

Press release

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FINMA approves merger of UBS and Credit Suisse

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The Swiss Financial Market Supervisory Authority FINMA has approved the takeover of Credit Suisse by UBS. FINMA welcomes the takeover solution and the measures taken by the Swiss Confederation and the Swiss National Bank SNB. The transaction and the measures taken will ensure stability for the bank's customers and for the financial centre. The SNB is granting the bank further liquidity assistance that is backed by a default guarantee by the Swiss Confederation. This will provide sufficient liquidity to carry out the takeover. On this basis, it will be possible to continue all the business activities of both banks with no restrictions or interruptions.

The Credit Suisse Group is experiencing a crisis of confidence, which has manifested in considerable outflows of client funds. This was intensified by the upheavals in the US banking market in March 2023. There was a risk of the bank becoming illiquid, even if it remained solvent, and it was necessary for the authorities to take action in order to prevent serious damage to the Swiss and international financial markets.

UBS to take over Credit Suisse

FINMA has been monitoring Credit Suisse intensively for several months. During this time, the bank has taken a number of measures to stabilise the situation. These were not enough to restore confidence in the bank, however, and more far-reaching options were also examined. To protect depositors and the financial markets, the offer by UBS to take over Credit Suisse has proven to be the most effective solution. FINMA has therefore approved this transaction.

Transaction has official support

In close coordination with FINMA, the Swiss Confederation and the SNB, UBS will take over Credit Suisse in full. The extraordinary government support will trigger a complete write-down of the nominal value of all AT1 debt of Credit Suisse in the amount of around CHF 16 billion, and thus an increase in core capital.

The takeover will result in a larger bank, for which the current regulations require higher capital buffers. FINMA will grant appropriate transitional periods for these to be built up.

FINMA will very closely monitor the transaction and compliance with all requirements under supervisory law. As in the previous months, it will also coordinate continuously with national and international authorities in this regard, namely the US Federal Reserve and the British Prudential Regulation Authority (PRA).

Swiss Confederation and SNB to provide additional liquidity

To ensure that all obligations can continue to be met at all times throughout the transaction, further liquidity assistance will be assured. This means that the banks involved will have substantial additional liquidity available to carry out the takeover. The liquidity provided by the SNB will include a loan covered by a federal guarantee. The Swiss Confederation will also provide guarantees for potential losses of certain assets that UBS will acquire as part of the transaction, if these losses exceed a specific threshold ([media release by the Federal Council](#) and [media release by the SNB](#)).

All bank services to remain available without interruption

On this basis, it will be possible to continue all the business activities of the banks with no restrictions or interruptions. This will ensure protection for depositors as accounts, security accounts and other services (counters, ATMs, e-banking, debit and credit cards) will likewise remain accessible as usual.