Financial Stability Report 2026

Berne, 2 July 2026

Antoine Martin, Vice Chairman of the Governing Board
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SCHWEIZERISCHE NATIONALBANK
BANQUE NATIONALE SUISSE
BANCA NAZIONALE SVIZZERA
BANCA NAZIUNALA SVIZRA
SWISS NATIONAL BANK

Grüezi. Bonjour. Buongiorno. Allegra. Welcome.

Picture: © KEYSTONE SDA / Gaëtan Bally

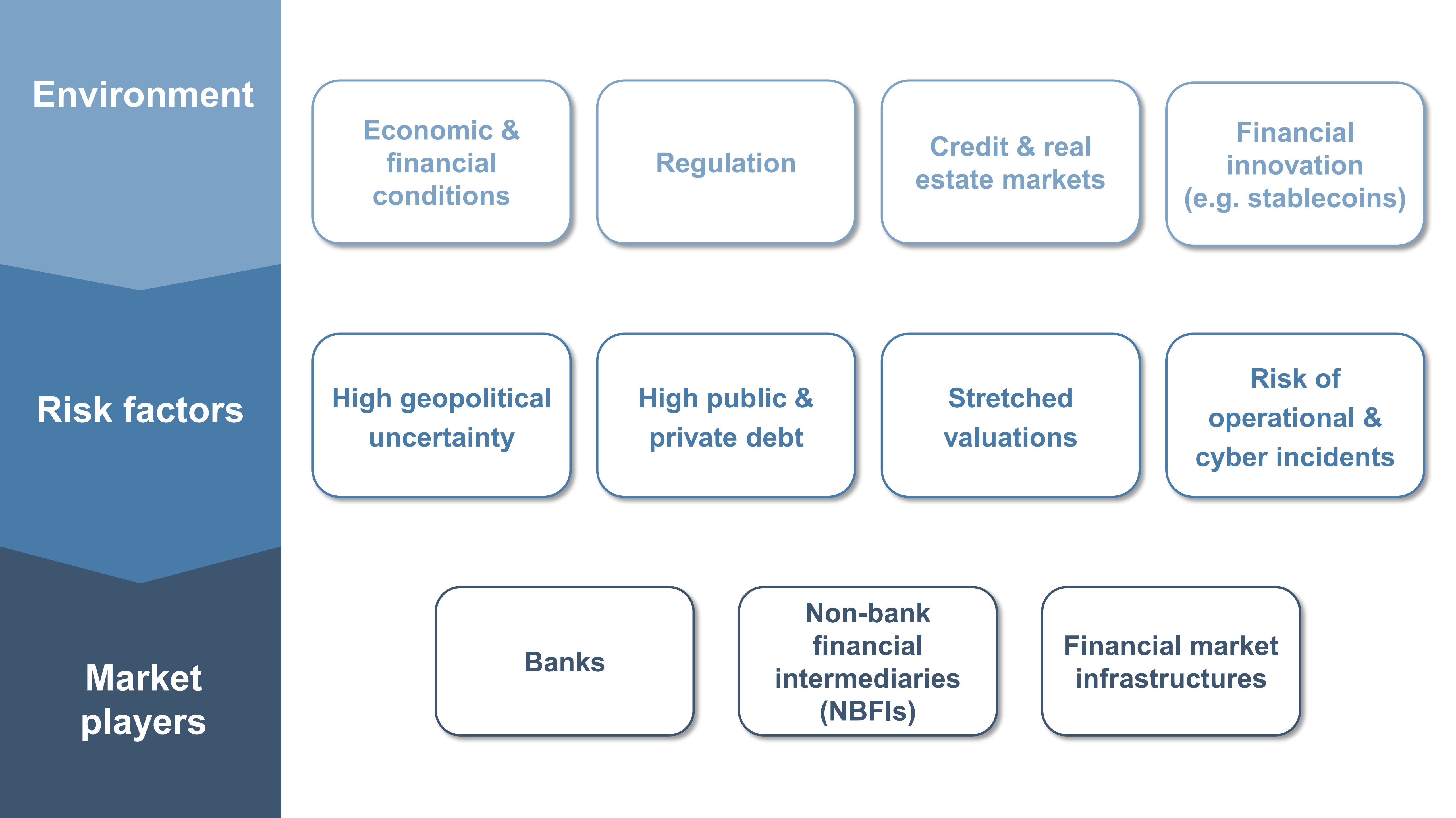
The SNB contributes to the stability of the financial system

Art. 5 National Bank Act

[1] … It shall ensure price stability. In so doing, it shall take due account of economic developments.

[2] Within this framework, it shall have the following tasks:

a. It shall provide the Swiss franc money market with liquidity.
b. It shall ensure the supply and distribution of cash.
c. It shall facilitate and secure the operation of cashless payment systems.
d. It shall manage the currency reserves.
e. It shall contribute to the stability of the financial system.


Environment
Economic & financial conditions
Regulation
Credit & real estate markets
Financial innovation (e.g. stablecoins)
Risk factors
High geopolitical uncertainty
High public & private debt
Stretched valuations
Risk of operational & cyber incidents
Market players
Banks
Non-bank financial intermediaries (NBFIs)
Financial market infrastructures

Credit & real estate markets

Banks

NBFIs

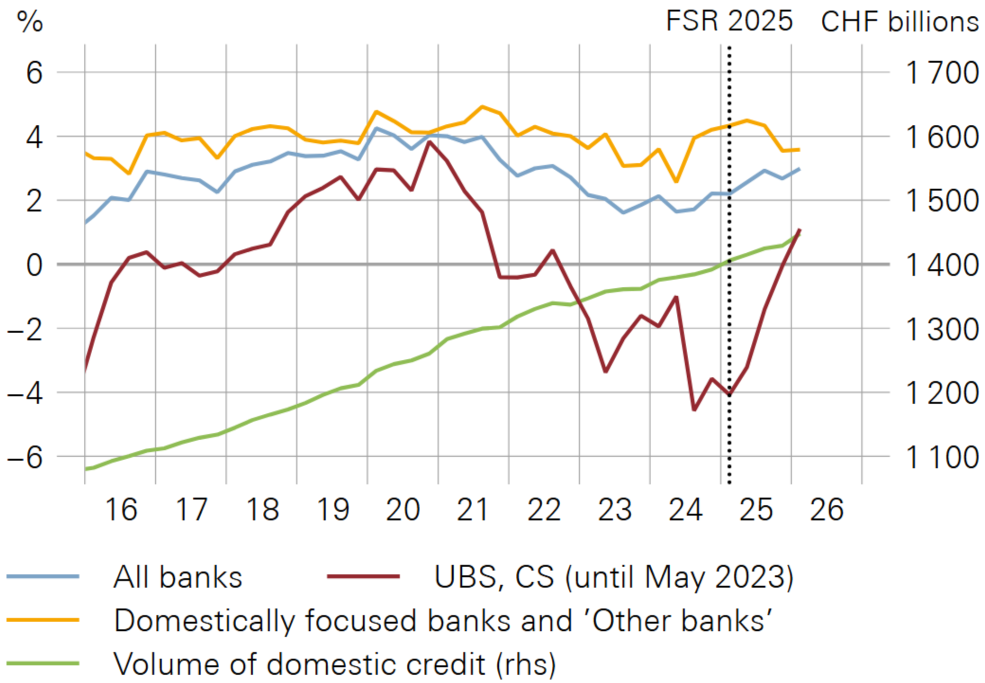
Stablecoins

Regulation

Dynamics in the Swiss credit market remain strong – no signs of a credit crunch

TOTAL DOMESTIC CREDIT

Nominal year-on-year growth rate and volume Chart 2.18



Note: Data for different bank categories until May 2023 from SNB data portal. From June 2023 onwards, data for UBS stems from its IFRS quarterly public reporting. The series have been corrected for structural shifts.

Source(s): SNB, UBS

- The Swiss credit market has gone through notable changes over the past few years
- Nevertheless, the credit market has proved to be resilient overall
- The introduction of Basel III Final has led to a decrease in risk-weighted assets
- High capital and liquidity buffers in the Swiss banking system provide significant lending capacity

Credit & real estate markets

Banks

NBFIs

Stablecoins

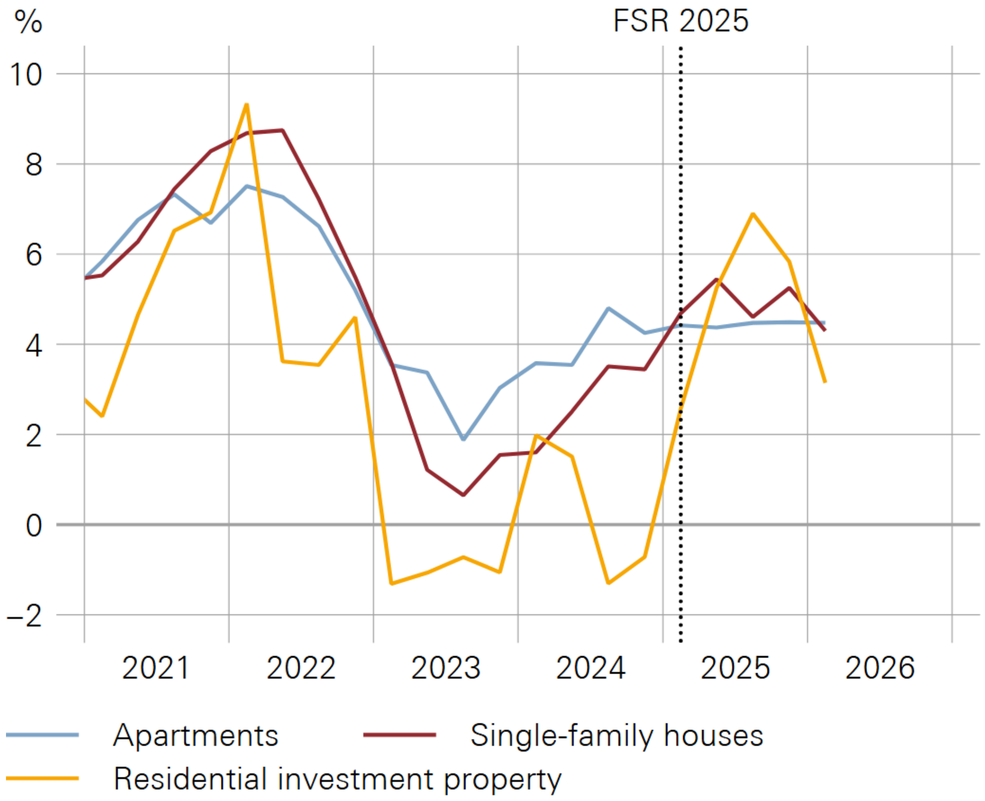
Regulation

Renewed momentum in the Swiss residential real estate market

REAL ESTATE PRICE INDICES

Nominal year-on-year growth rates

Chart 2.14



Source(s): Wüest Partner

- Growth in residential real estate prices has picked up since end-2024 in an environment of strong demand, tight supply and low interest rates
- Prices are high relative to established valuation indicators

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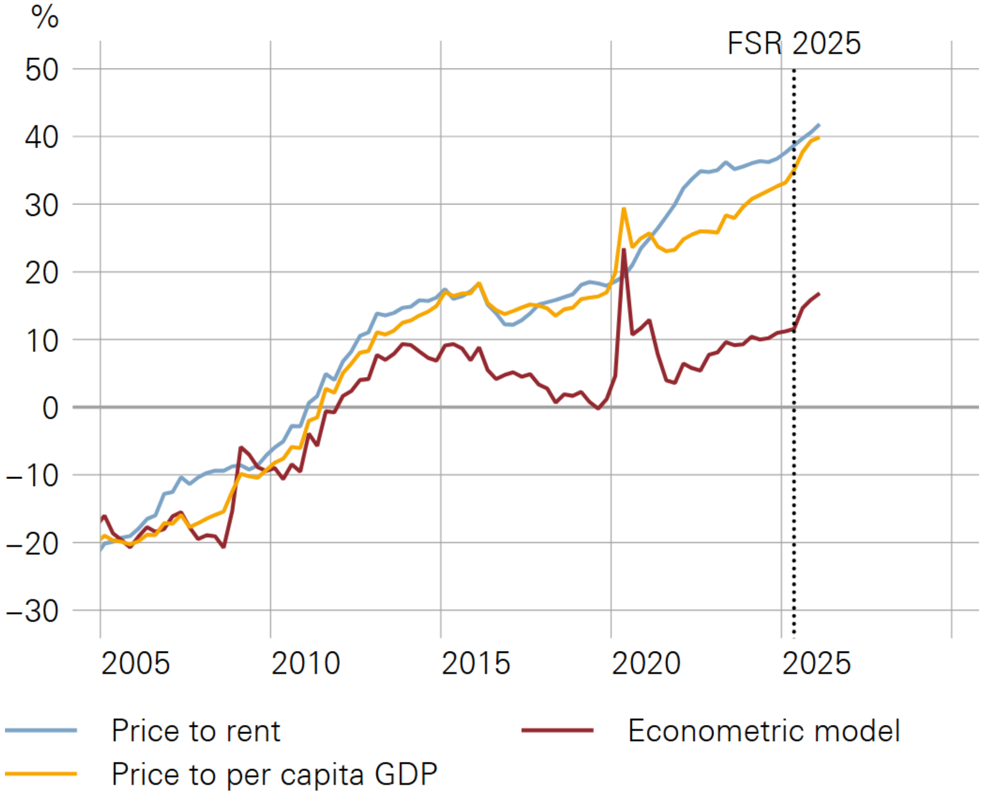
Regulation

Vulnerabilities in the Swiss residential real estate market persist and mortgage indebtedness remains high

APARTMENTS: VALUATION INDICATORS

Deviation from fundamental price levels — Based on chart 2.16



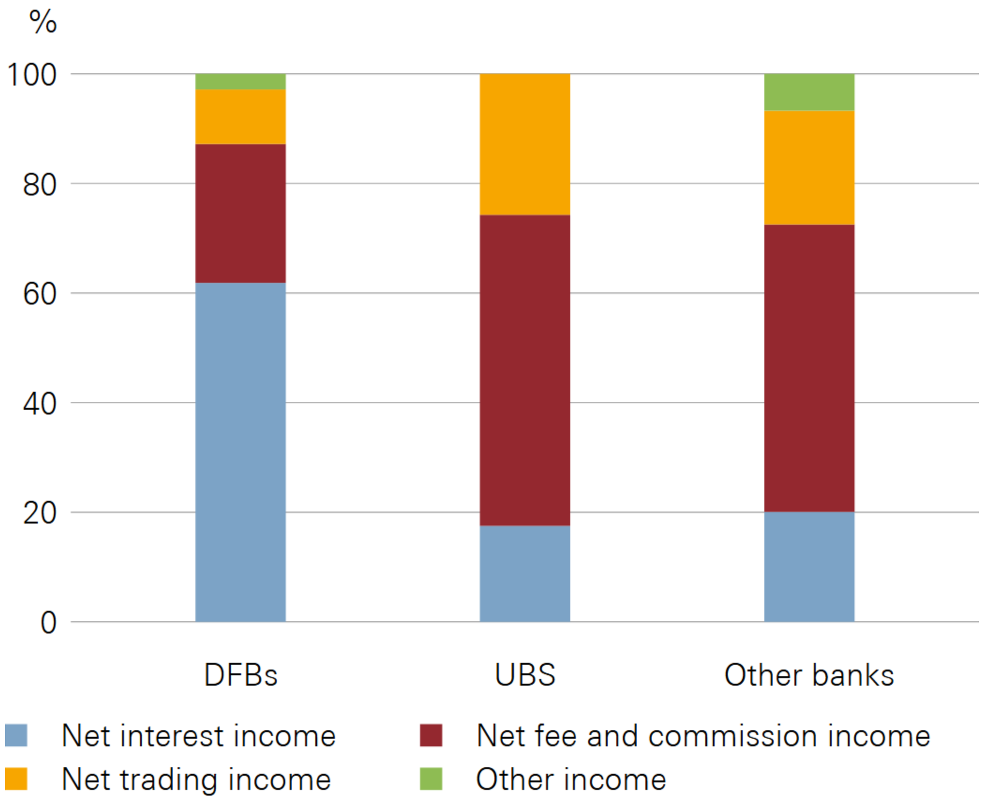
Source(s): SECO, SFSO, SNB, Wüest Partner

- Vulnerabilities in the Swiss residential real estate market that have built up over time persist
- They make the market more prone to corrections, in particular in the event of a shock
- Financial resources mitigate households' affordability risks

Profitability in the banking sector improved overall; development heterogeneous across banks

REVENUE STRUCTURE

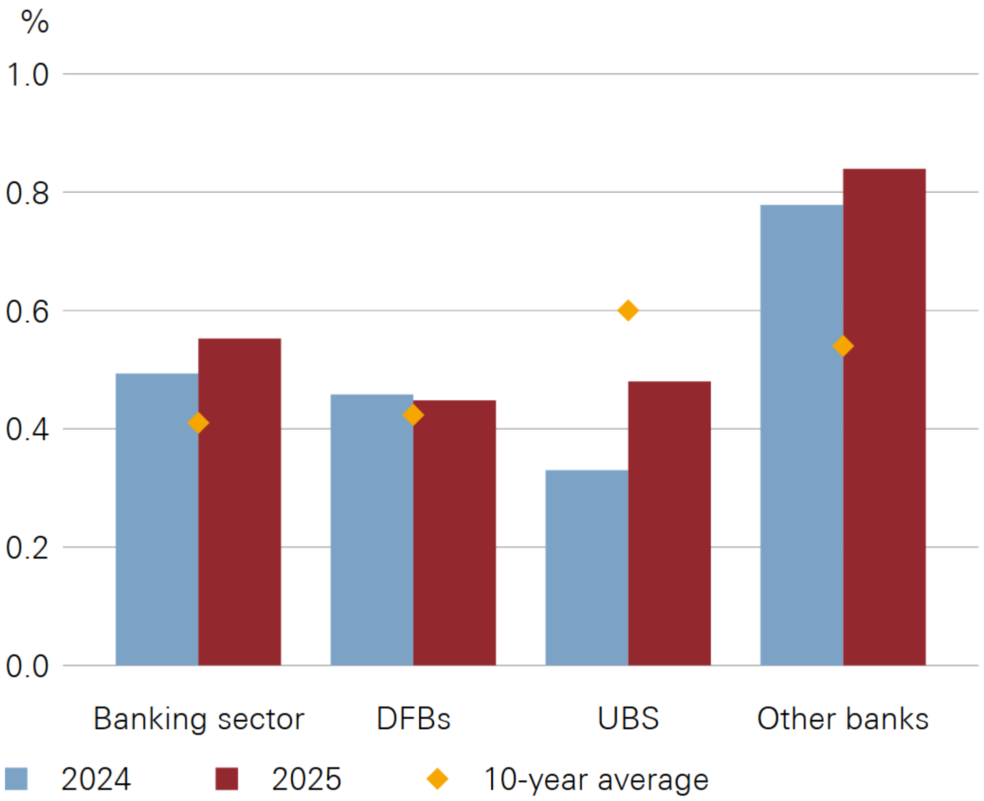
As a percentage of total revenue, 2025 — Based on chart 3.3



Source(s): SNB

RETURN ON ASSETS

Reported net profit as a percentage of assets — Based on chart 3.4



Source(s): SNB

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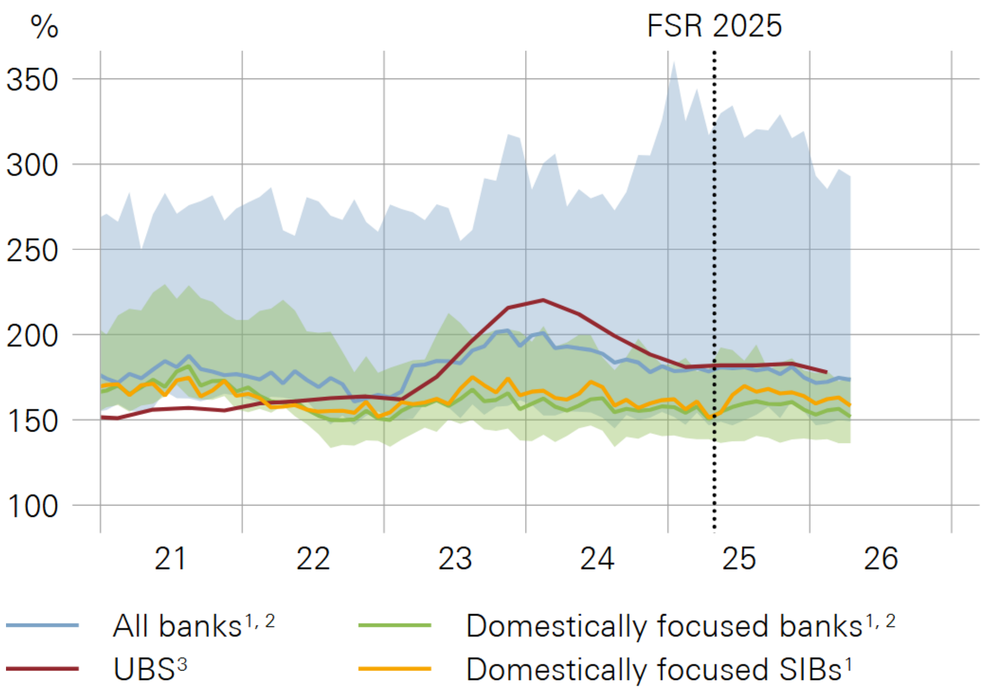
Regulation

Available liquidity and capital buffers provide significant loss-absorbing and lending capacity

LIQUIDITY COVERAGE RATIOS

Chart 3.2



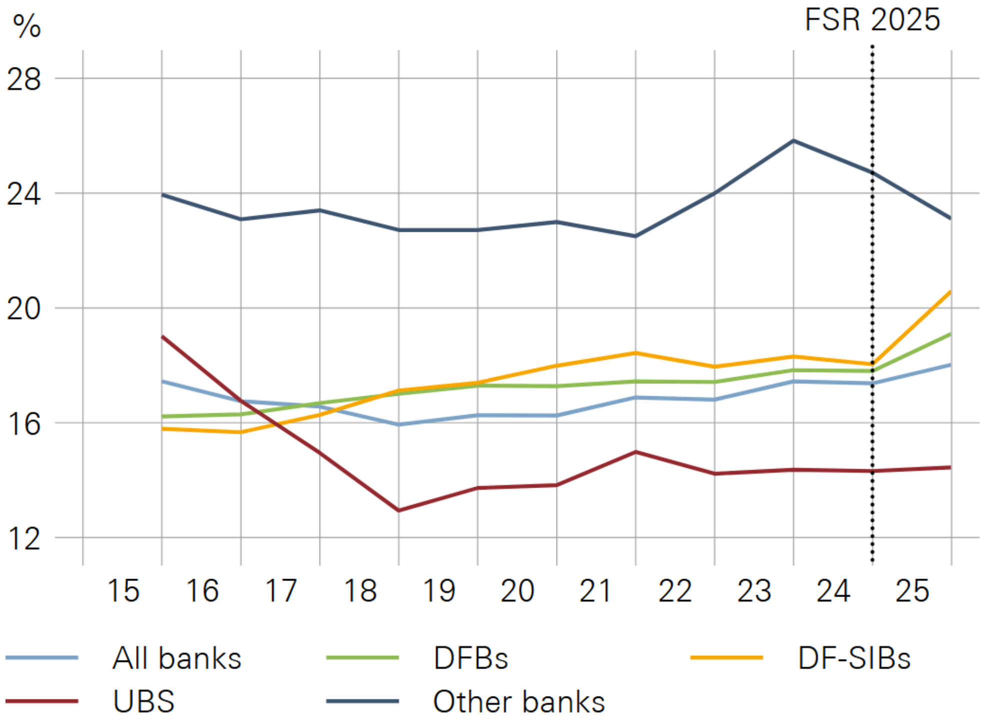
1 Average weighted by net cash outflows.
2 25% and 75% quantiles.
3 Quarterly average.

Source(s): Bank disclosures, SNB

CET1 CAPITAL RATIO[1]

At year-end

Chart 3.6



1 Excluding banks in the small banks regime, as they are exempted from calculating risk-weighted ratios.

Source(s): FINMA, SNB

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Regulation

Most banks are able to absorb relevant losses in adverse scenarios

Most severe scenarios by bank category

Domestically focused banks

Interest rate shock scenario

- Renewed rise in inflation triggers a surge in global interest rates
- Real estate as well as stock prices fall sharply

➢ DFBs would suffer mortgage losses and a decline in net interest income

UBS

Global recession scenario

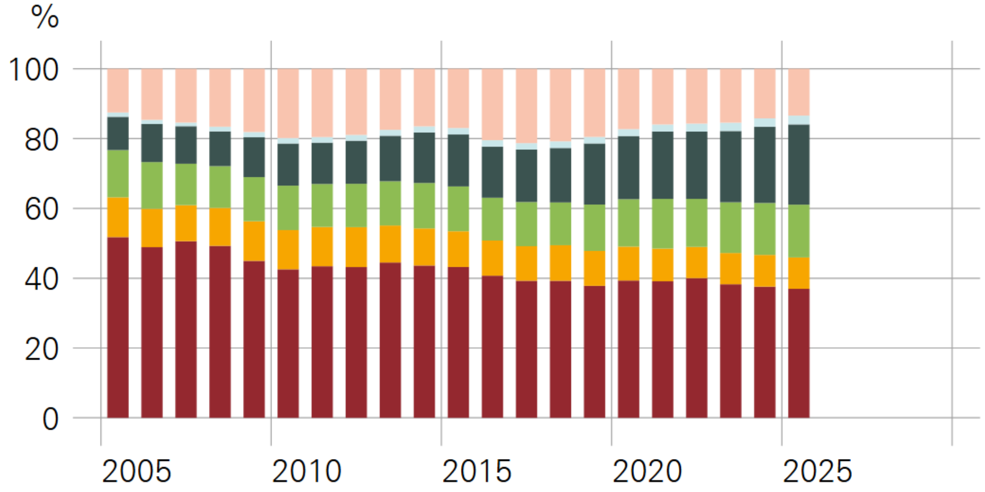
- Negative demand shock in the US, spreading globally
- Financial stress rises significantly globally
- Real estate as well as stock prices fall sharply, global interest rates decline

➢ UBS would suffer credit losses and a decline in net fee and commission income

NBFIs are important players in the Swiss financial system and have grown strongly – interconnections are material

SWISS FINANCIAL SECTOR[1]

Financial assets,[2] as a share of total financial assets — Chart 4.2



Banks — Insurance companies — Pension funds — Investment funds (incl. foundations) — Mortgage bond institutions — Other financial intermediaries

1 Excluding central bank.
2 Financial assets according to Financial Accounts view (excluding foreign subsidiaries). For investment funds (incl. foundations), including real estate assets.

Source(s): SNB

- Risk assessment requires solid data – SNB continues to work with other authorities towards closing data gaps
- Internationally, NBFIs have come under increasing scrutiny from foreign authorities due to various stress episodes
- Financial stability risks can result directly from stress at NBFIs or through interconnections within the financial system

Credit & real estate markets

Banks

NBFIs

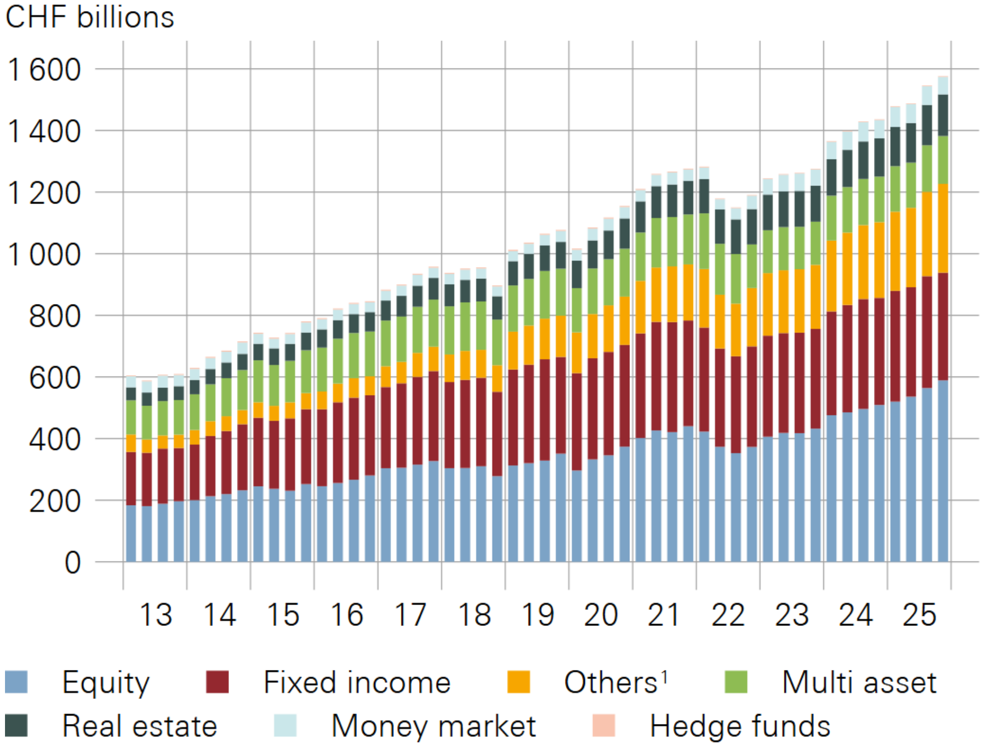
Stablecoins

Regulation

Direct financial stability risk from Swiss investment funds appears limited; contagion and amplification channels will be monitored

TOTAL ASSETS OF SWISS INVESTMENT FUNDS

By investment strategy — Chart 4.5



1 Including private equity, private credit, crypto and commodity funds.

Source(s): SNB

Swiss investment funds

- on average engage in less risk-taking than banks
- can still impact market pricing

Hedge funds

- Global: Impact on government bond market is under international scrutiny
- Switzerland: Limited impact as…
  - few and small hedge funds
  - structure of Swiss government bond market is unattractive for hedge funds

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Stablecoins

Regulation

Risks to financial stability from stablecoins are currently low in Switzerland and can be mitigated with adequate regulation

Risks stem from the promise of at-par convertibility despite the potentially volatile backing, and from the interconnections with the financial system

Stablecoins' financial stability risks are currently limited in Switzerland due to low volumes and low adoption

Central banks and regulatory authorities focus on stablecoins, since their financial stability risks may become more relevant with increasing adoption

International regulatory coordination is needed to prevent regulatory arbitrage across jurisdictions, as stablecoins can circulate globally and can be issued outside their currency area

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Regulation

SNB welcomes the 'too big to fail' measures proposed by the Federal Council

Quantitative minimum requirement for central bank eligible collateral for SIBs

Introduction of a public liquidity backstop

Full backing of a parent bank's foreign participations with Common Equity Tier 1 (CET1) capital

Credit & real estate markets

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Stablecoins

Regulation

Full capital backing is targeted and proportionate

1

Addresses weaknesses in the regulatory framework

Chart 4.10, FSR 2024

2

Including reserves, UBS already has sufficient capital to meet the requirements

Chapter 3, FSR 2026
Box 'Swiss TBTF capital framework'

3

UBS will be in line with its international peers

Chart 3.12, FSR 2026

4

Bank competitiveness is compatible with high capital ratios

Chart 3.10, FSR 2025

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Banks

NBFIs

Stablecoins

Regulation

Full capital backing is targeted and proportionate

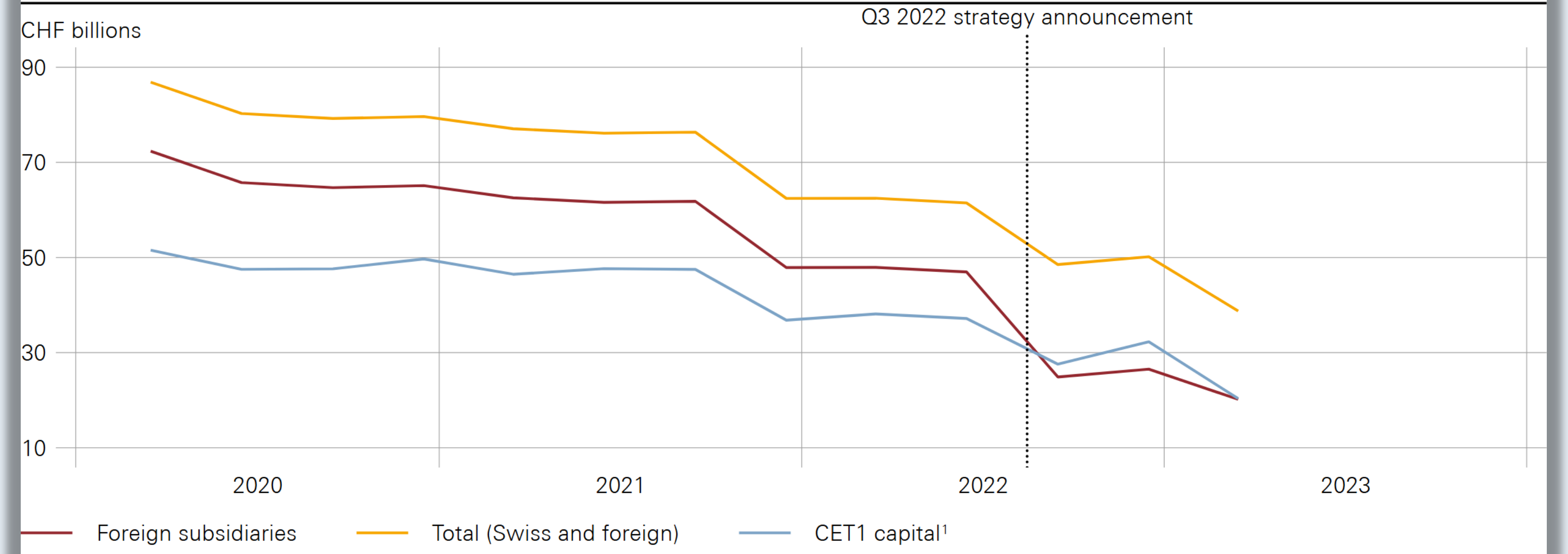
1

Addresses weaknesses in the regulatory framework

DEVALUATION OF PARTICIPATIONS AT CREDIT SUISSE PARENT BANK DURING CRISIS

Q1 2020 to Q1 2023

Chart 4.10, FSR 2024



1 Excluding the effects of the AT1 write-down in Q1 2023.

Source(s): SNB

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NBFIs

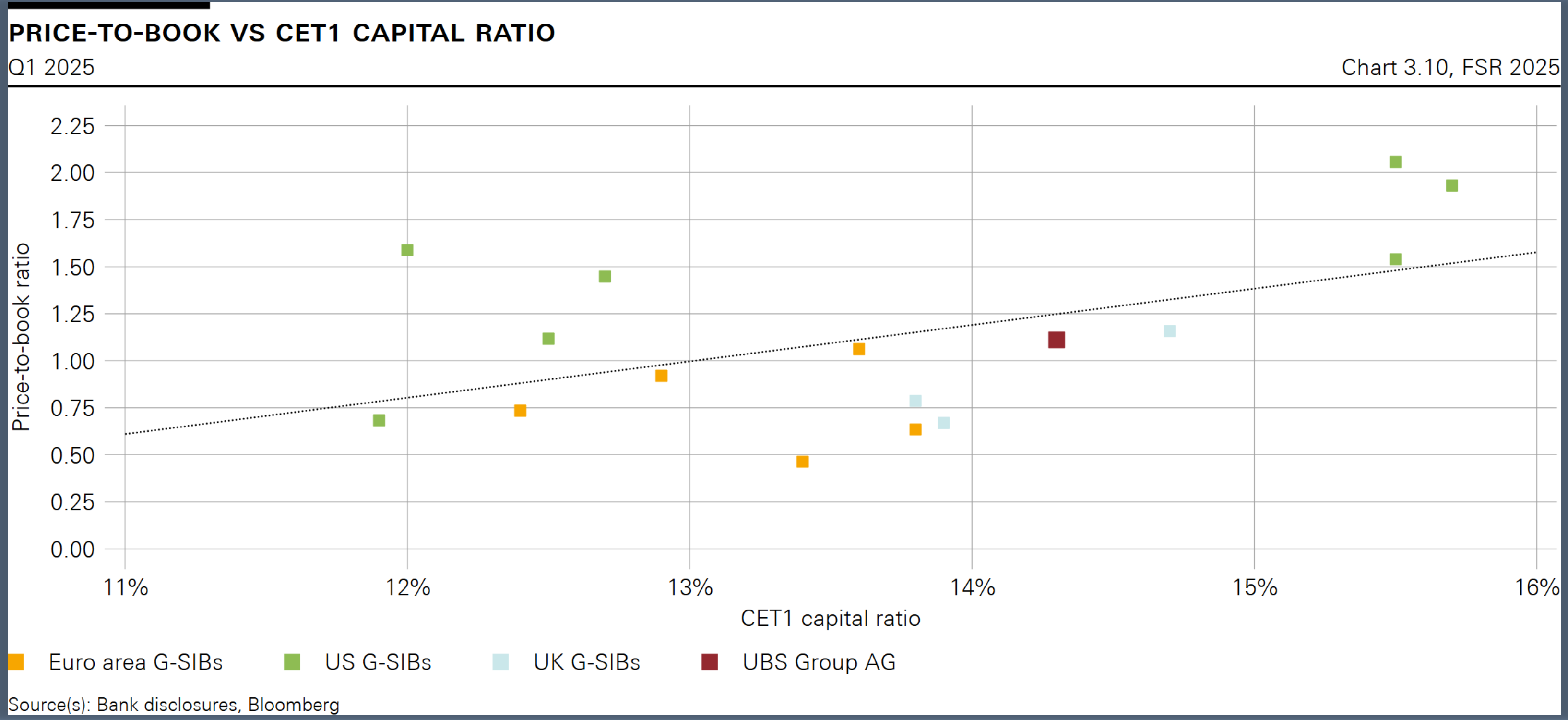
Stablecoins

Regulation

Full capital backing is targeted and proportionate

4

Bank competitiveness is compatible with high capital ratios



The Financial Stability Report is available on the SNB website

[Financial Stability Report 2026]

Thank you for your attention!

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