

The baseline: one global bank after Credit Suisse

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The most visible change in the Swiss banking landscape since 2023 is the disappearance of the second large bank. For more than a century, Switzerland had two global banks that competed with each other in wealth management, investment banking and domestic corporate business. Since the emergency takeover of Credit Suisse by UBS, announced on 19 March 2023 and completed in June of that year, the country has only one.¹ The combined bank manages several trillion dollars of invested assets, which makes it the largest wealth manager in the world by most measures. Its balance sheet amounted to roughly twice the gross domestic product of Switzerland at the time of the merger.²

The consequences of this concentration have been discussed at length in Part E, Chapter I and in Part F, Chapter III. Three of them matter for the scenarios. First, the Swiss state now carries an implicit risk that it cannot easily bear, because the failure of UBS would exceed the fiscal capacity of the Confederation. Secondly, competition in some segments of Swiss banking has diminished, particularly in lending to large Swiss companies and in certain forms of trade finance and capital-markets business, where Credit Suisse had been the obvious alternative to UBS. The Competition Commission and the Federal Council examined these effects, although the takeover was exempted from the ordinary merger control procedure under emergency law.³ Thirdly, the political relationship between the state and its only global bank has become more tense than at any time since the 1990s.

That tension became public in the debate on capital. Part F, Chapter III traced the path from the Federal Council's report on banking stability of April 2024 to the dispatch of April 2026 on the amendment of the Banking Act. It proposed that systemically important banks should back their foreign participations fully with common equity at the level of the parent bank.⁴ The Council of States, deciding as the first chamber in September

2026, reduced the requirement to a backing of ninety per cent. The bill then passed to the National Council, and a final decision was not expected before 2027.⁵ Whatever the outcome, the debate has shown that the Swiss state and UBS hold different views about the price of hosting a global bank. The scenarios of this chapter take that difference as their starting point.

1 Notes

1. On the takeover of Credit Suisse Group AG by UBS Group AG, announced on 19 March 2023 and completed on 12 June 2023, and the subsequent legal merger of Credit Suisse AG into UBS AG on 31 May 2024, see the press releases of UBS and the Federal Council and Part E, Chapter I. Dates to be verified. ↩
2. On the size of UBS after the takeover (invested assets of several trillion US dollars, balance sheet of about twice Swiss GDP) and its position among global wealth managers, see the annual reports of UBS Group AG for 2023–2025 and the Federal Council's report on banking stability of 10 April 2024. Figures to be verified. ↩
3. On the exemption of the takeover from the ordinary merger control procedure, the involvement of FINMA and the Competition Commission and the subsequent discussion of the effects on competition in Swiss corporate banking, see the publications of the Competition Commission (COMCO) and the Federal Council. Status to be verified. ↩
4. On the Federal Council's report on banking stability of 10 April 2024, the proposals of 6 June 2025 and the dispatch of 22 April 2026 on the amendment of the Banking Act, see Part F, Chapter III, and the publications of the Federal Department of Finance. Status to be verified. ↩
5. On the vote of the Council of States of 23 September 2026 in favour of a ninety per cent CET1 backing of foreign participations, see Part F, Chapter III, and the parliamentary records of the Federal Assembly. Status to be verified. ↩

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