

Press release

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Contact:
Vinzenc Mathys, Spokesperson
Phone +41 (0)31 327 19 77
vinzenc.mathys@finma.ch

FINMA Risk Monitor 2023: current risks in the financial sector

The Swiss Financial Market Supervisory Authority FINMA publishes its 2023 Risk Monitor today. In this report, it identifies nine significant risks for the financial sector. Compared to last year, FINMA has identified two new risks: those relating to liquidity and funding as well as to the outsourcing of business activities.

FINMA today publishes its 2023 Risk Monitor. This report provides an overview of what FINMA believes are the most important risks currently facing supervised institutions and describes the resulting focus of its supervisory activity. This creates transparency both for supervised institutions and the wider public about how FINMA fulfils its statutory responsibilities.

Sensitive macroeconomic environment

Many of the principal risks identified are based on a number of macroeconomic uncertainties. The reasons for these are ongoing geopolitical tensions and regional conflicts, but also slower economic growth due to high inflation, rising interest rates and energy costs. In addition, the collapse of various American regional banks in mid-March 2023 and the uncertainty surrounding Credit Suisse led to banking sector stress globally.

Two new principal risks

Based on macroeconomic analysis, FINMA currently identifies nine main risks for the entire financial sector. Seven risks remain the same as in the previous year: interest rate risks, credit risks associated with mortgages, credit risks associated with other loans, credit spread risks, risks of cyberattacks, risks in the area of combating money laundering and risks due to increased impediments to cross-border market access. Compared to last year, the risks associated with liquidity and funding as well as with the outsourcing of business activities are considered to be more significant, with the result that they are now included in the Risk Monitor. Irrespective of the principal risks identified, FINMA will continue to focus its supervisory activities on the specific risks arising from the merger of the two large banks.

Artificial intelligence in the Swiss financial market

Furthermore, each Risk Monitor explores one selected trend with the potential to impact on the Swiss financial market over the long term. Due to its increasing importance in many areas of life, FINMA views the use of artificial intelligence (AI) as such a trend. Particular challenges arise in connection with the responsibility for AI decisions, the reliability of AI applications, the transparency and explainability of AI decisions and the equal treatment of financial market clients.

FINMA expects supervised institutions to respond to the associated risks appropriately. FINMA will review the use of AI by supervised institutions in line with the risk-based approach and the principle of proportionality. It will also continue to monitor developments in the use of artificial intelligence in the financial industry, remain in discussions with relevant stakeholders and stay abreast of international developments.