

Berne, 12 February 2026

Basel III countercyclical capital buffer

Stance of the Basel III countercyclical capital buffer in Switzerland¹

- The Basel III countercyclical capital buffer (CCyB) in Switzerland remains at 0%.²
- The Swiss sectoral CCyB targeted at mortgage loans financing residential property located in Switzerland remains at 2.5%, as decided and communicated by the Federal Council in January 2022. The mandatory jurisdictional reciprocity provisions set out in Basel III do not apply to the Swiss sectoral CCyB requirements.
- The Swiss authorities will continue to monitor the developments in the credit and real estate markets closely.

Background

- In Switzerland, the CCyB can be applied on a broad basis – in line with the Basel III rules – or it can target specific segments of the credit market.
- So far, the broad-based Basel III CCyB has not been activated in Switzerland.
- The sectoral CCyB targeting residential real estate located in Switzerland has been activated since 2013, with an interruption due to the coronavirus pandemic from

¹ The stance of the Basel III countercyclical capital buffer in Switzerland is communicated annually. Previous communications are available on the SNB website ([Financial stability](#)).

² In line with the international agreement, the Swiss authorities periodically communicate and justify the level of the Basel III CCyB, even if it is set at 0%. In the Ordinance on the Capital Adequacy and Risk Diversification of Banks and Securities Firms, the specific provisions relating to the Basel III CCyB are included in arts. 44 and 44a.

March 2020 until January 2022. The current level of the sectoral CCyB is set at 2.5% of relevant risk-weighted positions.³

Developments since the last communication on the Basel III CCyB

- In an environment of falling interest rates, momentum on the credit and real estate markets in Switzerland picked up again over the previous year. While the vulnerabilities on the residential real estate market persist, risk indicators for the domestic credit market convey mixed signals.
 - In the owner-occupied residential property segment, prices grew significantly faster than in the previous year. Momentum also picked up again in the residential investment property segment, and the price declines seen in 2022/2023 were more than offset (cf. chart 1). Meanwhile, the vulnerabilities as measured by the price-to-rent ratios increased slightly for all residential segments (cf. chart 2). In the commercial real estate segment, the available indicators point to relatively stable conditions, as in previous years.
 - Annual growth rates for both total credit and mortgages increased compared to the previous year (cf. chart 3). The credit-to-GDP ratio remained broadly unchanged at a high level in a historical comparison (cf. chart 4). The credit-to-GDP gap remained negative (cf. chart 5), as the credit-to-GDP ratio grew at a slower rate over the last couple of years than its long-term trend.⁴ With regard to credit quality, signs of elevated affordability risks as measured by the loan-to-income (LTI) ratio persist (cf. chart 6).⁵
- The vulnerabilities imply an elevated risk of correction in the Swiss mortgage and residential real estate markets. Moreover, the low interest rate environment may favour a further increase in these vulnerabilities. As a result, it is essential to ensure that the banking sector is sufficiently resilient to face potential headwinds.
- Given the confined nature of the vulnerabilities in the Swiss mortgage and residential real estate markets, the Swiss authorities continue to consider the targeted sectoral CCyB to be the best-suited instrument.
- Consequently, the sectoral CCyB targeted at mortgage loans financing residential real estate located in Switzerland remains at 2.5%, while the level of the Basel III CCyB remains at 0%.

³ Banks were required to meet the CCyB requirements by 30 September 2022, cf. Federal Council press release of 26 January 2022 (www.admin.ch/gov/en/start/documentation/media-releases.msg-id-86922.html).

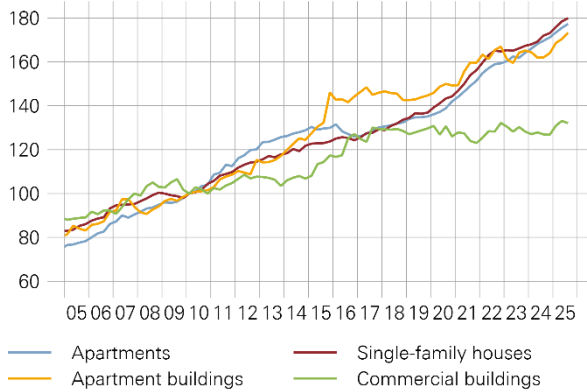
⁴ The credit-to-GDP gap is computed according to the Basel Committee on Banking Supervision (BCBS) guidelines, with domestic bank credit.

⁵ Cf. SNB, Financial Stability Report 2025, pp. 15 and 31-32.

REAL ESTATE PRICE INDICES

In nominal terms, Q1 2010 = 100

Chart 1

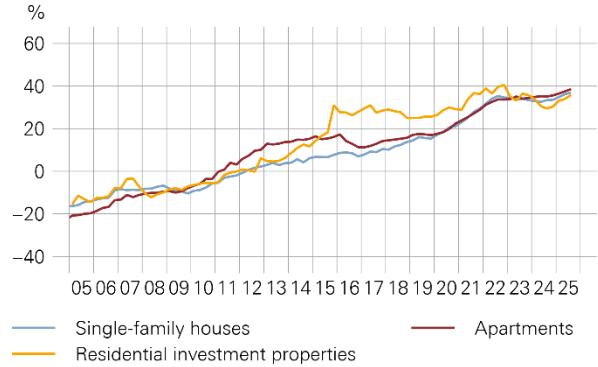


Source(s): Wüest Partner

PRICE-TO-RENT RATIO¹

Deviation from historical average

Chart 2



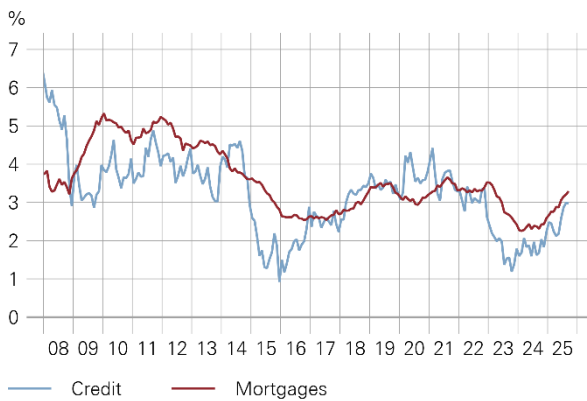
¹ Transaction prices and existing rents.

Source(s): SFSO, Wüest Partner

DOMESTIC CREDIT AND MORTGAGE GROWTH

Annual growth rate, nominal

Chart 3

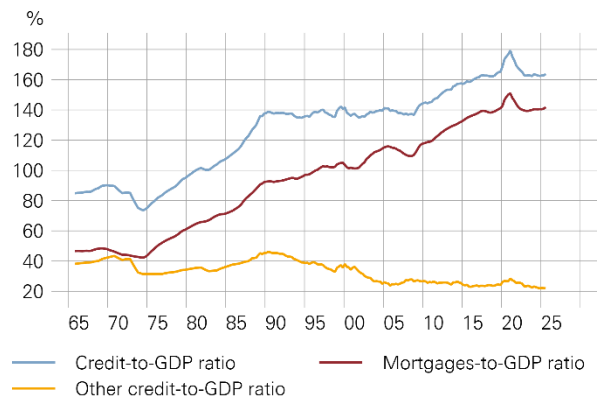


Source(s): SNB

CREDIT AGGREGATES-TO-GDP RATIO

Domestic bank credit

Chart 4

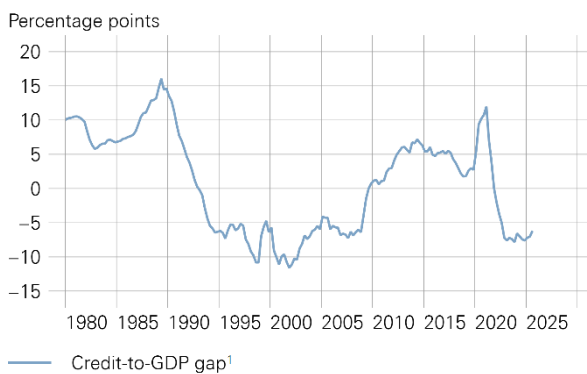


Source(s): SECO, SFSO, SNB

CREDIT-TO-GDP GAP

Domestic bank credit

Chart 5

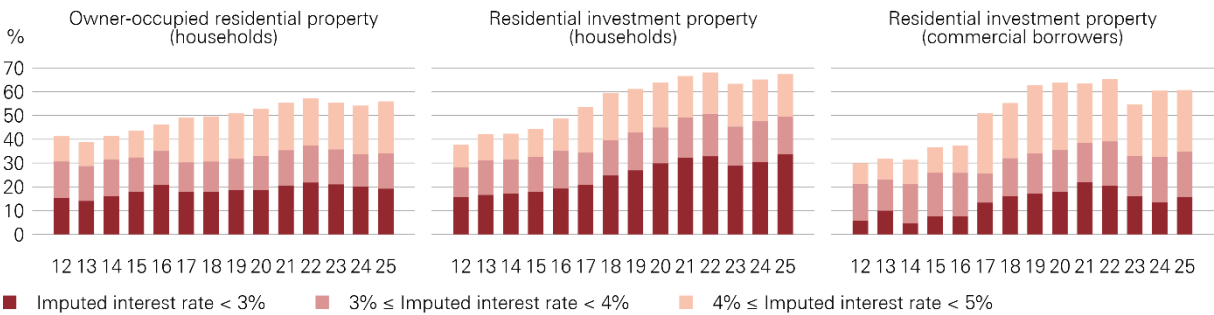


¹ Computed according to the BCBS guidelines.

Source(s): SECO, SFSO, SNB

PROPORTION OF NEW MORTGAGES WITH HIGH LTI RATIOS¹

Proportion where imputed costs exceed rents (inv. prop) or one-third of income (owner-occ.) at an imputed interest rate of up to 5%² Chart 6



1 From 2017 on, data from the revised 'Survey on new mortgages' is shown. For 2025, data up to Q3 is included.
 2 The dark red shaded area shows the proportion where imputed costs exceed rents or one-third of income at an imputed interest rate of up to 3%. The red shaded area shows the additional proportion for an imputed interest rate of between 3% and 4%. The pale red shaded area shows the additional proportion for an imputed interest rate of between 4% and 5%. For details on the calculation, cf. Financial Stability Report 2019, p. 21.

Source(s): SNB