Eidgenössische Finanzmarktaufsicht FINMA
Autorité fédérale de surveillance des marchés financiers FINMA
Autorità federale di vigilanza sui mercati finanziari FINMA
Swiss Financial Market Supervisory Authority FINMA

Press release

Date:
26 November 2025

Embargo:
-

Contact:
Ursula Keel, Spokesperson
Tel. +41 31 327 14 45
ursula.keel@finma.ch

Ex-post evaluation of Circular 2019/2 “Interest rate risks – banks”

The Swiss Financial Market Supervisory Authority FINMA is today publishing its ex-post evaluation report on the requirements for interest rate risk management in the banking book. The evaluation has shown that the supervisory practice has essentially been successful and that the objectives have been achieved. Specific improvements will be made as part of a partial revision of Circular 2019/2, which is planned from 2026. The interest rate shock scenarios updated by the Basel Committee on Banking Supervision will also be implemented as part of this.

FINMA published its supervisory practice on the requirements for banks regarding the measurement, management, monitoring and control of interest rate risks in the banking book on 1 January 2019. One of the objectives was to significantly improve and refine the minimum requirements for interest rate risk management in terms of governance, modelling and interest rate scenario design. This has been achieved.

Small and medium-sized institutions, for which interest margin business is usually the most important source of income, were able to catch up with the larger institutions in terms of more advanced approaches and methods of interest rate risk management. Since 2019, these more advanced approaches and methods have proven to be robust for managing interest rate risk even in a changing interest rate environment. In its supervisory activities, FINMA also observed a decline in the number of institutions with conspicuous interest rate risks in the banking book.

Partial revision from 2026

In its evaluation, FINMA continued to address aspects that had led to in-depth discussions in the national “interest rate risks” working group and the consultation on the circular during the drafting of Circular 2019/2. These discussions had arisen, among other things, due to room for interpretation or ambiguities regarding the applicable international standard as well as due to not knowing how these aspects would be implemented in other jurisdictions at the time. The analyses now completed by FINMA in this regard included a legal comparison with other jurisdictions, in particular the EU and the UK. This comparison confirmed the appropriateness of Switzerland’s implementation of the aspects discussed.

However, the evaluation also shows that there is room for improvement regarding the principles dealt with in the Circ. “Interest rate risks – banks”. The evaluation report addresses this. For example, the applicable proportionality rules should be improved and the minimum requirements for validation should be defined more precisely. In addition, the Basel Committee published its updated interest rate shock scenarios in July 2024. The possible improvements and updates to these scenarios will be made as part of the partial revision of the circular. This is planned from 2026.