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FINMA's supervision in 2025: resilience, client protection and conducting business with integrity

Ladies and gentlemen

May I welcome you once more to our annual media conference. Thank you for coming again this year in such healthy numbers. It will be my pleasure to run through some of the most important information, including some key figures on the range of institutions under our supervision, in the next few minutes.

In 2025 FINMA concentrated rigorously on its mandate and focused on strengthening the resilience of the financial system, protecting clients and maintaining integrity in the conduct of business. This occurred against an increasingly challenging backdrop in which financial and non-financial risks have intensified significantly. With the heightened strains at international level – including the ongoing turmoil in the Middle East, the war in Ukraine and trade tensions with China – Switzerland's role as a safe haven is becoming ever more prominent.

Despite these challenges the institutions supervised by FINMA remained in a stable situation. This stability is closely related to Switzerland's fundamentally stable institutional, political and legal framework. With our clear focus on our statutory mandate, FINMA makes an important contribution to this positive situation.

One of FINMA's main areas of emphasis is the promotion of good governance, a healthy risk culture and individual responsibility at supervised institutions. To strengthen levels of trust in the Swiss financial centre, FINMA took steps to instil a culture of positive business conduct at the highest levels of management. We carried out an increasing number of deep dives at supervised institutions to identify risks early. These entailed direct contact with the institution's board, management, compliance and risk organisation and internal audit. This is an example of preventive supervision that FINMA is putting an ever greater emphasis on, in order to tackle the root causes of problems at an early stage rather than having to respond to the symptoms, which is associated with a much bigger negative impact.

To summarise, in 2025 FINMA continued to strengthen its supervision as an integrated supervisory authority with oversight of banks, insurance companies and asset managers, rigorously implementing its mandate in the areas of resilience, customer protection and integrity of conduct. I will now go into these facets individually in greater depth.

Resilience

Because it is impossible to predict the exact cause of a future crisis, supervisors need to act early and preventively strengthen the resilience of financial institutions and the entire financial system. The aim is to reduce both the probability and severity of a financial crisis – irrespective of whether it is caused by an individual systemically important institution or by multiple smaller institutions. We achieve this through more robust supervision, combined – as Ms Amstad has set out – with statutory powers and solid regulation that makes proportionate demands of the financial institutions.

An adequate capital and liquidity position is essential for the stability of financial institutions. It ensures that banks, insurance companies and asset managers are able to function and support the economy during both calm and turbulent times. Even if there can never be a guarantee that the supervised institutions are immune from problems, FINMA again strengthened the resilience and stability of these institutions with its supervisory and enforcement activities during the year. The banks' capital positions and the insurers' solvency ratios remained stable, which is all the more crucial in the current elevated risk environment. The banks' liquidity buffers also remained at a high level.

In the asset management segment FINMA gained new insights into the management of liquidity risks. In response to international requirements, and to evaluate the resilience of Swiss investment funds, FINMA conducted its own stress tests for the first time alongside other detailed analyses and on-site inspections. These revealed that, under a stress scenario, 8.2% of bond funds and 3.3% of equity funds would have insufficient liquidity. FINMA carried out an in-depth analysis and investigation of these funds. Once again the objective is to ensure resilience in an elevated risk landscape by means of preventive supervision.

Let us now turn to mortgages. Real estate and mortgages remain among the biggest risks for the Swiss financial centre, in the shape of credit default risk and property valuation risk. The danger that these could impact on the Swiss mortgage market through various channels, particularly against the backdrop of elevated global risks, led FINMA to bolster its supervisory activity in this area on a precautionary basis. During the year we again saw some banks pushing the limits of principles-based regulation too far in their mortgage lending. FINMA therefore demanded that the financial institutions in question strengthened their risk management. It also imposed capital surcharges on some banks after it had identified excessively loose lending criteria, strong lending growth and real estate valuations that were too low. FINMA also published guidance on its requirements for mortgage lending.

With regard to climate and nature-related financial risks, FINMA conducted supervisory discussions on the increasing physical risks from climate change at the biggest banks and insurance companies. FINMA also carried out one-day on-site inspections at individual banks with potentially elevated climate risk profiles. Depending on the size and business model of the bank, FINMA investigated issues such as how the bank manages climate-related risks in the mortgage lending business, or the bank's approach to addressing greenwashing risks, or reviewed the climate stress test models used

by the bank. At UBS FINMA carried out a climate scenario analysis together with the Swiss National Bank that identified the biggest loss potential in the corporate loan portfolio.

Given the current risk backdrop, a further important area of emphasis is strengthening the operational resilience of supervised institutions. First and foremost, this involves risks relating to the growing outsourcing of business activities to third parties, particularly in connection with potential cyber attacks. One of the main problems is that many important institutions outsource central IT systems to a small number of service providers. Then the entire system becomes extremely vulnerable – with a potentially serious impact on financial market clients and the reputation of the Swiss financial centre. FINMA therefore increased the granularity of its monitoring of organisational structures in the cyber security domain within authorisation and supervisory processes. Moreover, it participated in the establishment of a national crisis organisation for cyber incidents and worked closely with the Federal Department of Finance, the SNB and other bodies to accelerate preparedness for a coordinated rapid reaction in a crisis if needed.

Client protection

I now turn to my second topic. Alongside resilience and protecting the functioning of the financial markets, the protection of financial market clients is also always at the core of FINMA's supervision. It is our responsibility to protect clients from misconduct and malpractice. In 2025, FINMA stepped up its client protection measures on several fronts.

In an environment of severe financial shocks, the topic of suitability is becoming even more important. This is particularly the case when complex products with high loss potential expose clients to considerable risks in this environment. For example, FINMA found that some customers were being led into illiquid and risky assets without sufficient checks of their risk capacity and risk tolerance. FINMA intervened decisively in breaches of the conduct rules in the Financial Services Act of this kind and continued to focus on the suitability of complex products. For example, to protect clients FINMA placed a growing number of asset management firms under intensive supervision owing to various deficiencies, often relating to compliance with conduct rules on suitability.

Combating greenwashing was a further area of focus. FINMA worked to ensure that investors are not misled by implementing clear disclosure obligations. These apply in particular to the approval of new sustainability-related funds and changes in existing sustainable funds.

With regard to supplementary health insurance, in 2025 FINMA again ensured that premiums were only increased moderately and achieved cuts in premiums by supplementary health insurers in many cases. We again focused on additional benefits in supplementary health insurance. At the beginning of 2025 FINMA noted the progress made in the transparency and pricing of these benefits since 2020. However, at the same time FINMA made clear that, in order to protect insurance clients, it is essential that contracts with doctors and clinics meet the supervisory requirements.

FINMA also achieved numerous improvements in client protection in the supervision of insurance intermediaries. FINMA rejected numerous applications for registration from unqualified intermediaries during the year. In 2024 and 2025, FINMA received 1,622 external reports and complaints about potential misconduct by insurance intermediaries and insurance companies. It opened investigations into 271 cases and identified around 1,000 market participants who did not have a licence or the necessary qualifications.

Conducting business with integrity

I now come to my final topic: integrity in the conduct of business. The stability, growth and competitiveness of the Swiss financial centre depend not just on the resilience of financial institutions, but also to a large extent on their integrity and reputation. This applies particularly to the areas of combating money laundering and compliance with sanctions. Just a small number of black sheep can harm the reputation and competitiveness of the entire financial centre.

In 2025 FINMA promoted integrity in the conduct of business by means of targeted on-site inspections, stress tests, customised surveys and supervisory discussions. The focus was on good governance, business models, treatment of customers, early identification of risks and combating money laundering and sanctions evasion.

FINMA carried out a number of on-site inspections as part of its work to combat money laundering. One of the areas of supervisory focus here was retail banking, where FINMA addressed various weaknesses in transaction monitoring and defined measures to resolve them. In a small number of cases institutions entered into client relationships that exceeded their risk tolerance, for example with regard to clients with foreign links, special business models or unusual transaction behaviour.

Sanctions risks have also risen in line with growing geopolitical tensions. FINMA is not responsible for enforcing sanctions; this responsibility lies with SECO. However, it is responsible for ensuring that the financial institutions have appropriate governance and effective risk management in this area. FINMA carried out a series of on-site inspections of sanctions at supervised banks in conjunction with SECO. One area of focus was sanctions on goods and their impact on the financial institutions. At banks that are subject to potential sanctions-related risks as a result of having foreign business clients, FINMA found gaps in their internal directives and prevention measures and intervened where necessary.

Overall and across all supervised institutions, FINMA intervened decisively where there were serious breaches of the rules by supervised institutions to protect the resilience of financial institutions and financial market clients and ensure high standards of business conduct. If compliance with the law cannot be restored through supervision, FINMA uses its enforcement powers. In 2025, our Enforcement division conducted over 785 investigations and concluded 55 proceedings against companies and individuals. The measures imposed by FINMA in enforcement proceedings were also always targeted and proportionate.

To conclude I would also like to say a few words about our reorganisation. To fulfil its mandate more effectively and efficiently, FINMA underwent a reorganisation in 2025. In particular, it set up the Integrated Risk Expertise division. This unit supports the supervisory departments with integrated risk and data analysis and assists in the planning and implementation of on-site inspections.

This new structure strengthens preventive and direct supervision. Thanks to the realisation of synergies and improved cross-departmental cooperation it also contributes to making FINMA more effective and efficient as a supervisory authority. For the supervised institutions everything remained the same, as they kept their previous contact persons at FINMA. The cross-departmental function ensures that the financial institutions receive systematically better comparative information – both with respect to financial and non-financial risks.

Even more effective supervision will help to further strengthen the financial centre's resilience to financial and non-financial risks. FINMA as an institution must have the tools it needs for this and continue developing as an organisation. In this context, for example, it will carry out more of its own on-site inspections and deploy external auditors in a more targeted and risk-based way. In doing so we will remain faithful to our approach and continue to conduct on-site inspections proportionately.

Our principles-based regulation enables us to deal flexibly with innovations such as FinTechs and DLT-based business models and at the same time supports FINMA's technology-neutral supervisory approach. For example, we licensed the first DLT trading facility in Switzerland in 2025 and support innovation on solid legal foundations.

As far as FINMA's headcount is concerned, this has been and will continue in the future to be determined by new tasks, issues and ways of working. For example, since 2024, FINMA has been supervising around 10,000 insurance intermediaries. The new issues include, in particular, increased risks such as the sharp rise in cyber risks, as well as the challenges that result from the existence of a very large bank. New ways of working are emerging, on the one hand due to FINMA carrying out more of its own inspections, thereby reducing its reliance on external auditors, and on the other hand due to the growing role of digital and data-driven supervision.

We have also taken the strategic decision that our absolute upper limit on staff numbers will remain in the hundreds in the long term. This will apply even if FINMA is granted all the additional powers being discussed by the legislator. However, FINMA is not funded by tax revenue, but through fees and charges levied on the institutions it supervises, in accordance with the "user pays" principle as far as possible.

Our focus is on supervision that is even more effective, proportionate and forward-looking. It ensures more resilient institutions, promotes responsible innovation and makes an important contribution to the competitiveness and good reputation of the Swiss financial centre.

Thank you for your attention.