment criteria are weighted according to their significance for competitiveness, and validated through interviews with senior wealth management executives globally. The weightings are reviewed and revised in each edition. This time there has been a slight increase in the weights for stability, tax and regulation, and a slight reduction in the weighting for provider capability.

Political stability has gained importance recently due to rising geopolitical uncertainty, and monetary stability is also more significant, with inflationary surges impacting the global economy. Recent banking failures in the US and Switzerland underscore the importance of financial stability. Provider capability, the expertise cluster, talent pool, knowledge, and reputation within a hub are all integral to the competitiveness ranking. A later section of this report will explore how wealth managers can thrive in today's market.

Figure 1. Weighting of assessment dimensions and assessment criteria

Assessment dimensions	Weight	Assessment criteria	Weight
A - Business environment	10%	A1 - Infrastructure	2%
		A2 - Attractiveness as a travel destination	2%
		A3 - Capital market	4%
		A4 - Fintech and AI hub	2%
B - Provider capability	30%	B1 - Human capital	10%
		B2 - Reputation for service quality and ESG	15%
		B3 - Financial sector efficiency	5%
C. - Stability	30%	C1 - Monetary stability	8%
		C2 - Financial system stability	7%
		C3 - Political stability	15%
D - Tax and regulation	30%	D1 - Tax	10%
		D2 - Regulation	10%
		D3 - Client capital rights protection	10%

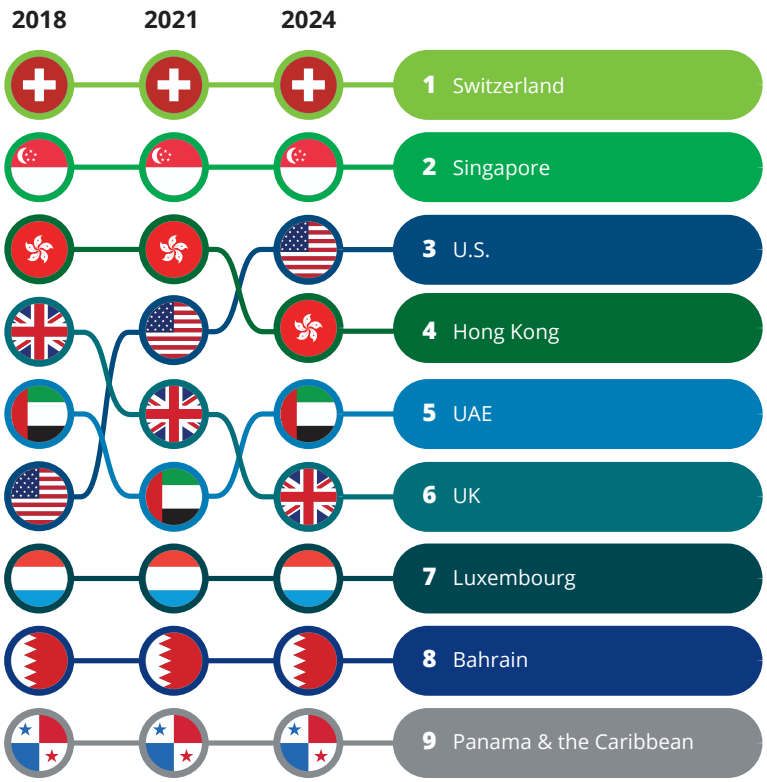
Competitiveness ranking 2024: Switzerland leads, US rises

The competitiveness ranking compares the top nine global wealth management centres which generally perform well in business rankings. A lower ranking among such an elite group indicates a centre that is slightly less competitive than the others, rather than non-competitive.

In the 2024 ranking, Switzerland keeps its leading position with Singapore following closely behind, as in previous years. Notably, the US has climbed to third in the ranking, and Hong Kong moves down to fourth place, indicating a persistent long-term development. The next four centres are all close together, but with the UAE moving up one place and the UK dropping one.

Given the highly competitive global wealth management market, every centre should target continued progress, regardless of its present position.

Figure 2. Overall competitiveness ranking





Switzerland, known for its general business attractiveness and traditional wealth management status, maintains its leading position. However, recent developments pose a threat to Swiss competitiveness in several areas.

Switzerland boasts a well-connected and highly developed capital market, and a wealth management market hosting 236 banks,[2] 31 licensed securities firms[3] and about 1,300 licensed asset managers.[4] While strong in Fintech (483 companies)[5] and blockchain (1,290 companies),[6] it lags behind in AI development. Cost optimisation is crucial due to its high-cost location.

Stability, including political stability, remains a key characteristic. However, Switzerland's reputation for neutrality has waned somewhat, particularly in view of its compliance with international sanctions. As for taxation, while Switzerland must adhere to global standards and engage in constructive dialogue regarding further tax initiatives, it should be cautious about leading the way in adopting new taxation measures that could adversely impact its competitiveness.

Switzerland should seek internationally aligned prudent regulation that enhances financial sector stability without hindering growth, maintaining a level playing field and avoiding future emergency measures.

The importance of stability was evident in the huge asset drawdowns at Credit Suisse[7] (about CHF 161 billion in autumn 2022 and Q1 2023), demonstrating a rapid impact of reputational damage on liquidity and confidence due to the digitally-enabled transfer of financial assets. The impact of the reputational damage on the Swiss financial centre goes beyond the immediate asset drawdowns and highlights the importance of re-establishing trust and stability. Regulation should be adapted to the size of the banks and should ensure that systemically important banks can be stabilised or wound down in an orderly fashion, using their own financial resources. Having such regulation in place should provide protection in the event of financial stress, and also enhance trust and the reputation for resilience.

Regulation on its own did not determine the differing outcomes of the two major Swiss banks: business strategy and risk management also played a major part. Regulation should recognise that success enhances resilience and should not impede growth and innovation. Emergence of a true global champion bank in Switzerland brings also significant benefits to the Swiss wealth management centre in terms of innovation, industry expertise, talent attraction, and reputation.

It remains to be seen whether Switzerland can defend its top position in the future. While its outstanding placement should not be overlooked, further regulatory enhancements, an easing of administrative burdens, and an acceleration in the pace of innovation are needed.

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[2] State Secretariat for International Finance SIF, Key figures on Swiss financial sector – 2024
[3] Approved Institutes | FINMA
[4] Portfolio managers and trustees | FINMA
[5] IFZ FinTech Study 2024
[6] CV VC Top 50 Report 2024
[7] Credit-Suisse-Quartalsbericht: 61 Milliarden an Kundengeldern weg (nzz.ch)



Singapore follows closely behind Switzerland, in second place for competitiveness. It is known for its highly competitive, neutral business hub and strong track record for innovation, particularly in Fintech. The Monetary Authority of Singapore (MAS) takes a proactive approach, focusing on stability while promoting growth and innovation through initiatives such as the regulatory sandbox[8] and the Singapore FinTech Festival.[9]

As one of Asia's most mature wealth management centres, Singapore attracts international clients seeking a stable political and regulatory environment, especially amid regional geopolitical uncertainty. It demonstrates strength in the dimensions of business environment, provider capability, and tax and regulation, and is recognised as a prominent hub for talent, while also being less costly than Switzerland.

However, Singapore faces challenges with inflation and high debt levels, although its strategy of using high levels of public debt to finance investments is mitigated by the creation of substantial public assets. Care is necessary to ensure that public investments generate value, although Singapore's strong track record reduces the risk.

Following recent high-profile breaches, there has been tighter regulatory scrutiny, including a greater focus on money laundering. This has affected some existing clients as well as the onboarding of new clients, and prompted consideration of additional anti-money laundering measures.[10] It has also impacted family offices. The number of Single Family Offices doubled from 700 in 2021 to 1,400 at the end of 2023. New requirements and tightened regulatory oversight have been introduced, including additional information requests, more closures of dormant companies, and the recent repeal of a preferential licensing regime for family offices. Licensing requirements have been tightened, with the removal of a 12-month grace period to comply and stricter local hiring rules, among other changes.[11] While stricter anti-money laundering enforcement and family office requirements may impede future growth, these developments also demonstrate Singapore's stability, its commitment to higher standards, and its evolution as a mature wealth centre.



The US, with the world's largest economy and strong financial markets, has risen to third place in the ranking, driven by a robust wealth management industry. It has the most dynamic capital market (the success of which has an impact on assets under management), international capital links, and substantial AI investments. The US has also shown improvements across several indicators, including Fintech, human capital and provider reputation.

The performance of the US with regard to regulatory complexity and costs is mixed overall. Its non-adherence to some international regulatory and tax agreements such as the Automatic exchange of information (AEOI) and the OECD minimum corporate tax, offers regulatory and tax advantages compared to compliant wealth management centres. In doing so, the USA is not operating on a level playing field with other international financial centres.

The US also exhibits weaknesses in infrastructure and stability. Under the Biden administration, the US has boosted its infrastructure spending, and benefits from this are anticipated in the medium and long term. However, high inflation rates and a rising public debt level undermine monetary and financial stability. The US gross public debt stands at above 120% of GDP and the annual net deficit is about 7% of GDP. Both these statistics are about twice as high as

[8] Overview of Regulatory Sandbox (mas.gov.sg)
[9] Singapore FinTech Festival (mas.gov.sg)
[10] Singapore banks tighten scrutiny of clients after money-laundering scandal
[11] Singapore adjusts tax incentives for family offices, which must also do more to boost local hires | Singapore EDB

would be allowed for an EU country under the Stability and Growth Pact. This poses a risk in the long term to the status of US government bonds as a virtually risk-free asset. Indeed, the share of the US dollar in global currency reserves has continued to decline, with the US dollar being replaced by non-traditional reserve currencies such as the Australian dollar, Canadian dollar and Chinese renminbi, as well as by increasing gold reserves.[12] Political stability is also a concern, given clear signs of polarisation within society and between the two major parties, as well as fragmented interests within these parties. Given its status as a pre-eminent geopolitical power, US actions (such as sanctions) also have a sizeable influence on global wealth management centres.



Hong Kong, a pivotal Asian wealth management centre, has experienced substantial growth driven by its strategic geographical location and close ties to the Chinese mainland economy. However, challenges have arisen from a less dynamic Chinese economy slowing the pace of investment inflows, as seen by falling real estate prices, which signal a less favourable business climate.

In the ranking, Hong Kong is nearly on a par with the US but is slightly weaker than in 2021 in assessment dimensions such as Fintech, provider reputation, efficiency, and regulation. Its strengths lie in its talent pool and its capital market, which is much larger than Singapore, offering a broader range of investment opportunities, powered by China's economy of USD18 trillion[13] and population of approximately 1.4 billion. However, recent developments have exposed weaknesses, particularly in comparison to Switzerland and Singapore, in political stability, bureaucracy costs and data privacy concerns.

While Hong Kong is already a strong family office location, with more than 2,700 single family offices in the city,[14] a strategy has been launched to attract more SFOs by 2025, particularly from the UAE and mainland China. Additional measures include advantageous tax and investment migration plans, art preservation, and digital currency cross-border payment networks.



The UAE has become an international financial hub, benefiting from its strategic location, business-friendly environment, and robust infrastructure. Its pro-business policies, tax incentives, and free trade zones have attracted multinational corporations, financial institutions, and high net worth individuals (HNWIs).

In the ranking, the UAE has advanced one place, excelling in taxation (with the lowest tax rates among the featured centres), monetary stability, and the efficiency of financial service providers. However, it ranks lower in judiciary, financial rights and government effectiveness, as well as talent availability. While politically relatively stable, security and regional stability are potential areas for concern due to its location in a volatile region of the world.

To enhance its competitive position, the UAE is undertaking initiatives such as extending its "Golden Visa" programmes, supporting HNWIs and businesses, and making changes to corporate ownership law to allow full foreign control of local companies.[15]

[12] Dollar Dominance in the International Reserve System: An Update (imf.org)
[13] IMF Datamapper, accessed August 2024
[14] Market study reveals more than 2,700 single-family offices are thriving in Hong Kong | Deloitte China
[15] Dubai expects economic boost from UAE golden visa extension | Reuters



The UK has dropped from fifth to sixth position in the competitiveness ranking, highlighting an imbalance between a strong financial and wealth management sector and unsatisfactory macroeconomic, regulatory and tax trends. The UK benefits from a robust industry cluster, serving as a crucial stepping stone for successful US banks expanding into Europe, and as the favoured central booking centre when banks are consolidated across multiple countries.

However, the UK's competitiveness has been impacted by the lengthy Brexit process, a volatile monetary environment, a high public sector deficit and national debt, crumbling infrastructure, high taxation and burdensome regulations. The combination of high taxation – the highest since the 1940s,[16] public debt, and strained public services as well as underinvested infrastructure represent a complex challenge which could necessitate further tax increases.

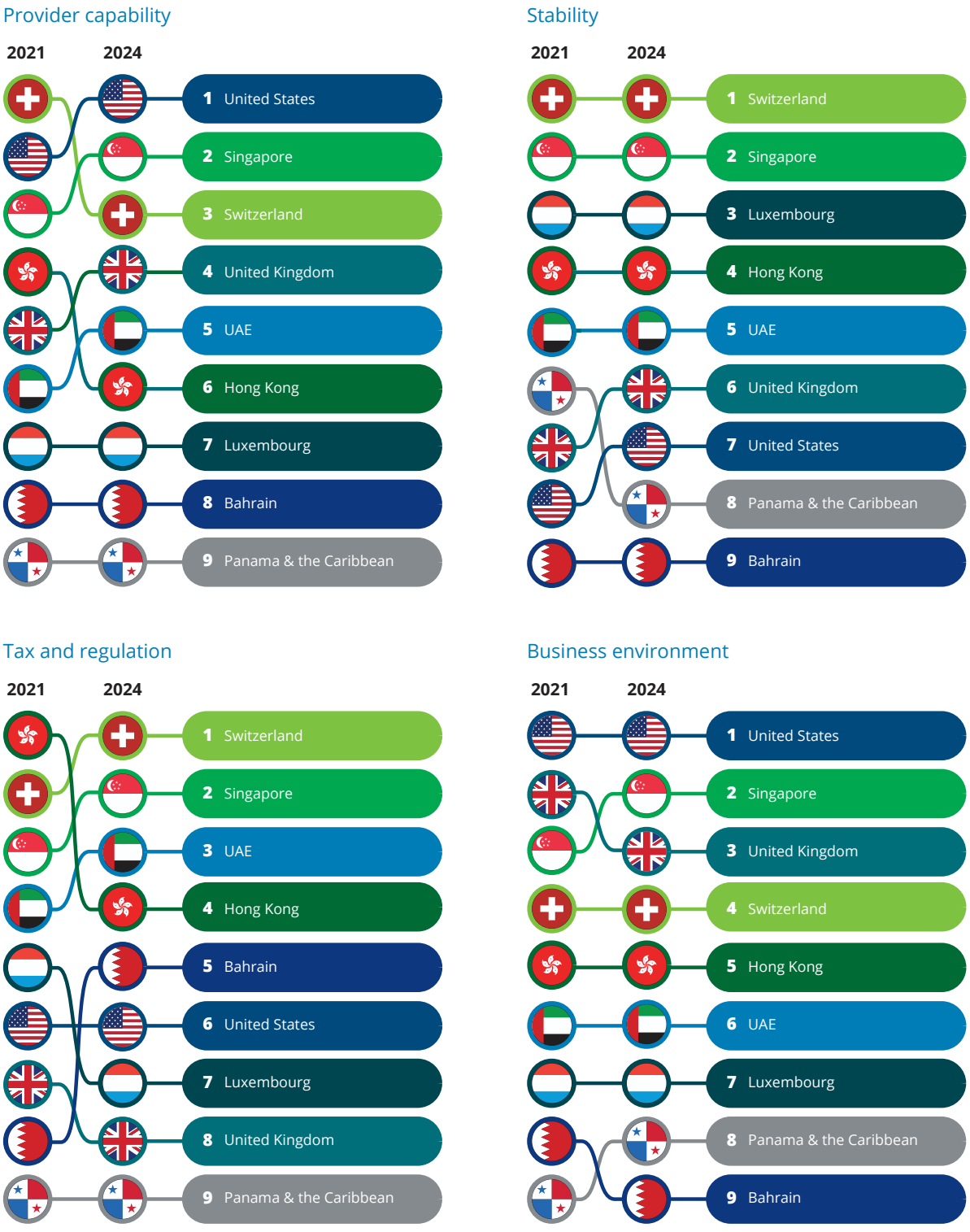
On the positive side, the UK's robust wealth management cluster serves as a foundation for a possible restoration of competitiveness. Expectations for regulatory reforms, such as the Financial Conduct Authority's initiative to reform the listing rules for the London Stock Exchange,[17] point to opportunities for improvement. If the UK makes greater use of the possibilities, it has the potential to exploit opportunities opened up by the now concluded Brexit process.



The last three centres in the ranking, **Luxembourg**, **Bahrain**, and **Panama**, each show distinct strengths, but cannot quite keep up with the top performing centres over the entire range of assessment criteria. Luxembourg is positioned second in the rating for stability, not least for its exceptional political stability, but it loses out in the ranking process because of its overall modest domestic market size. Bahrain features well in the tax and regulation dimension. Panama and the Caribbean has lower costs than many other centres, and fares quite well in monetary stability, but given the strong competition from some of the world's best business locations in the ranking, it finds itself at or near the bottom of most other rankings, for example in infrastructure, political stability and regulation, mostly alternating in the last place with Bahrain.

[16] This will be the biggest tax-raising parliament on record | Institute for Fiscal Studies (ifs.org.uk)
[17] Britain fast-tracks biggest company listings shake-up in decades | Reuters

Figure 3. Detailed competitiveness ranking



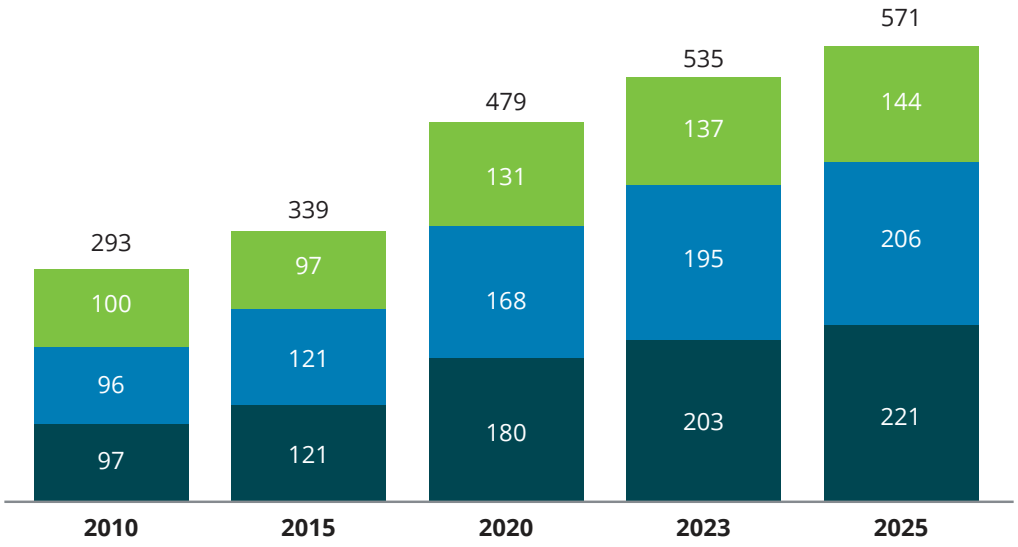
Asset size ranking

While International Market Volume (IMV) remained constant, in recent years the market shares of financial centres have shifted substantially.

Overall development

Global gross wealth has been growing consistently between 2010 and (according to our estimates) 2025, with EMEA being an exception from 2010 to 2015. However, the expected growth rates for 2020 to 2025 are well below those achieved between 2010 and 2020. Growth rates in EMEA, the Americas, and APAC are predicted to be one-third lower than those attained in the previous decade. This is a strong sign of mature economies and, as a result, weaker wealth growth is predicted in all regions over the coming years.

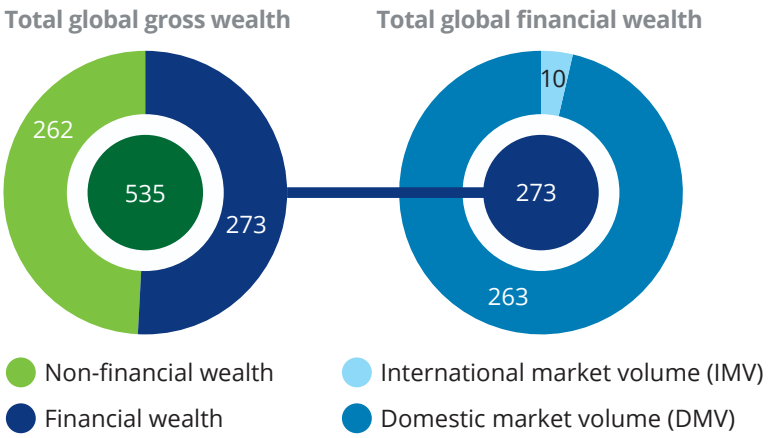
Figure 4. Global gross wealth (in US$ trillion)



	10'-20' CAGR	20'-25' CAGR
EMEA	2.7%	1.9%
Americas	5.8%	4.2%
APAC	6.4%	4.2%

Sources: Deloitte Wealth Management Centre Database (2024), Deloitte analysis (2024), UBS Global Wealth Databook (2023), IMF World Economic Outlook (2024), Other Deloitte estimates

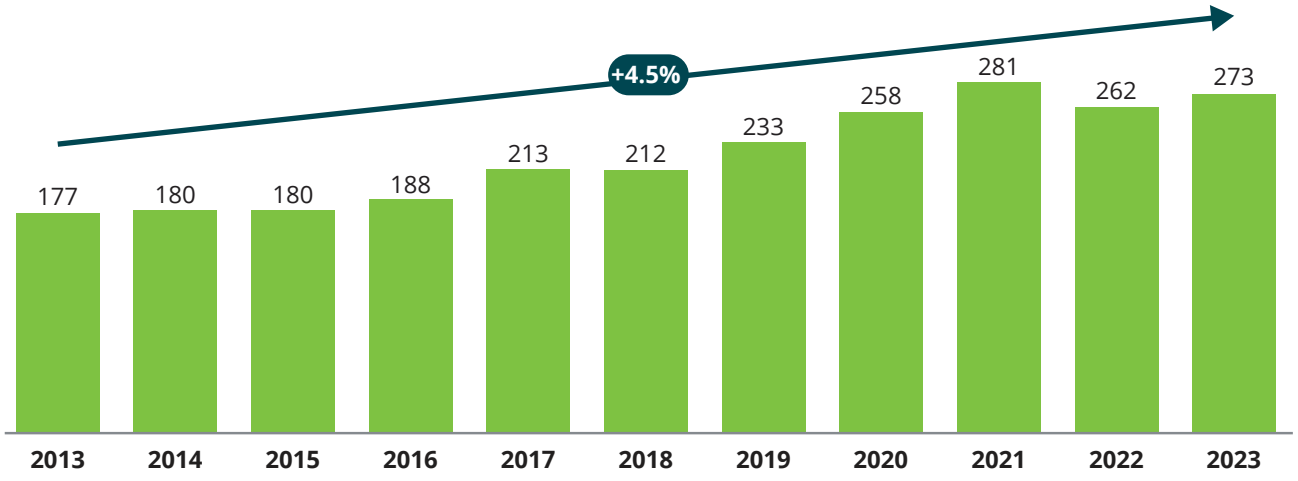
Figure 5. Global private gross wealth and IMV in 2023 (in US$ trillion)



Sources: Deloitte Wealth Management Centre Database (2024)

Global gross wealth is comprised of non-financial and financial wealth. Non-financial wealth encompasses real assets such as real estate, art, cars and other physical assets. Financial wealth encompasses financial assets, such as deposits, equities, debt securities and other financial instruments. Financial wealth is booked either domestically (denoted here as 'domestic market volume' or DMV), i.e., inside the country of residence, or international (denoted here as 'international market volume' or IMV), i.e., outside the country of residence. Private gross wealth is gross wealth with a private beneficial owner (excluding, by definition, funds of corporations, governments and banks). This report focuses on private financial wealth booked internationally, measured by International Market Volume (IMV).

Figure 6. Global financial wealth (in US$ trillion)

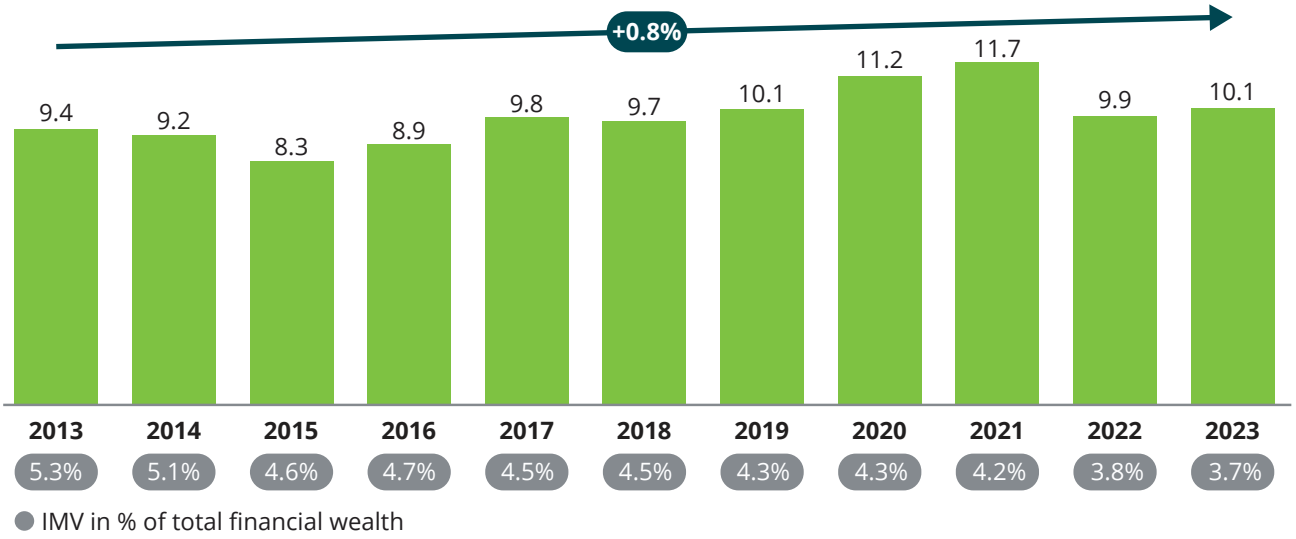


Sources: UBS Global Wealth Report (2024), Deloitte analysis (2024)

In 2022, global financial wealth decreased for the first time since 2018, falling by 2.1% due largely to macroeconomic developments and geopolitical uncertainty. The wealth management industry has experienced significant uncertainty after an extended bull market across many asset classes between 2016 and 2021, when global financial wealth increased by 8.5%. Following positive years in 2020 and 2021, when financial wealth grew by 10.7% and 9.1% respectively — among the biggest rises in over a decade — there was a steep fall by 6.8% in 2022. Higher interest rates and frequent rate hikes (e.g., seven[18] hikes by the Federal Reserve in 2022 alone) to combat a significant uptick in inflation hindered the performance of the stock markets and contributed to the appreciation of the US dollar against other currencies, which was a key factor in the fall in wealth in 2022. The US Dollar Index (which measures the value of the USD against a basket of other major currencies) reached a 15-year high[19] in 2022, meaning that assets denominated in the local currency were worth less when converted to USD.

The decline in growth in 2022 was also largely attributable to geopolitical uncertainty, instigated primarily by the crisis in Ukraine. Financial wealth recovered in 2023, growing by 4.2% due mainly to the robust economic growth in the United States and other key economic regions, including the normalisation of consumption in China. Financial wealth continues to be a stronger driver than non-financial wealth of total wealth, although the relative shares are now almost equal, with financial wealth making up 51% of global gross wealth in 2023 compared to 49% for non-financial wealth.

Figure 7. International Market Volume (in US$ trillion)



Sources: Deloitte Wealth Management Centre Database (2024)

Most of the growth in global financial wealth can be attributed to the accumulation of domestically booked assets (about 96% of total financial wealth). IMV has remained stable over the past ten years, having grown at an average annual rate of just 0.8% during this period. While the absolute value of IMV has remained stable, its relative share of financial wealth has fallen from 4.5% in 2018 to 3.7% in 2023. A continuing relative decline in international banking raises a question whether the drivers for holding assets in international locations have been structurally weakened, implying that local banking is now the preferred option, even for those individuals who have previously benefited from international setups.

IMV reached a record USD11.7tn in 2021, a year characterised by increasing financial market optimism (based on expectations that economies would 'reopen for business' after extended COVID-19 lockdowns) and strong global capital flows. IMV then dropped to USD 9.9tn in 2022, a fall of 15.6% compared to the

[18] According to Forbes
[19] According to MarketWatch

previous year. Interestingly, IMV fell by much more than global financial wealth, which decreased by 6.8% in 2022. While a stronger USD, a general equity market correction from the 2021 highs and a higher interest rate environment are all to blame for this downturn, it appears that local flows outweighted flows to international centres that year. Particularly for Switzerland, slower asset shifts from EU-domiciled clients weighed on cross-border asset inflows in 2022. However, total IMV recovered in 2023, growing by 2.9% to reach USD10.1 trillion.

Factors affecting IMV development

In absolute terms IMV has remained stable, in large part due to increasing global wealth and positive financial markets performance, a continuing concentration of wealth, and a rise in geopolitical uncertainty resulting in investors looking for 'safe havens'. In contrast, the growing importance of local banking, a re-focus of wealth managers on market purity and a strong regionalisation and protectionism have been headwinds holding back IMV growth over recent years.

Figure 8. Factors impacting IMV

Drivers with positive impact	Drivers with negative impact
A. Increasing global wealth & financial markets performance	D. Strengthening of local banking
B. Wealth concentration	E. Increasing cross-border regulation
C. Rise of geopolitical uncertainty	F. Rise of geopolitical uncertainty

Factors positively influencing IMV

Increasing global wealth and a **strong, consistent performance of the global financial markets** remain key drivers of IMV. Global (real) GDP growth was consistently positive from 2010 to 2023, with 2020 being a notable exception due to COVID-19. Global GDP grew by 3.2%[20] in 2023 and is projected to grow at the same rate in 2024, driven by major developing economies such as China (4.6%) and India (6.8%), with the US forecast to achieve respectable growth of 2.7%. Favourable demographics have also contributed positively to IMV development. Typically, older individuals have higher saving rates and accumulated wealth. The UN[21] projects that the share of total wealth among persons aged 65 years and over will increase from 20.2% in 2023 to 27.8% in 2050 for developed countries, from 3.7% to 6.1% for the least developed countries, and from 9.0% to 17.4% for other developing countries. Global financial markets have experienced a record long bull run in the aftermath of the global financial crisis in 2007-08, increasing asset values for both DMV and IMV. The annual performance of the MSCI World Index was consistently positive from 2012-21, with the exception of 2018 (attributable, among other factors, to the US government's trade war with China). The MSCI World Index then dropped in 2022 by 12.8%,[22] due largely to the current geopolitical tensions. However, expansionary monetary policy by central banks has contributed to an increase in asset prices; and in some regions (e.g., emerging markets) there is growing financial maturity, indicated by a declining preference for cash and an increase in financial assets.

Concentration of wealth is another factor contributing positively to IMV. In 2024, approximately 1.5% of the world's population (those with wealth in excess of USD 1 million) owned nearly 50%[23] of global wealth. In contrast, approximately 40% of the world's population (those with wealth less than USD10,000) owned a mere 0.5%[23] of global wealth. There is also a pronounced wealth concentration among billionaires. Just 14 individuals (representing 0.5%[23] of the world's billionaires) collectively own almost USD2 trillion[23] in wealth,

[20] According to IMF
[21] According to the UN
[22] According to MSCI
[23] According to UBS

representing a staggering 14%[23] of the wealth of world's billionaires. Compared to three decades ago, the wealth of individuals in the top wealth brackets has grown substantially, due to the expansion of financial markets, increases in real estate prices, the technology revolution, globalisation, and growth in emerging market economies. Given that wealthy individuals have a preference for diversifying not only the assets in their portfolio but also their booking centres, greater wealth concentration (in other words, an increase in wealth held by the world's wealthiest) has a positive impact on IMV. This is further compounded by the growth of wealth in developing regions, where the desire to protect wealth in competitive, well-regulated and secure centres remains a strong motivation for using wealth managers serving international clients. It should be noted at this point that, while these developments contributed positively to IMV, their influence on the total IMV volumes was limited and could not compensate the factors with negative impact - as evidenced by the stagnant IMV volumes over recent years.

A significant share of global wealth, part of which is held in international locations, is expected to be passed on in the coming years, not just from one generation to the next but also between spouses. In total, USD83 trillion is expected to be passed on during the next two decades, representing 16% of global wealth as of 2023.[24] Given that historically wealthy individuals in developed countries have been motivated in part to move assets to international locations to lower their effective tax rate, it remains to be seen whether and how the next generation or spouses will change this habit.

A rise in geopolitical uncertainty across the globe is another reason for the stability of IMV over the past decade. Recent global geopolitical tensions, bank failures and financial market volatility drive the need for safe business environments. Geopolitical tensions in the form of conflicts, inter-country tensions and elections (the upcoming election in the US, elections across Europe) have heightened uncertainty among investors, including wealthy individuals. In view of these geopolitical tensions, individuals who are globally mobile with complex financial arrangements across geographies are hesitant about keeping their assets in their country of domicile and instead want to protect assets in a stable and secure banking location. This is mainly to shield wealth from potential political and/ or economic instability in emerging markets.

Factors negatively affecting IMV

As is evidenced by the continuing decline in IMV as a share of total financial wealth, **international banking is losing ground to local banking**. The reasons for this are tax transparency and the diminished role of tax havens, new and costly regulations, and an improved local provider strength and offerings. Over the past decade or so, there has been a push towards global transparency, especially in the domain of tax. FATCA, AEOI (according to the OECD Common Reporting Standard CRS) and DAC6 are all prime examples of a push to achieve cross-border tax transparency. In the US for example, the Foreign Account Tax Compliance Act (FATCA) requires foreign financial institutions to provide the Internal Revenue Service (IRS) with information on bank accounts of US citizens. Furthermore, costly KYC requirements and increased complexity of cross-border compliance rules have made the business case for onboarding clients in international wealth centres less attractive, from the perspective of both the bank and the end client. An article in the Financial Times[25] reported that global fines for anti-money laundering (AML) and other financial crimes surged in 2022 by more than 50% compared to the previous year, to about USD5 billion. As a case in point, in February 2022 details of 18,000[26] client accounts at Credit Suisse were leaked to the public. Shortly afterwards (June 2022), Credit Suisse became the first Swiss bank to be criminally convicted for money laundering in Switzerland, in connection with a Bulgarian drug smuggling ring.

Lastly, local wealth managers are catching up with more sophisticated players serving international clients in terms of offering and expertise, meaning that fewer assets are flowing out to international wealth centres.

[24] According to UBS
[25] Global anti-money laundering fines surge 50% (ft.com)
[26] According to Swissinfo

Increasing **cross-border regulation** calls for the need for an adequate organisation model and risk management for international wealth management business. The concept of 'market purity' holds that the number of target countries a client advisor can acquire and service clients from is restricted. Enhanced attention by regulators can be seen for example in Switzerland: the Swiss financial supervisory authority (FINMA) includes market purity as critical part of the annual audit checks in relation to risks from cross-border services (e.g., checking if groups of comparable countries or local intermediaries are covered by specific units or desks). Other related requirements are an adequately defined cross-border business strategy and service model for target, non-target and excluded countries (e.g., if targeting and relationship management procedures are defined), as well as clear responsibilities, reporting and escalation lines for risks from cross-border services, depending on the bank's size, business, and organisational complexity. This increased regulatory scrutiny has led some wealth managers to reduce the number of countries they choose to serve, thereby limiting their international presence. Reducing a bank's international presence limits its value proposition for clients as well as the wealth managers' ability to attract assets from clients in international jurisdictions.

The regionalisation of economies and protectionism have been on the rise for several years now, largely following the emergence of populist political movements in the US and Europe, and also China's behaviour in international trade relations, which is characterised by a mix of cooperation, strategic assertiveness and protectionism. For example, Donald Trump's presidency was based on an 'America First' policy, whereby he introduced a 25%[27] tariff on a variety of imported goods, many of which were produced in China. And although President Biden has preached a more globalist agenda, he has largely kept in place the tariffs that were introduced by President Trump. With Trump (the Republican nominee) recently floating the idea of imposing a 10%[27] tariff on any goods coming into the US and a 60%[27] tariff on any imports from China, investor sentiment is starting to deteriorate. The consequences of protectionist policies on cross-border wealth are substantial; protectionism leads to more closed economies and lower international trade flows, thereby reducing cross-border wealth generation and flows. In the event of a Trump presidency, it remains to be seen what the impact of even more extreme protectionist policies would be on cross-border wealth flows. Regardless of the outcome of the US presidential election, we predict that the regionalisation of economies and further protectionism will continue over the next few years. China, on the other hand, has employed various protectionist measures to safeguard its domestic industries and maintain control over key sectors while managing its trade relations globally. These practices often limit foreign competition and provide an advantage to Chinese companies, particularly state-owned enterprises and thus influencing global investment flows.

Ranking by market volume

While Switzerland remains the world's largest international wealth management centre (by a very small margin of around USD8 billion) with approximately USD2.2 trillion in IMV, other centres are catching up quickly (see Figure 9). Specifically, Switzerland's share of total IMV fell from a high of 23.7% in 2020 to 21.4% in 2023. In other words, while total IMV has remained relatively constant, the share amongst international wealth centres has changed substantially.

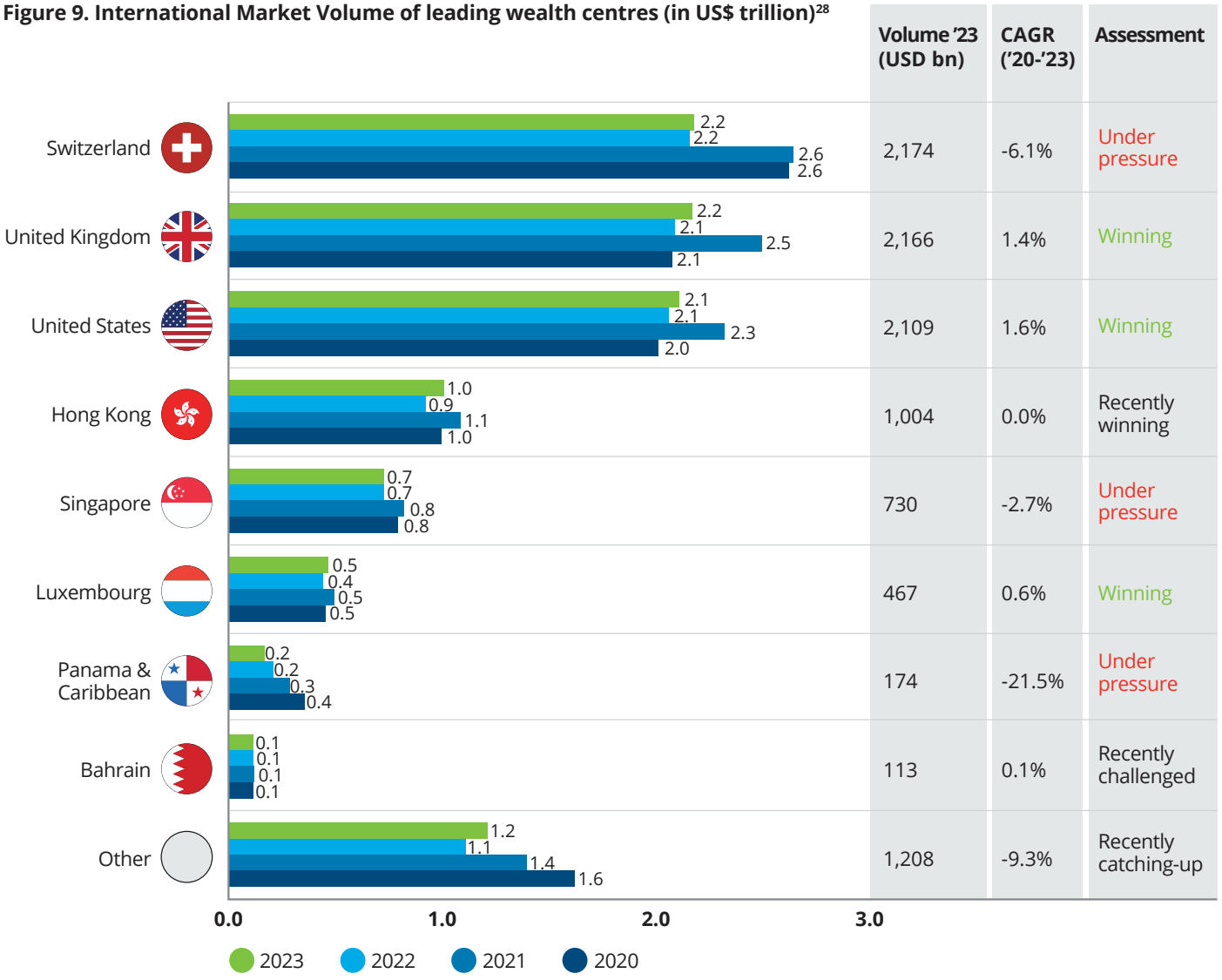
A word of caution is needed here. The distinction between international wealth centres can become blurred in practice. For example, assets may be managed by wealth managers in Hong Kong but held via a subsidiary in London. The figures should always be interpreted within context. That said, our findings show clearly that Switzerland is losing ground to other centres. The UK, US, Hong Kong and Luxembourg were all able to increase their share of IMV over the last three years: the UK from 18.8% in 2020 to 21.4% in 2023, and the US from 18.2% to 20.8%, Hong Kong from 9.1% to 9.9% and Luxembourg from 4.2% to 4.6%. Besides Switzerland, Panama & Caribbean also lost market share: Panama & Caribbean went from 3.3% to 1.7%. (Panama is probably still suffering from the release of the "Panama Papers" in 2016). Singapore's and

[27] According to CNN

Bahrain's share in IMV have remained stable and continue at around 7.2% and 1.1%, respectively. While not shown in the asset size ranking (due to data limitations), we expect that the UAE benefits significantly from the accelerated wealth creation in the GCC region and other emerging economies, by leveraging advantages such as low regulatory barriers to establish international structures.

Unless Swiss banks, wealth managers, the regulator, and the national bank actively address the challenges that the financial centre is facing, we predict that Switzerland will soon lose its position as the world's largest international wealth management centre, with the UK or US being the most likely to take over in the short-term (i.e. within the next 2-3 years), according to our estimates. Measures by Switzerland to prevent this may include rethinking the role of the banking regulator and future supervision, and also other actors or initiatives that are involved in promoting Switzerland as a financial centre developing necessary skills and supporting market infrastructure.

Figure 9. International Market Volume of leading wealth centres (in US$ trillion)[28]

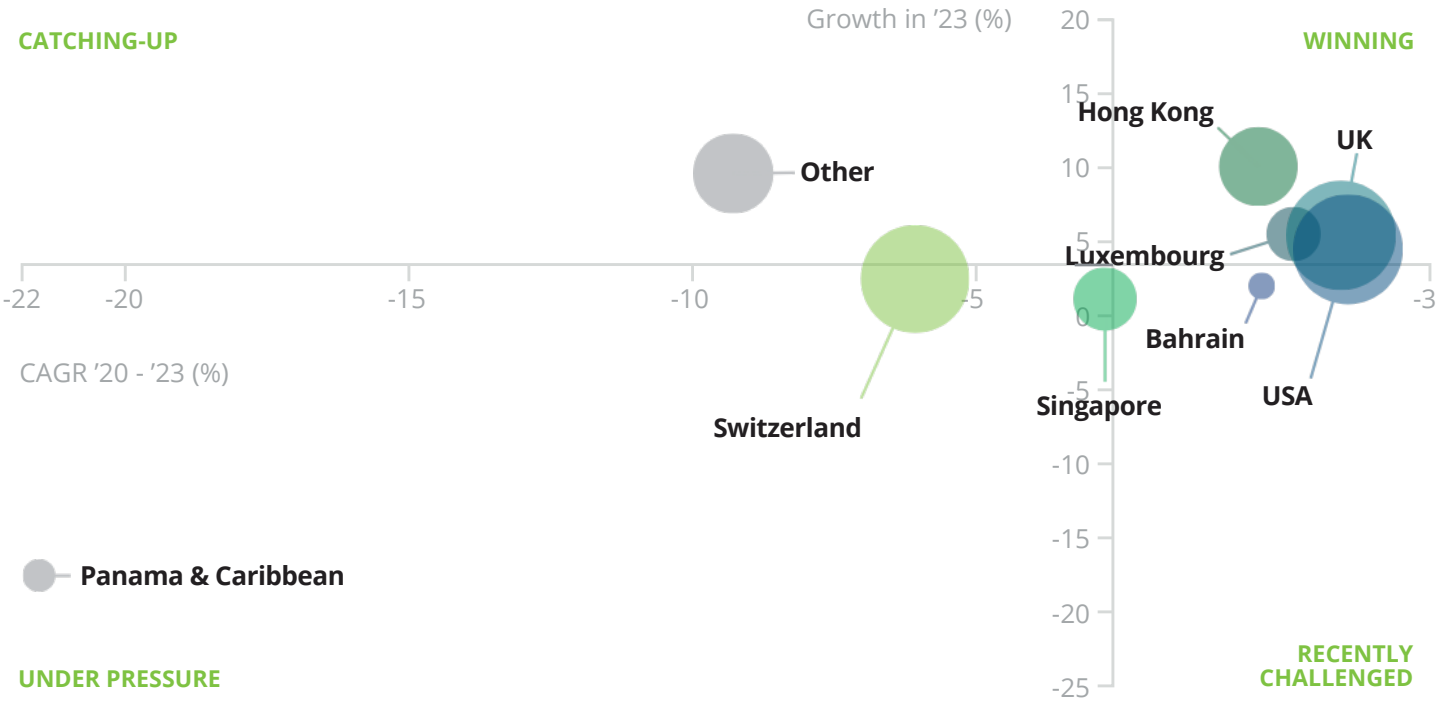


	Volume '23 (USD bn)	CAGR ('20-'23)	Assessment
Switzerland	2,174	-6.1%	Under pressure
United Kingdom	2,166	1.4%	Winning
United States	2,109	1.6%	Winning
Hong Kong	1,004	0.0%	Recently winning
Singapore	730	-2.7%	Under pressure
Luxembourg	467	0.6%	Winning
Panama & Caribbean	174	-21.5%	Under pressure
Bahrain	113	0.1%	Recently challenged
Other	1,208	-9.3%	Recently catching-up

Sources: Deloitte Wealth Management Centre Database (2024), Deloitte analysis (2024)

[28] Other includes Austria, Belgium, Germany, Guernsey, Ireland, Isle of Man and Jersey.

Figure 10. International Market Volume by leading wealth centres (in US$ trillion and percentage of total IMV)



Thresholds of 4 quadrants based on weighted average ('23 IMV as weighting factor) of x- and y-axis
Sources: Deloitte Wealth Management Centre Database (2024), Deloitte analysis (2024)

The weighted average growth rate of total IMV was 3.1% in 2023 (see Figure 10), however, over the period 2020-23, there was an average fall in IMV by 2.3%. It is important to note that this average was pulled down by the result for 2022, when average IMV growth was negative, at -15.3%. Given the appreciation of the USD against most other currencies in early 2022, the negative growth in 2020-23 should be interpreted with caution.

Figure 10 compares the IMV growth for each centre in the three-year period 2020 – 2023 (horizontal axis) with its growth between 2022 and 2023 (vertical axis). Centres that grew consistently over the entire period including 2023 are located in the 'winning' quadrant. Catching-up centres are those that returned to growth in 2023, with below average IMV growth over the full period. Centres in the lower left quadrant are under pressure, demonstrating below average IMV growth over the whole period, including 2023. Figure 10 highlights the relative strength of Hong Kong, the UK, the US and Luxembourg in attracting assets from international clients. These centres experienced growth in 2023 that was higher than the weighted average of 2.3%, Hong Kong leading the way with 8.8% growth. A similar picture can be seen for the period 2020-23: these four centres (plus Bahrain) were the only ones to record positive growth over this period, the US leading the way with 1.6%. This growth can in large part be attributed to the continuous development of local wealth management providers, services and capabilities. Furthermore, these centres have also benefitted from the recent struggles of Switzerland and to some extent of Singapore. Switzerland increased IMV by just 0.5% in 2023 and Singapore by a meagre 0.02%. And over the period 2020-23, IMV fell by 6.1% for Switzerland and by 2.7% for Singapore, both more than the overall weighted average fall of 2.3% for the period. Switzerland and Singapore are finding it difficult to attract new assets as some of their unique selling points (favourable tax regime, political and economic stability, neutrality,

expertise) have come under pressure in recent years. With that being said, Singapore remains an attractive financial centre, as is evidenced by the 10%[29] rise in AuM in the Asset Management business recorded in 2023 (covering both local and international assets from private individuals and institutional investors). Additionally, Minister Chee Hong Tat (Second Minister for Finance and Deputy Chairman of the Monetary Authority of Singapore) pointed out that client assets booked at leading private banks in Singapore grew by 9.5%[30] in the first quarter in 2024 compared to the same quarter one year ago.

Bahrain experienced mixed results. Its 2023 growth in IMV of 1.4% was below the weighted average of 3.1%, but in the period 2020-23 it recorded positive IMV growth of 0.1%.

Figure 11. Source and destination of international wealth (Q4 2023, USD bn)

Origin of wealth	Switzerland	UK	USA	Hong Kong	Luxembourg
North & Middle America[1]	369	1,104	782	174	52
Europe	1,169	591	999	149	362
Asia Pacific	160	256	178	650	20
South America	25	6	65	1	6
Middle East & Africa	450	209	85	29	27
	2,174	**2,166**	**2,109**	**1,004**	**467**

Note: 1) North and Middle America include the US, Canada, Mexico and the Caribbean

The structural changes in the source of wealth mix (for example, with emerging markets representing a greater share of personal wealth creation) and the shifting preferences of source wealth regions for international jurisdictions have affected the relative market shares of international wealth centres, as shown in Figure 11.

Clients with assets originating in Europe and the Middle East prefer to move portions of their assets internationally to Switzerland, the US and the UK. Switzerland's comparatively lower rate of IMV growth is partly attributable to the slower wealth growth in Europe and the Middle East. The UK however is the number one destination for wealth management clients from North and Middle America, largely due to cultural proximity and political similarities (at least for the US).

Hong Kong and Singapore[31] are the preferred destinations for Asia Pacific customers, and these centres are well positioned to gain from the high volume of wealth accumulation in Asia, both now and in the future. These Asian international wealth centres provide physical, cultural, and language proximity, giving them a significant edge when handling customers in the region. In terms of key source wealth, Hong Kong concentrates on attracting cross-border assets from mainland China, whereas Singapore focuses mostly on assets from Southeast Asia.

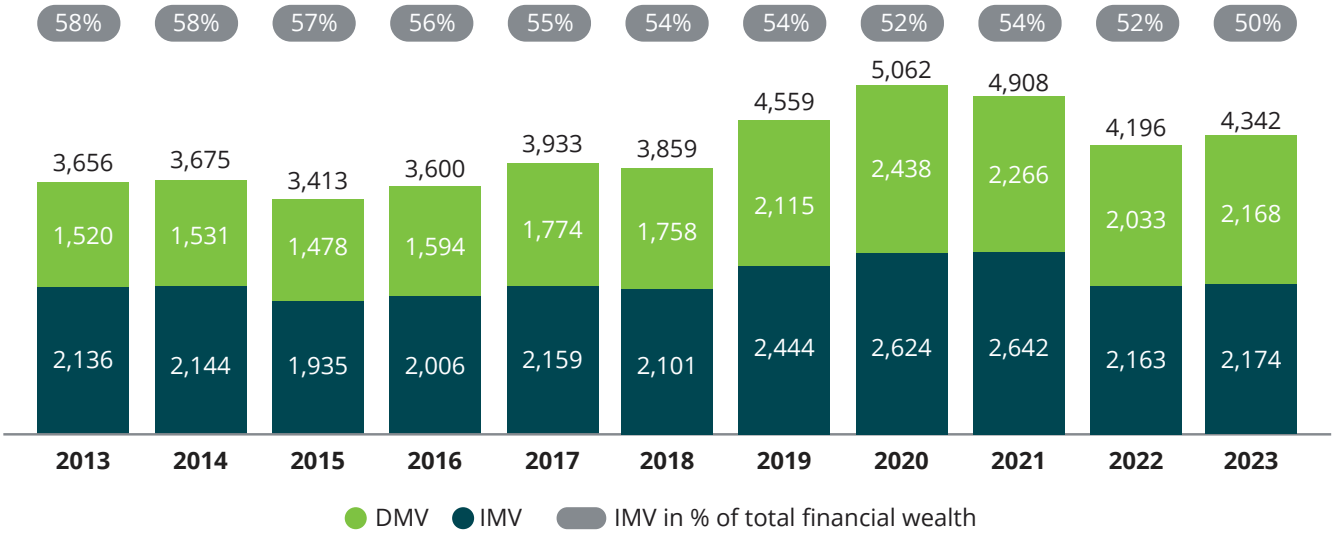
[29] Singapore Asset Management Survey 2023
[30] Building a Stronger Tomorrow: Family Offices in our Flourishing Wealth Management Landscape
[31] Singapore is not represented in Figure 11 due to data granularity limitations

Focus on Switzerland

After experiencing a significant drop of 18.1% in 2022, IMV in Switzerland recovered by 0.5% in 2023 to reach USD2.2 trillion. However, while Switzerland remains the top wealth management centre globally, asset volumes have languished in recent years while other competing centres (particularly the UK, US and Hong Kong) have seen rising asset inflows. Switzerland still remains the leading and preferred booking centre for European and Middle Eastern clients, but asset inflows from both these regions are yet to fully recover after the collapse of Credit Suisse in 2023.

Switzerland's unique selling points (favourable tax regime, political and economic stability, neutrality, expertise) have lost some of their value in recent years. Its status as a tax haven has come under increased scrutiny and Switzerland was pressured into the FATCA agreement by the US, which requires Swiss financial institutions to provide the Internal Revenue Service (IRS) with data on bank accounts of US citizens. Switzerland's economic and banking market stability was shaken by the downfall of Credit Suisse in 2023, when vast sums of client assets were withdrawn in a matter of days. In addition, Swiss neutrality (a defining feature of Switzerland's value proposition for centuries) has been challenged by the ongoing geopolitical conflict, with Switzerland adopting the majority of the global sanctions.

Figure 12. Development of total financial wealth in Switzerland (in US$ billion)

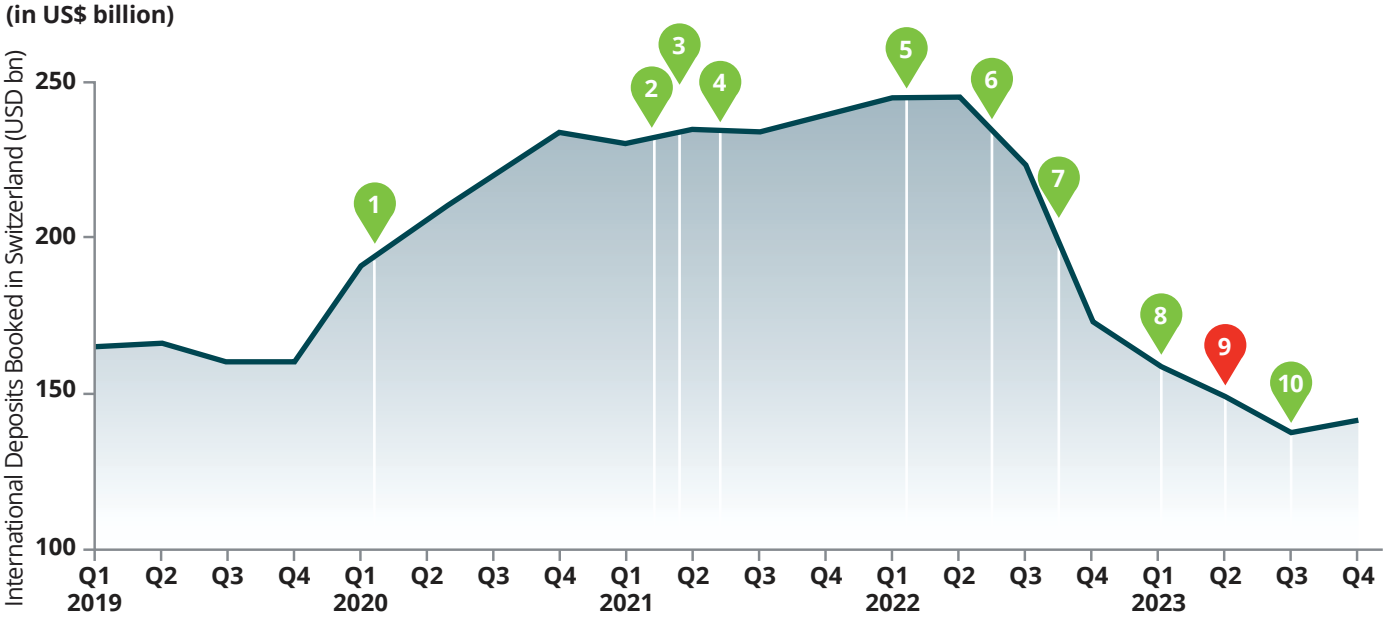


Sources: Swiss National Bank (2024), Deloitte analysis (2024)

The split between IMV and DMV was about 50:50 in 2023, although the share of IMV fell from 58% in 2013 to 50% in 2023. Evidently, DMV is growing at a much faster rate than IMV. While IMV grew at an average rate of 0.6% over the 10-year period, DMV grew at a much higher average rate of 3.7%. This again hints at the growing importance of local banking, for the reasons set out earlier in this report.

As evidenced by Switzerland, the international wealth management business model is under pressure. However, we believe that if Switzerland aligns itself more closely with an international prudent regulation agenda that enhances financial sector stability without hindering growth, assets from international clients will remain a key driver of Switzerland's financial sector. This entails maintaining the pragmatism of Swiss financial regulators when implementing these international regulations, to avoid overburdening its wealth management industry.

Figure 13. Development of international customer deposits in Switzerland according to Credit Suisse timeline (in US$ billion)



1. CEO Thiam quits after spying scandal
2. Greensill scandal
3. USD 5.5bn loss from Archegos default
4. Chairman Rohner resigns
5. Chairman Horta-Osório resigns
6. CS found guilty in money laundering case (Bulgarian drug smuggling ring)
7. CEO assures solid capital & liquidity
8. CS records outflows of USD 68bn in Q1
9. UBS-CS merger is announced
10. Combined UBS entity announces asset inflows of USD 22bn in Q3

Sources: Deloitte Wealth Management Centre Database (2024), Deloitte analysis (2024), BIS

The failure of Switzerland's second largest bank and subsequent takeover by UBS in March 2023 sent shockwaves through the Swiss and global financial system. Switzerland's image as a safe haven supported and powered by a stable, reliable economic and financial system suffered substantially because of the Credit Suisse saga. Credit Suisse recorded massive asset outflows in the run up to the bank's failure.

One figure sticks out in particular: this is the USD183bn[32] total outflows of client asset outflows that Credit Suisse recorded in just four quarters (Q3 2022 – Q2 2023). While Figure 13 indicates international deposit outflows of about USD100bn from Q2 2022 to Q2 2023, this does not include custody (investment) accounts – meaning that actual international asset outflows were much larger than USD100bn.

This was the first quarter in which the combined wealth management entity of UBS-CS was able to record asset inflows of USD22bn.[32] It is interesting to note that if the failure of Credit Suisse and the cumulative asset outflows of USD183bn had not occurred, then Switzerland's lead at the top of the asset sizing rankings would have been significantly larger.

[32] According to Morningstar

Strategic priorities and enablers for wealth managers

The imperative for wealth managers to develop future-proof business capabilities is increasingly recognised. It is essential to understand evolving client needs and technological advances, and to adapt business priorities accordingly.

Strategic context

Our competitiveness ranking for global wealth management centres highlights several key factors that distinguish the leading centres from their peers. These centres excel in four dimensions: their strong business environments, advanced provider capabilities, greater stability, and favourable tax and regulatory frameworks:

- **Business environment.** Top centres benefit from a robust financial infrastructure and leading business schools or universities, including well-established capital markets and broader business ecosystems around wealth and asset managers. These environments are conducive to business, with high levels of service availability and quality.
- **Provider capability.** Leading centres attract and retain highly qualified staff and offer superior financial products and services. This expertise and reputation are critical in winning client confidence and attracting financial assets.
- **Stability.** Political and monetary stability are vital assets for top centres. Stable environments foster investor confidence and safeguard financial assets, even in the face of geopolitical uncertainties.
- **Tax and regulation.** Favourable tax regimes and prudent regulatory frameworks enhance the attractiveness of leading centres, which comply with international standards while maintaining competitive advantages through strategic and regulatory measures.

Recent trends indicate that leading centres are also fostering advanced technologies such as cloud and GenAI to propel efficiency and service excellence. Proactive regulatory approaches, and strategic initiatives to support FinTech development further, bolster their competitive edge and foster innovation.

A shift towards local banking, driven by global tax transparency initiatives and better local provider strength, has impacted the share of assets from international clients. Despite this, the leading centres have managed to maintain or even improve their positions by adapting to these changes and leveraging their inherent advantages.

Strategic priorities for globally active wealth managers

In this context, the strategic priorities for globally active wealth managers distil several key enablers for sustained success. Players must adapt to the evolving needs of international and local clients, for example by understanding shifting demographics and client preferences. Wealth managers should focus on international markets with significant revenue and profit pools, but should also shape local strategies, to sustain growth and strengthen their market position. They must also shift to more profitable products and services, optimising offerings to meet market demand.

Figure 14. Strategic priorities and key enablers for success

		Key Enablers				
		Revenue related		Cost-and platform-related		
Topics	**Key Priorities**	**Hybrid Client and Advisor experience**	**Inorganic Growth (M&A)**	**Streamlined Operations**	**Scalable and Agile Tech Architecture**	**Enhanced Data and GenAI**
Adapt to Changing Client Needs	Optimise local and international business model and target new client segments	✓	✓		✓	✓
Focus on Profitable Local and International Markets	Focus on high growth regions and extend acquisition network		✓		✓	✓
Shift To Profitable Products and Services	Offer access to alpha generating products and provide advice on asset protection	✓			✓	✓
Optimise Setup and Demonstrate Cost Discipline	Optimise booking centre setup and increase effectiveness and efficiency			✓	✓	✓

Adapt to changing client needs

The global wealth management landscape is evolving, driven by client demand for ever more personalised service and increasing competition from many players, both established and new relationship managers (RMs) are essential for deepening connections and understanding clients' unique needs.

Advanced data and GenAI enhance the accuracy of financial advice, enabling RMs to address client needs proactively. Predictive analytics alert RMs to potential portfolio issues or opportunities, prompting timely discussions with the client. These technologies also provide insights into market trends and clients' trading patterns, allowing RMs to offer strategic advice aligned to individual preferences. Integrating these technologies ensures highly tailored advice, thus strengthening client relationships.

To serve an evolving local and international client base, wealth managers must tailor their services to meet the unique needs of new client segments, which may be significantly more diverse than traditional clients, as a recent Deloitte study[33] on global wealth management has revealed. New client segments may, amongst others, include next-generation clients, crypto entrepreneurs, social media influencers, and female investors, each likely bringing distinct perspectives and requirements to wealth management:

- **Next-generation clients** often appear to be inclined towards innovative and socially responsible investments, and seek guidance on integrating their personal values with financial goals.
- **Crypto entrepreneurs**, operating in dynamic and volatile markets, anecdotally often seek RMs knowledgeable about non-traditional investment strategies and the complexities of digital assets

[33] Building a Future-Ready Investment Firm, ThoughtLab / Deloitte, 2024, p. 29 ff.

and blockchain technology. This calls for sophisticated strategies for risk management, regulatory compliance, and asset diversification, as well as crypto custody and trading offerings.

- **Social media influencers**, with unique income streams and financial challenges, may need tailored advice on managing fluctuating income, tax planning, brand management, and monetisation strategies. RMs should understand the digital economy to provide solutions that safeguard their financial future while optimising their earning potential.
- **The share of total wealth owned by women** keeps increasing and may have reached 30% to 40%, as global banks have pointed out.[35] Women may therefore seek RMs who understand their specific financial goals and life circumstances. Anecdotally, they often seem to prioritise long-term stability and value-driven investments, requiring personalised financial advice tailored to their circumstances.

Focus on profitable local and international markets

Our asset size ranking indicates that international asset volumes have remained steady over the past decade. In relative terms, the share of international assets (IMV) in total financial assets has significantly decreased from 5.3% in 2013 to 3.7% in 2023. Wealth management banks that traditionally rely on a predominantly internationally-focused client acquisition model may therefore need to develop targeted local strategies for high-growth regions.

In terms of international markets, an increasing portion of clients will come from high-growth regions like North America (especially the US) and Asia Pacific. Wealth managers focusing on these regions can capitalise on significant opportunities. Hiring RMs with deep regional expertise is crucial for understanding specific financial regulations and market trends, providing relevant advice, and building strong client relationships.

To acquire and serve (U)HNWIs in growth markets, globally active wealth managers should expand their networks through strategic partnerships with local banks and specialists.

These partnerships allow global wealth managers to tap into local expertise and client bases, offering tailored financial solutions and access to exclusive investment opportunities. This approach augments distribution capabilities in foreign jurisdictions, and simultaneously improves the product and service offering. Additionally, seamless multi-booking capabilities and key booking centres are essential to capture and manage this growth effectively.

Shift to profitable products and services

(U)HNWIs seek differentiated and sophisticated investment products that offer substantial returns and align with their individual financial goals. For instance, clients might expect access to exclusive opportunities such as private equity placements and specialised real estate investments. Wealth managers must provide access to these exclusive opportunities to attract and retain such clients. Partnering with specialised providers or alternative investment platforms enables wealth managers to tap into unique, high-margin opportunities not available through traditional channels. This strategy enhances players' appeal by offering exclusivity and substantial returns, positioning them as industry leaders capable of meeting the complex needs of (U)HNWIs.

In global wealth management, expert advice on asset protection, trusts and tax structuring is crucial. These services safeguard clients' assets against legal risks and economic uncertainties while optimising tax liabilities. Wealth managers can help clients establish robust asset protection structures, such as trusts and foundations, ensuring the preservation and efficient transfer of wealth. Comprehensive tax structuring advice, leveraging deep knowledge of international laws, helps minimise tax burdens and enhance investment value. Focusing on these areas is essential for attracting and retaining international (U)HNWIs, driving long-term growth and profitability.

[35] See for example UBS, "Women's Wealth 2030" (March 2021), Bank of America (13 March 2024): https://institute.bankofamerica.com/content/dam/transformation/rising-wealth-of-women.pdf

Optimise setup and demonstrate cost discipline

Strategic placement and structuring of booking centres enhance both operational efficiency and client service quality for wealth managers. Booking centres should be carefully selected and managed, both local and internationally, in line with markets' future potential and banks' potential to achieve scale. Thereafter, streamlining processes and centralising functions may reduce organisational redundancies and ensure consistent service delivery across jurisdictions. Understanding regulatory landscapes in foreign jurisdictions is crucial both for local and international booking centre strategies.

Investments in targeted technology can enhance the productivity and quality of client service, while also managing costs. For example, international clients can benefit from RMs who use scalable digital platforms and AI-driven tools to automate routine tasks, freeing time for personalised interactions and strategic planning. A modular approach to upgrading technology while selectively leveraging cloud-based solutions achieves economies of scale, controlling costs while maintaining efficiency. Training ensures effective use of new tools. Additionally, partnerships with FinTech firms provide innovative solutions, while keeping costs (versus developing in-house) manageable.

Enablers for success

To succeed in tomorrow's competitive international markets, global wealth managers should put a number of key enablers in place.

Hybrid client and advisor experience

To succeed in wealth management, it is essential to deliver a compelling hybrid client and advisor experience, which combines the convenience of digital platforms with the personalised touch of traditional advisory services. Clients with complex financial needs expect seamless interactions, whether on the go, at home or face-to-face with the banker. By integrating these channels, wealth managers can enhance client satisfaction and empower RMs with digital tools for deeper insights and more customised interactions with their clients. A hybrid model ensures consistent high-quality service, improves client retention and loyalty, and supports scalability by allowing RMs to focus on high-value tasks by automating the administrative burden.

Inorganic growth (M&A)

Mergers and acquisitions (M&A) are an important source of growth for globally active wealth managers. Planned, executed and integrated properly, M&A allows targeted expansions, diversification of products and services, and drive scale in chosen markets. Specialised expertise and innovative technologies can be acquired, enhancing the bank's value and competitive edge. Successful M&A requires thorough due diligence, strategic alignment, and effective integration. Identifying target players that align with growth objectives and integrate in a manageable way is therefore crucial. Post-acquisition, harmonising processes and systems, along with effective communication and change management, ensures a smooth transition and retains client trust, which will ultimately capture the value of the transaction.

Streamlined operations

For globally active wealth managers, streamlined and centralised operations are essential for reducing costs, enhancing effectiveness, and improving service delivery, especially in serving international clients. Optimising processes and eliminating redundancies enhance agility and responsiveness through reengineered workflows and best practices. Automation streamlines operations by handling routine tasks like data entry, transaction processing, and compliance checks, improving both efficiency and accuracy.

Scalable and agile technology architecture

Developing a flexible infrastructure that adapts to evolving business needs and market conditions is also crucial. Implementing modular, interoperable solutions enhances functionality and performance. Targeted investments in the technology architecture of globally active wealth managers provide a foundation for sustained competitive advantage through continuous innovation. In competitive international markets, where client expectations and regulatory frameworks are continually evolving, an agile technology stack minimises disruption, maintains operational continuity, and supports the rapid adoption of new technologies, thereby driving continuous improvement and meeting the high standards expected by clients.

Enhanced data management and GenAI

Enhanced data management and the integration of GenAI are increasingly essential for globally active wealth managers, for servicing both local and international clients. Leading banks have been actively working on and implementing use cases. This involves not only collecting and storing vast amounts of client and market data, but also ensuring its accuracy, security and accessibility. Clients benefit from advanced data analytics that provide actionable insights for strategic decision-making and personalised services.

GenAI amplifies these capabilities through sophisticated data processing, thereby enhancing investment strategies and client interactions. It can automate complex tasks, identify emerging trends, and offer customised investment recommendations. Effective data management also supports regulatory compliance and risk management, ensuring data integrity and mitigating risks. Insights from analytics and GenAI enable players to anticipate market shifts and client needs, fostering proactive and informed decision-making.

The future of global wealth management

The global wealth management industry is poised for significant transformation. This final chapter seeks to outline the future trajectory of global wealth management, identify the key developments shaping the sector, and provide an assessment of the mid-term prospects for major wealth centres.

Key events shaping global wealth management markets

Several events may affect all major wealth centres over the next few years:

- **Technological advances.** The integration of GenAI, AI and advanced data analytics may revolutionise client interactions, investment strategies, and operational efficiencies.
- **Regulatory changes.** Increasing pressures on data privacy, reporting standards, and tax codes will necessitate enhanced compliance and strategic adjustments.
- **Geopolitical risks.** Ongoing geopolitical tensions will continue to impact client confidence and asset flows.
- **Economic shifts.** The global economic environment, marked by inflation and monetary policies, will influence asset values and investment strategies.

Challenged wealth centres

The UK and Hong Kong have both fallen one place in our competitiveness ranking and may encounter long-term challenges to their competitiveness. The UK is grappling with the post-Brexit economic climate, volatile monetary conditions, high public debt, and a deteriorating infrastructure, all potentially impacting its market standing as an international wealth centre. Hong Kong's investment inflows have decelerated due to a less dynamic Chinese economy and political instability, and it remains to be seen if the growth momentum can be maintained given the loss of competitiveness. Panama & the Caribbean is struggling to maintain its position in the international market, and is facing declining International Market Volume.

Potential winners

While not without challenges, Singapore and the US could be well-positioned to emerge as future winners. Singapore thrives as a competitive neutral business hub with a solid track record for innovation. The US benefits from its dominant financial market, significant AI investments, and a resilient wealth management industry, and shows upward mobility in our rankings.

Switzerland's way to stay at the top

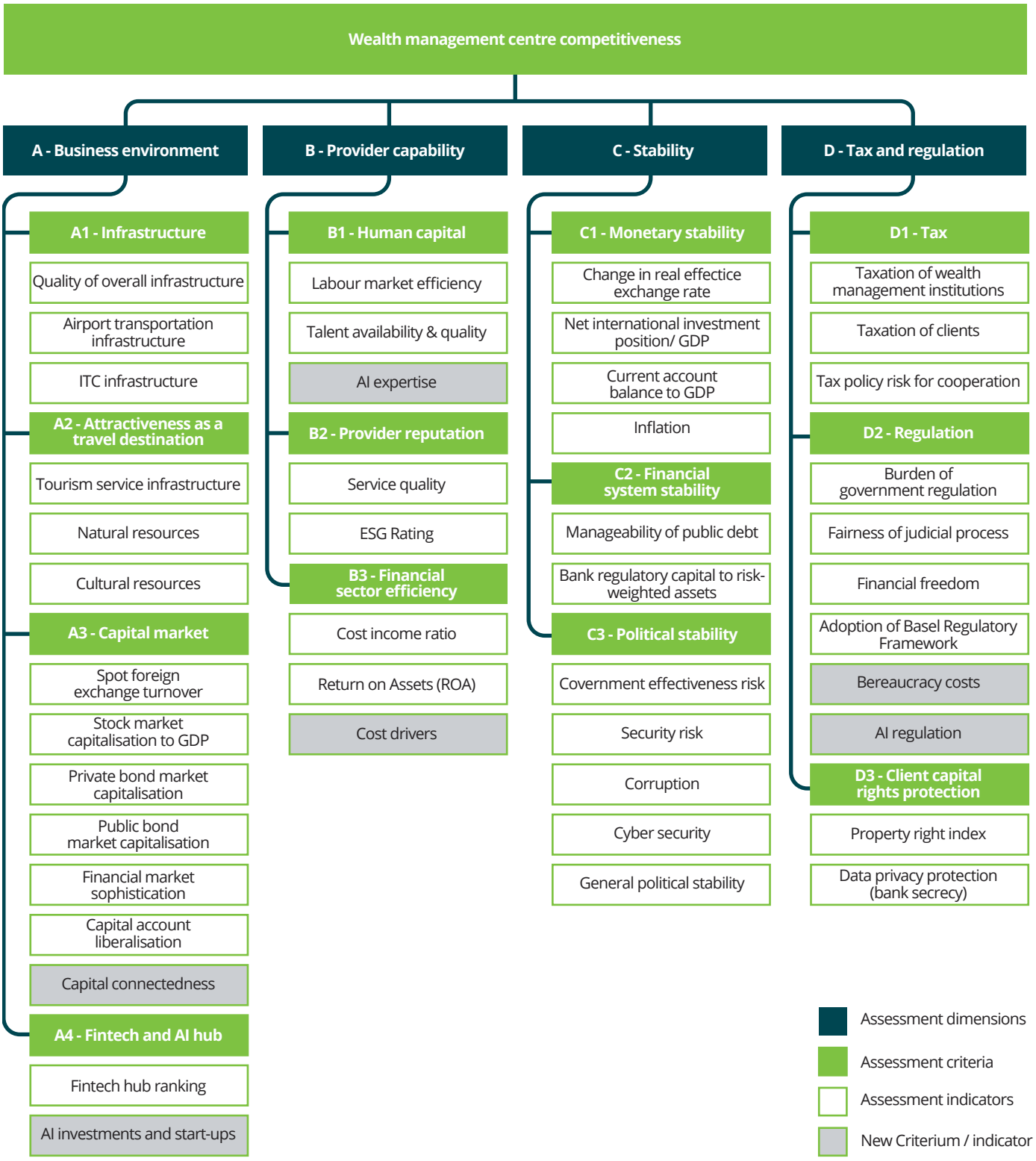
As a booking centre, Switzerland benefits from the global footprint of its banks, which expanded early into high-growth regions like Singapore and Hong Kong. Swiss wealth managers are among the largest globally, with only a few US players able to compete on the same scale. To maintain its leading position, Switzerland should refresh its regulatory frameworks by aligning with international standards but without stifling growth and innovation, in order to avoid failures and restore trust after the Credit Suisse debacle. It should also invest in digital transformation and AI to remain competitive, and focus on cost optimisation through technology to improve operational efficiency.

Appendix

Methodology: Competitiveness ranking

We use a multidimensional approach to measure competitiveness across four dimensions: business environment, provider capability, stability, and tax and regulation. Each dimension comprises several criteria, for which there are one or more assessment indicators.

Figure 15. How we measure international wealth management centre competitiveness



The analysis framework is regularly reviewed and adjusted if necessary. This edition sharpens the assessment of international capital flows, cost drivers, and bureaucracy costs, and introduces new indicators related to AI, investments, expertise, and regulation.

Methodology: Asset size ranking

- The research method for comparing the size of the international wealth management centres builds on the 2013, 2015, 2018 and 2021 Wealth Management Centre Ranking reports. The core of our method is a **proprietary Deloitte wealth management database and analytics engine**, using both raw data and financial figures from third party data providers such as the Bank for International Settlements (BIS), Credit Suisse, UBS, the Swiss National Bank (SNB), national bank statistics from relevant jurisdictions, and relevant industry reports.
- It is assumed that investors are **rebalancing their international portfolios** on an annual basis so that their asset mix (deposits, equities, debt securities and others) corresponds to a typical portfolio held by a (U)HNWI.
- Key datapoints and assumptions were challenged and validated through **interviews with leading industry experts**.
- Due to changes in the underlying source data from third party providers and changes in their **granularity**, figures in this report may deviate from those in our 2013, 2015, 2018 and 2021 reports.

The Deloitte International Wealth Management Centre Ranking 2024 | Scope of the research

Contacts and authors

Authors



Jean-François Lagassé
Managing Partner
Financial Services Industry Switzerland and Global Wealth Management Leader
+41 58 279 81 70
jlagasse@deloitte.ch



Patrik Spiller
Partner
Monitor Deloitte Strategy Consulting and Wealth Management Industry Leader North South Europe
+41 58 279 68 05
pspiller@deloitte.ch



Dr. Ralph Wyss
Partner
Risk and Regulatory Assurance Services Leader
+41 58 279 70 60
rwyss@deloitte.ch



Soheil Modheji
Director
Monitor Deloitte Strategy Consulting Switzerland
+41 58 279 71 43
smodheji@deloitte.ch



Chris Künzle
Director
Financial Services Strategy
+41 58 279 68 09
ckuenzle@deloitte.ch



Dennis Brandes
Research Senior Manager
Deloitte Insights Switzerland
+41 58 279 65 37
dbrandes@deloitte.ch



Javid Saghatol Eslami
Consultant
Monitor Deloitte Strategy Consulting Switzerland
+41 58 279 68 78
jsaghatoleslami@deloitte.ch

Contributors Deloitte global



Mohit Mehrotra
Partner
APAC Lead for Strategy, M&A and AI&Data Consulting Singapore
+65 9452 94 32
momehrotra@deloitte.com



James Alexander
Director
Wealth Management
United Kingdom
+44 20 7007 92 06
jdalexander@deloitte.co.uk



Pascal Martino
Partner – Banking Leader
Deloitte Luxembourg
+352 621 246 523
pamartino@deloitte.lu



Gauthier Vincent
Principal
US Wealth Management Lead
Deloitte Consulting LLP
+1 203 905 28 30
gvincent@deloitte.com



Matthieu Pinet
Senior Manager
Wealth Management
Consulting Middle East
+971 56 273 1235
mpinet@deloitte.com

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