

Legacy and forward look: from Kreditanstalt to Credit Suisse

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The later history of the Kreditanstalt lies outside the period of this chapter and is told in Parts F and G. A brief outline shows how long the institutional pattern of the founding decades endured. The bank participated in the Chiasso scandal of 1977, which cost it about 1.4 billion francs, became a subsidiary of CS Holding in 1989, acquired Bank Leu in 1990 and the Schweizerische Volksbank in the early 1990s, and was integrated into the Credit Suisse Group in 1997, the year in which the group also merged with the Winterthur insurance company.¹ By 2000 the group employed about 80,000 people worldwide, about 28,000 of them in Switzerland. The founding pattern of a Zurich universal bank with international reach had become a global financial conglomerate.

The end came in March 2023. After a loss of confidence that drove its share price to a record low of 1.55 francs and an attempt to secure liquidity of up to 50 billion francs from the Swiss National Bank, Credit Suisse was taken over by UBS.² The acquisition was announced on 19 March 2023 and completed on 12 June 2023, with shareholders receiving one UBS share for every 22.48 Credit Suisse shares.³ On 31 May 2024 the parent bank Credit Suisse AG was merged into UBS AG and deregistered from the commercial register of the canton of Zurich, bringing the legal existence of the institution founded on 5 July 1856 to an end.⁴ The causes and consequences of that end, and the legal questions raised by the emergency ordinance and the write-down of AT1 instruments, are analysed in Part G.

What remains of the Kreditanstalt in the Zurich of 2026? The building on Paradeplatz still stands, now in the hands of the successor bank. The insurers that the bank helped to found, Swiss Life and Swiss Re, remain among the largest financial institutions of the city. The cantonal bank that the democrats created as a counter-model has outlived the bank it was meant to counterbalance. The universal bank model survives in UBS,

whose roots lie partly in the democratic Bank in Winterthur of 1862 and partly in the Basel private bankers of the 1850s. The founding idea of 1856, that Switzerland should possess its own institutions for mobilising capital on a large scale, has become so self-evident that it is rarely stated. Its origin in the railway politics of the 1850s and in the fear of foreign control is worth recalling, because the question of how far a small country can and should host a globally active bank has returned to the centre of Swiss politics.

1 Notes

1. HLS, “Crédit suisse” (cited above), with the Chiasso scandal of 1977 (losses of about 1.4 billion francs), CS Holding (1989), the acquisition of Banque Leu (1990) and of the Banque Populaire Suisse (1993), the integration into the Credit Suisse Group and the merger with Winterthur Assurances (1997), and a workforce of about 80,000 worldwide in 2000. ↩
2. SRF, “167 Jahre Credit Suisse: Das Ende einer Traditionsbank”, <https://www.srf.ch/news/wirtschaft/cs-uebernahme-durch-die-ubs-167-jahre-credit-suisse-das-ende-einer-traditionsbank>, on the fall of the share price to 1.55 francs and the planned borrowing of up to 50 billion francs from the SNB before the takeover by UBS. ↩
3. UBS, “UBS completes Credit Suisse acquisition”, media release of 12 June 2023, <https://www.ubs.com/global/en/media/display-page-ndp/en-20230612-ubs-credit-suisse-acquisition.html>. ↩
4. UBS, “UBS completes merger of UBS AG and Credit Suisse AG”, media release of 31 May 2024, <https://www.ubs.com/global/en/media/display-page-ndp/en-20240531-pbm.html>. ↩

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