allea Ltd
Consultants and Actuaries

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Proposed IFRS (IAS) Discount Rates

Switzerland – as of 31 August 2026

Background

Appropriate discount rates should always be determined by considering the nature of the liabilities and other plan specific factors in consultation with the client and their auditor. Choosing an appropriate discount rate is ultimately the client's decision.

According to IAS 19 (and most other commonly used accounting standards), the relevant rate for discounting (post-) employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds (HQCB) where the currency and term to maturity (duration) of the corporate bonds should be consistent with the estimated term to maturity (duration) of benefit obligations. Market practice typically considers HQCB as AA-rated corporate bonds (where they exist).

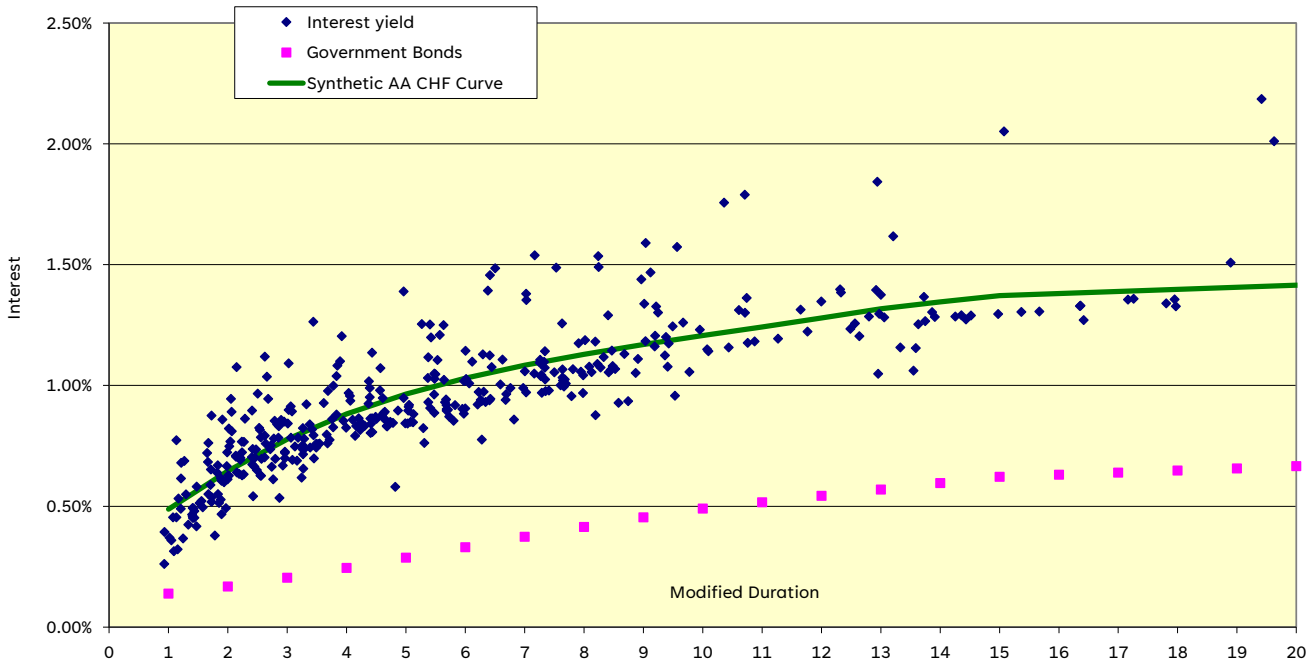
The number of HQCB may be limited within regions in order to cover the whole range of liability durations. This can lead to alternative approaches to extrapolate yield curves, in most of this cases governmental bonds are used as an alternative. Separate curves in different currencies and countries are available through our partner firms.

Proposed Discount Rates as of 31 July 2026

Duration in years	Rate – CHF
10	1.21%
11	1.24%
12	1.28%
13	1.32%
14	1.35%
15	1.37%
16	1.38%
17	1.39%
18	1.40%
19	1.41%
20	1.42%

Methodology

In accordance with IAS 19, the basis for determining our yield curve are the bonds within the Swiss Bond Index with a rating of AA. All governmental bonds included in these bonds are eliminated. The remaining bonds are used to determine a yield curve based on the duration and yield to maturity information for each bond. At 31 August 2026 a number of 391 bonds with a capitalization of CHF 84'674 million have been included in the calculation. The yield curve is determined by using polynomial regression with a polynomial of degree four. To back test Svensen Nelson Siegel Formula is applied. The resulting polynomial is valid for durations up to about 12 years. For longer duration a Yield Curve based on the government bonds of the Swiss Federation is used. In fact, this yield curve is parallel shifted to the AA yield curve as calculated based on the AA corporate bonds and a synthetic yield curve for longer durations is determined.



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