



UBS Bank USA

**2023 CIDI Resolution Plan
Public Section**

Table of Contents

1.	Introduction	3
1.1.	Legal Entity Structure and Background	3
2.	Overview of UBS Bank USA.....	5
2.1.	The Financial Stability and Resiliency of BUSA.....	6
3.	Core Business Lines for the 2023 CIDI Plan	8
4.	Material Entities for the 2023 CIDI Plan	9
4.1.	UBS Financial Services Inc.	9
4.2.	UBS Business Solutions US LLC	10
5.	Financial Information	10
5.1.	Balance Sheet	10
5.1.1.	Material Assets	10
5.1.2.	Material Liabilities	11
5.2.	Capital.....	11
5.3.	Funding Sources	12
6.	A Description of Foreign Operations	12
7.	Material Supervisory Authorities.....	13
8.	Corporate Governance Structure and Principal Officers of BUSA.....	13
8.1.	BUSA Resolution-Planning Related Governance	13
8.2.	Principal Officers; Directors	14
9.	Material Management Information Systems	15
10.	UBS Acquisition of Credit Suisse	16

1. Introduction

In 2011, the Federal Deposit Insurance Corporation (the “FDIC”) issued its resolution planning rule (12 CFR § 360.10 (the “IDI Rule”)) requiring all insured depository institutions (“IDIs” or “CIDIs”) with \$50 billion or more in total assets (“Covered IDIs” or “CIDIs”) to annually submit a plan for the resolution of the CIDI in the event of its failure (a “CIDI Plan”). UBS Bank USA (“BUSA”) submitted its first CIDI Plan (the “2018 CIDI Plan”) to the FDIC on 1 July 2018. The FDIC subsequently issued a moratorium on all CIDI Plan submissions and, more recently, in June 2021, lifted the moratorium for those CIDIs with total assets of \$100 billion or more (“specified CIDIs”). As of year-end 2021, BUSA’s total assets exceeded \$100 billion as measured under the IDI Rule and, as a result, BUSA became required to file its next CIDI Plan on or before 30 June 2023. BUSA’s current resolution plan (the “2023 CIDI Plan” or the “Plan”) builds upon its previous 2018 CIDI Plan submission and is responsive to the IDI Rule and the FDIC’s 25 June 2021 Statement on Resolution Plans for CIDIs (the “FDIC Statement”). The 2023 CIDI Plan describes BUSA’s structure, banking activities and its preferred strategy for an orderly resolution and provides supporting analysis required to successfully execute BUSA’s resolution strategy.

In the unlikely event of BUSA’s failure, the 2023 CIDI Plan would enable the FDIC, as receiver, to resolve BUSA under Sections 11 and 13 of the Federal Deposit Insurance Act (the “FDI Act”), 12 U.S.C. §§ 1821 and 1823, in a manner that ensures that depositors receive access to their insured deposits within one business day of the FDIC’s appointment as receiver of BUSA. The 2023 CIDI Plan proposes a preferred resolution strategy that BUSA believes would maximize the net present value return from the sale or disposition of its assets and minimize the amount of any loss realized by its creditors in the resolution. The 2023 CIDI Plan was developed to ensure that the FDIC has access to all the material information it needs to efficiently resolve BUSA in the event of its failure.

1.1. **Legal Entity Structure and Background**

UBS¹ draws on its over 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland and the U.S. Its business strategy is centered on its preeminent global wealth management businesses and its leading universal bank in Switzerland, complemented by asset management and a specialized and successful investment bank. UBS is committed to maintaining strong capital and TLAC (total loss absorbing capacity) positions and ratios at all times to meet our

¹ “UBS,” “UBS Group” or “Group” refer, collectively, to UBS Group AG and its subsidiaries and affiliates.

targets and regulatory requirements and to support the growth of our business in a safe and sound manner.

Headquartered in Zurich, Switzerland, UBS has offices in 48 countries, including all major financial centers, and approximately 74,000 employees. UBS Group AG is the top-level holding company of the UBS Group. Under Swiss company law, UBS Group AG is organized as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors. The current operational structure of the UBS Group consists of the following four business divisions supported by centralized Group Functions:

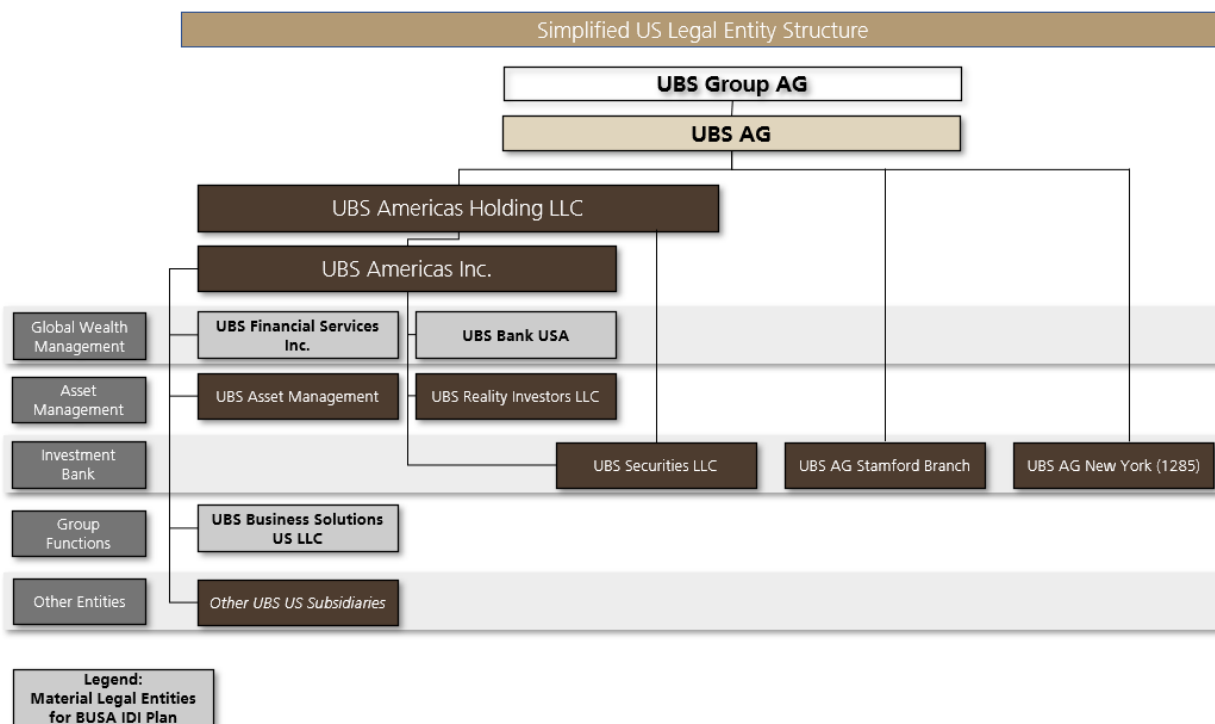
- Global Wealth Management;
- Investment Bank;
- Personal & Corporate Banking; and
- Asset Management.

BUSA, a subsidiary of UBS Group AG, operates within the Global Wealth Management business division.

UBS operates across the globe and has a presence in the world's largest and fastest-growing markets, which positions UBS to serve clients with global interests and demands. The US market is UBS's largest, accounting for roughly half of its invested assets.

The figure below provides a simplified legal entity structure of UBS's US subsidiaries and branches as of 31 December 2022 and depicts the US legal entities material to the 2023 CIDI Plan.

Figure 1 - Legal Entity Structure^{2, 3}



2. Overview of UBS Bank USA

BUSA is an FDIC-insured depository institution and industrial loan corporation organized and licensed under the laws of the State of Utah. BUSA is supervised by the Utah Department of Financial Institutions ("UDFI"), the FDIC and the Consumer Financial Protection Bureau ("CFPB"). It is a wholly-owned subsidiary of UBS Americas Inc. ("AI"). BUSA provides significant products and services to UBS's Wealth Management Americas ("WMA") business; offering FDIC-insured deposit accounts and certificates of deposit, securities-backed loans, mortgage loans and credit and debit card products primarily to WMA clients who maintain brokerage accounts with BUSA's affiliate, UBS Financial Services, Inc. ("FSI"), the broker-dealer for the WMA business.

² Figure 1 represents a simplified view of the UBS Americas Region legal entity structure and its alignment with UBS's business divisions as of 31 December 2022. It does not include all subsidiaries, branches or direct/indirect ownership relationships or, in some cases, full legal entity names.

³ UBS Securities LLC is owned 99% by UBS Americas Inc. and 1% by UBS Americas Holding LLC.

2.1. **The Financial Stability and Resiliency of BUSA**

Recent events in the banking industry emphasize the importance of strong governance and risk management. To ensure its financial stability and resilience, BUSA has implemented sound risk management practices and established comprehensive governance controls. In addition, BUSA holds levels of capital and liquidity above regulatory requirements and maintains a large, diverse and resilient client base, primarily comprised of high net worth and ultra-high net worth WMA clients. Finally, BUSA's core lending portfolios are characterized by strong collateral and credit quality and nearly three-quarters of BUSA's total deposits are FDIC-insured. These qualities support the safety and soundness of BUSA's banking business and, in the unlikely event of its failure, support BUSA's timely and effective resolution by the FDIC.

BUSA has established a well-designed risk management framework that allows it to anticipate, identify, assess and appropriately manage risks to its business and clients. BUSA has a comprehensive set of policies, procedures and controls in place to manage credit, market, liquidity, operational and interest rate risks. These include BUSA's Credit Risk Policy and risk appetite statements, which ensure that risk-taking at every level aligns with BUSA's strategic priorities and capital and liquidity plans. In addition, BUSA has a dedicated Chief Risk Officer and a Chief Credit Officer, both of whom report to the Chief Risk Officer of UBS's WMA business.

As part of its risk management framework, BUSA has established comprehensive policies to manage liquidity and interest rate risk. BUSA's liquidity management policy implements various methodologies to ensure adequate liquidity is available to BUSA at all times and across market cycles, including for the purpose of funding deposit withdrawals and satisfying all other debt obligations when due. BUSA also maintains an effective interest rate risk control framework, which ensures all potential interest rate exposure of BUSA is monitored and controlled and does not exceed the limits set by BUSA's Board of Directors (the "Board"). As needed, BUSA utilizes interest rate swaps to manage its exposure to interest rate risk or to changes in the fair value of fixed-rate assets attributable to interest rate movements.

BUSA has a robust corporate governance structure, beginning with the Board and continuing throughout the organization, which ensures decisions are made in the best interests of clients, BUSA and UBS. The Board is comprised of both internal and external (independent) executives who are accountable to BUSA's parent-company shareholders. The majority of the Board consists of independent directors with deep experience in and knowledge of the banking industry and risk management. To

support the Board, BUSA has established various Board and management-level committees. The Board's members are listed below in Section 8.2.

BUSA maintains adequate capital that can serve to absorb unexpected losses and provides a source of funds to support ongoing operations. As described further in Section 5 below, BUSA is "well capitalized" under the FDIC's regulatory framework for prompt corrective action.⁴ In addition, BUSA's indirect parent, UBS Americas Holding LLC ("UBS AH"), is required by federal regulation⁵ to hold minimum amounts of total loss-absorbing capacity ("TLAC"), in the form of Tier-1 capital and TLAC-eligible long-term debt ("ELTD"), and to serve as a source of financial strength for BUSA, its depository institution subsidiary.⁶ The TLAC requirements help ensure that a bank has sufficient resources to absorb losses in the event of its failure. As of 31 December 2022, UBS AH had \$23.0 billion of TLAC, including \$7.4 billion of ELTD issued to its parent company, UBS AG. This was in excess of UBS AH's TLAC and ELTD regulatory requirements and would be a source of additional capital for BUSA, if required. UBS AH also maintains a substantial liquidity buffer comprised of high quality liquid assets that is reserved for use in the event of financial stress. Accordingly, UBS AH is both able and required to provide financial assistance to BUSA in the event it experiences financial stress.

BUSA maintains sufficient liquidity, largely sourced from client deposits and, to a lesser extent, funding from UBS AH and external sources, that allows BUSA to take advantage of new business opportunities and to respond to changing market conditions, in order to meet the high expectations of our clients. Ample liquidity also helps navigate changing economic conditions, including, but not limited to, heightened inflation, interest rate and regulatory risks.

BUSA's depositors and borrowers are largely comprised of financially sophisticated high net worth and ultra-high net worth clients of UBS's WMA business who hold investment accounts at FSI. WMA clients are engaged in a broad range of industries and businesses and own investments in a wide array of securities and other assets. The diverse makeup of our clients prevents BUSA from being exposed to the risks of a particular client segment or industry. This reduces the potential for losses due to adverse economic conditions or unforeseen events predominantly affecting one client segment or industry.

As described further in Section 3 below, BUSA's core lending activities consist of securities-backed lending ("SBL") and residential mortgage lending ("Mortgages"). The SBL portfolio is secured by WMA clients' lending eligible collateral held in their FSI accounts, and is characterized by low loan-to-value

⁴ Section 38 of the FDI Act, 12 U.S.C. § 1831o – Prompt corrective action.

⁵ Regulation YY of the Board of Governors of the Federal Reserve System (the "FRB"), 12 C.F.R. §§ 252.160-165.

⁶ Section 38A of the FDI Act, 12 U.S.C. § 1831o-1 – Source of strength.

("LTV") ratios, a high percentage of very liquid, marketable and diversified collateral (e.g., equities and mutual funds) and minimal loss rates. Similarly, the Mortgages portfolio is marked by low LTV and debt-to-income ratios and a delinquency rate that is less than one-tenth of the national average. In addition, as described further in Section 5.1 below, BUSA held \$103.8 billion in deposits as of 31 December 2022, of which 74 percent were insured, compared to a banking industry average of 57 percent.⁷

3. Core Business Lines for the 2023 CIDI Plan

The IDI Rule defines core business lines ("CBLs") as "those business lines of the covered insured depository institution ('CIDI'), including associated operations, services, functions and support, that, in the view of the CIDI, upon failure would result in a material loss of revenue, profit, or franchise value."⁸

In developing the 2023 CIDI Plan, BUSA reviewed each of its businesses from the perspective of its contribution to revenue, profit and franchise value. As a result, BUSA has designated its SBL business (which is part of BUSA's High Net Worth Lending program), its Mortgages business and the deposit program ("Deposits") as CBLs for the 2023 CIDI Plan.

- SBL: The SBL business is BUSA's dominant lending product. BUSA is an industry leader in this product in terms of service quality and average balances per financial advisor. Securities-backed loans are secured by lending-eligible securities held in a client's FSI brokerage account. Clients use the SBL product as a financial management tool to meet their personal and business needs and, in most cases, the proceeds of the loans cannot be used to purchase, carry or trade securities. SBL borrowers are primarily high net worth and ultra-high net worth WMA clients.
- Mortgages: BUSA's residential mortgage lending business provides home loans to individuals and families for the purchase or refinancing of a primary residence, vacation home, or investment property. BUSA offers clients the options of fixed-rate and adjustable rate mortgages, as well as government-backed loans such as FHA and VA loans.
- Deposits: BUSA offers a wide range of insured deposit solutions, each designed to fulfil the needs of our WMA clients. The Deposits CBL is comprised of a number of different products,

⁷ Based on data published by the FDIC in the *FDIC Quarterly – 2023*, Volume 17, Number 1, at page 33, Table III-C.

⁸ 12 C.F.R. § 360.10(b)(3).

including cash sweeps from FSI client brokerage accounts, third-party bank sweep deposits, savings account products and certificates of deposit. As of 31 December 2022, BUSA held \$103.8 billion in deposits. As part of its cash sweep products, BUSA also offers programs that enable eligible clients to receive a higher amount of FDIC deposit insurance coverage by sweeping their deposits from BUSA to up to 15 (depending upon the program) other participating banks.

4. Material Entities for the 2023 CIDI Plan

BUSA defines its material entities for purposes of the 2023 CIDI Plan, in accordance with the IDI Rule, as those companies that are significant to the activities of a critical service or CBL.⁹ Critical services are defined as the services and operations of the CIDI, such as servicing, information technology support and operations, human resources and personnel that are necessary to continue the day-to-day operations of the CIDI.¹⁰ Based on these definitions, BUSA and two of its parent company affiliates have been designated as material entities for the 2023 CIDI Plan: FSI and UBS Business Solutions US LLC (“BS LLC”).

4.1. **UBS Financial Services Inc.**

FSI is a Delaware corporation and a wholly-owned subsidiary of AI. FSI is a broker-dealer registered with the United States Securities and Exchange Commission, a futures commission merchant registered with the Commodity Futures Trading Commission, and an investment advisor under the Investment Advisors Act of 1940. FSI is also a member of the Securities Investor Protection Corporation, the Financial Industry Regulatory Authority and the National Futures Association, as well as a member of various exchanges. FSI conducts activities primarily in support of WMA clients but also supports clients of UBS’s Investment Bank business division. FSI provides critical services in support of all three of BUSA’s CBLs and there are substantial interconnections between the business operations and clients of BUSA and FSI.

⁹ 12 C.F.R. § 360.10(b)(8).

¹⁰ 12 C.F.R. § 360.10(b)(5).

4.2. UBS Business Solutions US LLC

BS LLC is a Delaware limited liability company and a wholly-owned subsidiary of AI. BS LLC is the primary servicing company of UBS in the US and employs personnel who provide shared services to affiliates including UBS's branches and subsidiaries in the US. BS LLC houses support functions such as operations, technology, legal, finance and treasury, among others. BS LLC is the primary provider of critical services for UBS's Consolidated United States Operations ("CUSO"), including for BUSA. BS LLC is not directly regulated and is not registered with or a member of any regulatory or licensing authorities or organizations. BS LLC provides critical services to support all three of BUSA's CBLs.

5. Financial Information

5.1. Balance Sheet

The table below provides the audited balance sheet for BUSA as of 31 December 2022. This statement and associated financial information provided has been prepared in accordance with US Generally Accepted Account Principles. The composition of material asset and liability line items is further described after the balance sheet.

5.1.1. Material Assets

As of 31 December 2022, BUSA had total assets of \$121 billion, of which \$89 billion consisted of net loans receivable. The majority of BUSA's loan portfolio is attributable to the SBL and Mortgage CBLs.

Table 1 - BUSA Assets (USD million, 31 December 2022)

Assets:	Amount	% of Total Assets
Cash and cash equivalents	23,412	19.35
Investment securities held to maturity	7,558	6.25
High Net Worth Lending:		
SBL	53,844	44.50
Other HNW Lending¹¹	5,168	4.27
Real Estate Lending:		
Residential Real Estate (Mortgage CBL)	27,704	22.90
Commercial Real Estate	2,032	1.68
Other Lending:		

¹¹ Other HNW Lending represents Private Equity Subscriptions Financing and Unsecured Lending.

Assets:	Amount	% of Total Assets
Credit Cards	300	0.25
Other loans	196	0.16
Total loans receivable	89,243	73.76
Allowance for loan losses	-79.919	-0.07
Loans receivable, net	89,163	73.70
Accrued interest receivable	120.1	0.10
Other assets	733	0.61
Total assets	120,986	100

5.1.2. Material Liabilities

As of 31 December 2022, BUSA had total liabilities of \$112 billion. BUSA's liabilities primarily consist of deposits related to its Deposits CBL, which totaled \$103.8 billion.

Table 2 - BUSA Material Liabilities (USD million, 31 December 2022)

Liabilities	Amount	% of Total Liabilities
Total deposits¹²	103,818	93.08
Interest-bearing Sweeps and Core Savings ¹³	87,202	78.18
Noninterest-bearing deposits	11	0.01
CDs	16,606	14.89
Other borrowed money	7,251	6.50
Payables to affiliated companies	101	0.09
Other liabilities	368	0.33
Total liabilities	111,538	100

5.2. Capital

BUSA is subject to various regulatory capital requirements administered by the FDIC and the UDFI. As of 31 December 2022, BUSA was "well capitalized" under the regulatory framework for prompt corrective action. To be well capitalized, BUSA must maintain minimum total risk-based, tier-1 risk-based, common equity tier-1 capital, and tier-1 leverage ratios as provided in the table below. According to management, there are no conditions or events since 31 December 2022 that have changed BUSA's category. BUSA's actual capital amounts and ratios as of 31 December 2022 under Basel III are presented below.

¹² \$103.818 bn excludes \$122 mn of credit balances on loans and accrued interest, which is included as BUSA Deposits on the Call Report (FR Y-9C).

¹³ Represents interest bearing money market deposits accounts, including sweep deposits of \$51.7 billion, reciprocal/third-party deposits of \$10.9 billion and savings deposits of \$24.6 billion.

Table 3 - BUSA's Capital Amounts and Ratios (USD million, 31 December 2022, per Basis Basel III Regulatory Capital Rules)

Capital Ratios	Actual		To be Well-Capitalized		Minimum for Capital Adequacy Purposes	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)	10,494	29.55%	3,552	10.00%	2,841	8.00%
Tier-1 capital (to risk-weighted assets)	10,414	29.32%	2,841	8.00%	2,131	6.00%
Common equity tier-1 capital (Basel III)	10,414	29.32%	2,309	6.50%	1,598	4.50%
Tier-1 capital (to average assets)	10,414	8.76%	5,946	5.00%	4,757	4.00%
Tier-1 capital (total leverage exposure)	10,414	8.56%	N/A	N/A	3,649	3.00%

5.3. Funding Sources

BUSA is primarily funded through deposits and equity. BUSA's capital base is comprised 100% of shareholders' common equity, all of which is owned by AI. The majority of its deposits are sourced from its Deposits CBL.

BUSA ensures that it maintains sufficient liquidity, including an investment portfolio of unencumbered high-quality liquid assets in the amount of \$7.6 billion as of 31 December 2022, to meet its short-term and long-term liquidity needs and to withstand a range of stress events. Section 5.1.2 above (Material Liabilities) outlines BUSA's funding sources. In addition, BUSA maintains access to several sources of contingent funding that may be utilized as needed, including access to the Federal Reserve Bank of New York's Discount Window lending programs and a line of credit with the Federal Home Loan Bank of Des Moines for loans secured by the Mortgages portfolio, among others.

6. A Description of Foreign Operations

Although BUSA is a subsidiary of UBS Group AG in Switzerland, BUSA has no material cross-border elements, including foreign branches, subsidiaries or offices.

7. Material Supervisory Authorities

BUSA is incorporated or regulated by the following governmental agencies or regulatory authorities.

Table 4 - Material Supervisory Authorities

Type	Agency / Authority
Incorporation	Utah Department of Commerce, Division of Corporations & Commercial Code
Regulatory Authority	Federal Deposit Insurance Corporation
Regulatory Authority	Utah Department of Financial Institutions
Regulatory Authority	Consumer Financial Protection Bureau

8. Corporate Governance Structure and Principal Officers of BUSA

BUSA has established a robust corporate governance structure, beginning with the Board, which is accountable to BUSA's parent-company shareholders, and continuing throughout the bank. The Board is comprised of highly experienced directors, the majority of whom are independent. In addition, the Board has authorized a number of senior management committees that are responsible for overseeing and executing the Board's strategic objectives.

8.1. **BUSA Resolution-Planning Related Governance**

As part of the development of the 2023 CIDI Plan, BUSA has established an IDI Plan Management Forum (the "BUSA Forum") and designated its President and CEO as the 'Senior Management Official,' contemplated by the IDI Rule to be the primary executive responsible for oversight and development of the 2023 CIDI Plan. The BUSA Forum supports the Senior Management Official and is comprised of senior managers and subject matter experts across various functions of BUSA. The BUSA Forum and Senior Management Official were formally designated by the BUSA Management Committee.

During the development of the Plan, the BUSA Forum convened regularly to ensure the FDIC's requirements were met and that any issues were escalated in a timely manner. The BUSA Forum and the

Senior Management Official will continue to meet regularly following the submission of the 2023 CIDI Plan and during the anticipated FDIC review process. BUSA understands that resolution planning is an iterative process between BUSA and the FDIC, and the Senior Management Official will be responsible for managing communication and engagement with the FDIC. Together, the BUSA Forum and the Senior Management Official provide oversight and support that facilitates effective preparation and timely submission of the 2023 CIDI Plan as well as BUSA’s compliance with future guidance and regulatory requirements applicable to BUSA’s CIDI resolution plans.

In addition, UBS has established a governance forum (the “US RRP Forum”) to support and oversee the development of its separate US resolution plan submitted to the FDIC and the FRB pursuant to Section 165(d) of the Dodd-Frank Act (the “165(d) Resolution Plan”), including overseeing related communication and engagement with US regulators. Senior executives of both the US RRP Forum and the BUSA Forum routinely communicate with one another and ensure appropriate alignment and coordination of the 2023 CIDI Plan with the 165(d) Resolution Plan as well as UBS’s responses to related regulatory issues.

8.2. Principal Officers; Directors

Tables 5 and 6 below set forth the principal officers of BUSA and the members of the Board.

Table 5 – BUSA’s principal officers as of 31 December 2022

Role	Role Holder
President and Chief Executive Officer	Frank Destra
Chief Financial Officer	Jake Hawkins
Chief Credit Officer	Marc Watters
General Counsel	Joe Stroud
Chief Risk Officer	Andreas Wyler
Chief Administrative Officer	Audrey Bommer
Chief Compliance Officer	Don Hill
Head of UBS Bank USA Treasury	Charlene Barnsdale
Chief Technology Officer	Jaime Kauffman
Head of Operations	Chris Lorant

Table 6 – The composition of the Board as of 31 December 2022

Role	Member
Chairman	Michael Blum
Vice Chairman	Frank Destra
Director	Marcus Komm

Role	Member
Director	Penny Tsekouras
Independent Director	Andrea Bierce
Independent Director	Louis Eber
Independent Director	Donald Gershuny
Independent Director	Jefferson Hughes
Independent Director	Gary Myers
Independent Director	Frank Piantidosi

9. Material Management Information Systems

The 2023 CIDI Plan has identified BUSA’s material management information systems (“MIS”), which include risk management, accounting and financial, product support, and regulatory reporting systems and applications. The material MIS are:

- Risk Management – Performs risk simulations and calculations and supports capital and liquidity stress models, among others;
- Accounting and Financial – Balance sheet, credit data and facilitates data reconciliation, among others;
- Product Support – Applications that directly support BUSA’s product offerings (e.g., SBL, Mortgages, and/or Deposits); and
- Regulatory – Provides a suite of standard management and regulatory reporting.

BUSA’s MIS are further supported by its data governance policy and two dedicated data centers. BUSA adheres to a clear set of data management principles, in line with those established at the UBS Group level to ensure that data is handled consistently across UBS. Data is a critical resource for every business process within the firm, and effective governance of data is an integral component of BUSA’s risk management efforts. Data management practices encompass the people, processes, and technology required to achieve a defined and consistent way of handling data across the firm.

BUSA leverages two state-of-the-art data centers, both of which act as hosting and backup centers to ensure 24/7 availability of MIS. The Chief Digital Information Office (“CDIO”) within UBS’s Group Functions provides Group-wide IT services and tools in line with the needs of the business divisions and

functions. Members of the CDIO Group Function support these two data centers, ensuring constant coverage.

10. UBS Acquisition of Credit Suisse

On 19 March 2023, following discussions initiated jointly by the Swiss Federal Department of Finance, FINMA and the Swiss National Bank, and with their full support, UBS announced plans to acquire Credit Suisse. The transaction was entered into under exceptional circumstances of volatile financial markets and the continued outflows and deteriorating overall financial position of Credit Suisse in order to avert a failure of Credit Suisse and thus damage to the Swiss financial center and to global financial stability.

On 12 June 2023, UBS completed the acquisition of Credit Suisse resulting in the merger of Credit Suisse Group AG, the top-level holding company of Credit Suisse, into UBS Group AG, the top-level holding company of UBS.¹⁴ UBS Group AG, as the surviving entity of the merger, will retain its name and registered address, and the composition of the Board of Directors of UBS Group AG will remain unchanged. The combined entity will operate as a consolidated banking group, the total assets of which, on a pro forma basis, are approximately \$1.73 trillion.

The transaction is structured as a purchase by UBS Group AG of the shares of Credit Suisse Group AG. In support of the transaction, the Swiss Federal Council passed a special ordinance providing that the transaction is not subject to the approval of shareholders of either party. By operation of law, Credit Suisse's assets, liabilities and contracts, as well as all rights and obligations under such contracts, will be transferred to UBS Group AG in their entirety.

UBS obtained pre-agreement from FINMA, the Swiss National Bank, the Swiss Federal Department of Finance and other core regulators on the timely approval of the transaction. On 14 April 2023, the FRB provided its approval with respect to UBS's acquisition of the US subsidiaries of Credit Suisse Group AG. Pending further integration, UBS Group AG will manage two separate parent banks – UBS AG and Credit Suisse AG – with each institution continuing to have its own subsidiaries and branches, clients and counterparties. The Board of Directors and Group Executive Board of UBS Group AG will hold overall responsibility for the consolidated group. Given that Credit Suisse does not have a US depository

¹⁴ As a result of the merger, Credit Suisse Group AG has been dissolved and Credit Suisse AG (the direct subsidiary of Credit Suisse Group AG prior to the merger), has become a direct subsidiary of UBS Group AG. All other Credit Suisse affiliates are direct or indirect subsidiaries of Credit Suisse AG.

institution or US wealth management business, the acquisition is not expected to materially impact BUSA.