



UBS/CS takeover: contracts

The takeover of Credit Suisse by UBS, the partially state-guaranteed liquidity assistance loans from the Swiss National Bank (SNB) and the state loss protection guarantee for UBS required several contracts between various contracting parties.

Overview:

Takeover contract between UBS and Credit Suisse

This contract was signed by the two banks concerned on 19 March 2023. The Confederation was not a party to this contract. The merger of the two banks was completed on 12 June 2023.

Loan agreements between Credit Suisse and the SNB

These agreements regulated the terms for the various liquidity assistance loans from the SNB. The Confederation was not a party to these agreements.

Guarantee contract between the Confederation and the SNB regarding liquidity assistance loans with a default guarantee

This contract was concluded on 19 March 2023. Among other things, the SNB granted Credit Suisse liquidity assistance loans with a default guarantee. The guarantee contract between the Confederation and the SNB ensured that the SNB could grant these liquidity assistance loans. See also Article 4 paragraph 6 of the emergency ordinance of 16 March 2023 in the version dated 19 March 2023.

The contract was terminated by UBS and Credit Suisse with effect from 11 August 2023.

Loss protection agreement between the Confederation and UBS

Under Article 14a of the emergency ordinance of 16 March 2023, in the version dated 19 March 2023, the Confederation would have had to bear CHF 9 billion of any definitive losses from the sale of certain assets that UBS had to take over from Credit Suisse as part of the transaction. These were assets that did not fit UBS's strategy. In any case, however, UBS would have shouldered the first CHF 5 billion of possible losses. A loss protection agreement was signed between the Confederation and UBS for this purpose.

The agreement was terminated by UBS with effect from 11 August 2023, with the result that the Confederation is no longer exposed to the risk of any losses incurred by UBS on the realisation of these assets.