

11 August 2023

News Release

Ad hoc announcement pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

UBS Group AG voluntarily terminates Loss Protection Agreement and Public Liquidity Backstop guaranteed by Swiss government and Credit Suisse AG fully repaid ELA+ loan

- **Voluntary termination of CHF 9 billion Loss Protection Agreement and CHF 100 billion Public Liquidity Backstop with immediate effect**
- **All extraordinary liquidity measures based on emergency law put in place on 19 March 2023 paid back**

Zurich, 11 August 2023 – UBS Group AG announced the decision to voluntarily terminate the CHF 9 billion Loss Protection Agreement (LPA) with the Swiss government following a comprehensive assessment of the designated portfolio of Credit Suisse non-core assets, including severe stress loss scenarios. In addition, after due consideration of the funding situation of Credit Suisse entities and UBS Group overall, UBS has also decided to voluntarily terminate the Public Liquidity Backstop (PLB) with the Swiss National Bank (SNB) of up to CHF 100 billion, guaranteed by the Swiss government. Further, Credit Suisse has fully repaid the Emergency Liquidity Assistance Plus (ELA+) loan. These measures, together with the intervention of UBS, contributed to the stabilization of Credit Suisse and financial stability in Switzerland and globally.

As part of the Credit Suisse rescue transaction by UBS, the Swiss government entered into an **LPA** with UBS, which became effective at closing on 12 June 2023. The LPA was meant to cover losses of up to CHF 9 billion (only to be drawn after UBS had taken on the first CHF 5 billion of losses). The LPA would have covered a designated portfolio of Credit Suisse non-core assets. At the time, this was deemed necessary to protect UBS against potential tail risks as there had been very limited time to review respective assets over the rescue weekend. After reviewing all assets covered by the LPA since the closing in June and taking the appropriate fair value adjustments, UBS has concluded that the LPA is no longer required. Therefore, UBS has given notice of voluntary termination effective 11 August 2023. UBS pays a total of CHF 40 million to compensate the Swiss Confederation for the establishment of the LPA.

Also, as part of the rescue transaction, the **PLB** was set up on 19 March 2023 by the Swiss government in the amount of up to CHF 100 billion. It allowed the SNB to provide sufficient liquidity support to Credit Suisse, backed by a federal default guarantee. All loans under the PLB were fully repaid by Credit Suisse as of the end of May 2023. Following a comprehensive review of the funding situation, UBS has decided to voluntarily terminate the PLB agreement with the SNB as of 11 August 2023. Through 31 July 2023, Credit Suisse expensed a commitment fee and a risk premium totaling CHF 214 million, including approximately CHF 61 million to the SNB and CHF 153 million to the Swiss Confederation.

Credit Suisse AG has also paid back the **ELA+** loan of CHF 50 billion to SNB as of 10 August 2023. Credit Suisse paid a risk premium totaling CHF 476 million to the SNB.

UBS continues to focus on the successful execution of the integration of Credit Suisse.

UBS Group AG

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