

Press release

Date:
26 March 2024

Embargo:
--

Contact:
Patrizia Bickel, Spokesperson
Phone +41 (0)31 327 93 19
patrizia.bickel@finma.ch

FINMA assesses the emergency and recovery plans of PostFinance, Raiffeisen and Zürcher Kantonalbank

The Swiss Financial Market Supervisory Authority FINMA has completed its annual assessment of the emergency and recovery plans of the domestic systemically important banks PostFinance, Raiffeisen and ZKB. ZKB's emergency plan was deemed ready to implement for the first time.

Systemically important banks must submit an emergency plan to FINMA for assessment annually in which they show how they would maintain their systemically important functions if they were at risk of insolvency. The systemically important functions are the short-term lending business (Raiffeisen and ZKB) as well as the deposits business and payment transactions (PostFinance, Raiffeisen and ZKB).

ZKB's emergency plans: ready to implement

FINMA was able to confirm that ZKB's emergency plan is ready to implement for the first time, as ZKB issued the necessary additional loss-absorbing funds in the form of loss-bearing bonds in 2023. The other requirements were already met.

FINMA still considers PostFinance's emergency plan not ready to implement. PostFinance still does not fulfil the requirements regarding additional loss-absorbing funds, but has now submitted a binding plan to build up these funds.

Raiffeisen's emergency plan was already deemed ready to implement for the first time in the previous year, and this remains the case.

Recovery plans for PostFinance, Raiffeisen and ZKB

Systemically important banks must submit a recovery plan to FINMA for approval annually in which they show how they could stabilise themselves on a sustainable basis and without government intervention in the event of destabilisation. As in the previous year, FINMA approved the recovery plans of all domestic systemically important banks. FINMA will use the events surrounding the CS crisis to further develop the requirements for recovery plans.

Further development of resolution reporting

In line with its statutory remit, FINMA regularly reports to the public on the status of work on the resolution, recovery and emergency planning of systemically important banks and systemically important financial market infrastructures. This obligation now also applies to the insurance sector. In future, FINMA will therefore no longer provide information only once a year, but more frequently and on an ad hoc basis. This will enable it to respond better to specific issues and the institutions.

As a consequence of the takeover of Credit Suisse, UBS is in the process of revising its crisis preparedness. The bank will then submit its resolvability planning as well as its recovery and emergency plans to FINMA for review. FINMA will subsequently assess UBS's crisis planning and report on it separately.