UBS Recovery and Resolution Planning protects taxpayers

What is Recovery and Resolution Planning?

As a Systemically Important Bank in Switzerland with an international presence, UBS is maintaining higher capital and liquidity levels than other banks. It is also maintaining various crisis plans and capabilities to ensure strong crisis resilience and to safeguard the overall financial stability and broader economy in crisis times. These plans and capabilities support stabilization in severe stress (=recovery planning) and, should failure occur, enable an orderly resolution, with costs borne by the bank's shareholders and investors via loss-absorbing capital and debt instruments (=resolution planning). FINMA annually informs the public about progress made in resolution and recovery planning at Systemically Important Banks.

FINMA Recovery and Resolution Planning assessment

On 25 November 2026, FINMA published its annual assessment of the UBS Recovery and Resolution Plans and recognized the progress achieved by UBS. FINMA approved the UBS Recovery Plan and (once again) considers the UBS preferred Resolution Strategy (recapitalization, restructuring and continuation of a restructured UBS) executable. Furthermore, FINMA acknowledged the progress in developing the additional resolution options (sale of the entire bank ordered by the authorities or an orderly market exit of the Group through several partial sales and wind-down activities) and in integrating the Swiss Emergency Plan into the new Group market exit strategy. Both developments refer to future requirements currently in consultation with earliest legislative go-live date in 2029. Nevertheless, UBS is already working hand in hand with FINMA to operationalize these new options. While capital requirements and liquidity measures often dominate the public debate around Too Big To Fail (TBTF), UBS views recovery and resolution planning as equally important. The following 10 key facts highlight this importance.

10 key facts on UBS's crisis resilience and Recovery and Resolution Planning

1. **Taxpayer protection is already embedded in the current Swiss TBTF framework and UBS's crisis management framework.** UBS has implemented a comprehensive crisis management framework based on multiple layers of defense along the crisis continuum. Crisis management begins with prevention during normal business operations, provides a set of mitigation actions for both emerging and severe stress situations, and ultimately ends with resolution proceedings in an extreme crisis. All stages are connected through a well-defined escalation and governance framework supported by crisis indicator monitoring. Across stages, private investors – not taxpayers – absorb losses.
2. **UBS has invested substantially to make resolution work in practice.** UBS invested approximately CHF 1.5 billion between 2013 and 2019 in its legal, financial and operational resolution setup. Concrete measures included establishing a clean group holding without banking business (UBS Group AG) which allows for resolution to be led centrally by FINMA. Furthermore, UBS Switzerland AG was established as a separate legal entity to protect systemically important functions and critical operations in Switzerland. Also, UBS Business Solutions entities were created which continue to provide services (e.g., accounting, risk management, IT) even if the bank itself is in resolution.
3. **UBS's first layer of defense is its profitable, diversified and sustainable business model.** Following the global financial crisis of 2008, UBS fundamentally changed its business model and reduced its risks. The combined balance sheet of UBS and Credit Suisse is now more than 60% and the combined Investment Bank almost 90% smaller than at the end of 2007. Today, three out of four francs of UBS's revenue come from the stable asset-gathering businesses Global Wealth Management, Asset Management, as well as from the leading Swiss universal bank. UBS's revenue streams are equally spread across all regions. This diversification strengthens the resilience of both the bank and the Swiss financial center. It is also a precondition for remaining attractive to investors, enabling UBS to rely on a broad investor base should additional capital be needed in a stress situation.
4. **UBS's capital, liquidity and bail-in resources provide strong safeguards against taxpayer losses.** UBS holds around USD 190 billion of total loss-absorbing capacity, including USD 73 billion of Common Equity Tier 1 (CET1), USD 23 billion of Additional Tier 1 (AT1) and USD 91 billion of bail-in bond capital as of the third quarter 2026. Its strong capital base could absorb three times the losses that UBS and Credit Suisse incurred during the 2008 financial crisis, despite their much larger balance

sheets. UBS also has a strong liquidity position with the highest Liquidity Coverage Ratio among peers and over USD 320 billion of high-quality liquid assets. This is driven by the Swiss TBTF special liquidity requirements which are based on a stress horizon three times longer than the Basel standard.

5. **The Contingency Funding Plan and the Global Recovery Plan together comprise 45 actions designed to stabilize the bank in an emerging or severe crisis.** These actions provide substantial capacity to address capital losses and liquidity outflows under severe stress scenarios and to restore the firm's financial viability. The Global Recovery Plan is continuously refined, tested and submitted annually to FINMA. UBS recently expanded its set of recovery actions (e.g., introducing an AT1-to-equity swap recovery option) and refined the recovery actions based on the Credit Suisse lessons learned. Further, UBS enhanced its crisis communication toolbox, recalibrated its liquidity models and revised its indicator framework to ensure crises are detected and escalated early to senior management and to FINMA.
6. **Resolution plans protect the wider economy in case of an extreme crisis.** If recovery actions prove insufficient and the point of non-viability (PONV) has been declared, UBS would enter resolution under FINMA's Single Point of Entry bail-in strategy to recapitalize the bank, followed by restructuring to restore a viable business model. This is jointly referred to as the preferred Global Resolution and Restructuring Strategy. To ensure that the strategy is executable in practice, UBS maintains a comprehensive set of more than 50 resolution playbooks. They ensure that the bank is operationally prepared to implement the strategy with clear roles and responsibilities for all relevant parties. These playbooks streamline decision making, avoid delays in a fast-moving crisis, and ensure that coordination across institutions and borders is tested and ready.
7. **Bail-in recapitalizes the bank in resolution and ensures private investors – not taxpayers – absorb losses.** In stress, shareholders bear the first losses. Dividends and share buybacks are reduced or suspended. If respective triggers are hit, AT1 bond holders absorb losses through the suspension of AT1 interest payments and/or through the conversion into new shares or write-down of AT1 instruments. If UBS enters resolution, FINMA orders the write-down or conversion of any remaining AT1 capital, the write-down of share capital and the conversion of bail-in bonds into new share capital. Via this bail-in process, the bank is recapitalized and the operating UBS AG Parent Bank as well as all subsidiaries remain open for business without disruptions for the clients. All these privately funded capital layers prevent taxpayers from having to bear losses.
8. **Bail-in can also be executed for investors abroad.** The 2024 Federal Council report on banking stability had identified uncertainty whether shares newly issued as part of a bail-in would have to be registered in the US. This could have delayed the bail-in process. On 8 July 2026, the U.S. Securities and Exchange Commission issued a «no-action letter» to UBS Group AG clarifying that UBS can rely on an exemption from registration. This removes a key legal uncertainty raised during the Credit Suisse crisis and further strengthens confidence that UBS can successfully be resolved.
9. **UBS is developing additional resolution options to further strengthen the resolution framework.** Subject to the necessary legislative changes indicated for 2029 at the earliest, the new Group Alternative Resolution Strategy provides the authorities with additional optionality in resolution triggered by an extreme crisis. These options would allow for a sale of UBS Group as a whole to another banking group ordered by the authorities or an orderly market exit of the Group through several partial sales and wind-down activities.
10. **The Swiss Emergency Plan will be integrated into the additional resolution options.** The Swiss Emergency Plan was designed as an alternative to resolution to ensure the continuation of the Systemically Important Functions in Switzerland in case UBS AG is in insolvency. UBS fulfills this requirement. Going forward, the Swiss Emergency Plan will be integrated into the new market exit strategy of the Group.

Summing up, UBS is already subject to a comprehensive and executable TBTF framework. A profitable and diversified business model, capital and liquidity resources, bail-in capacity, and recovery and resolution planning operate together as mutually reinforcing safeguards. These measures provide the bank and authorities with the necessary tools and flexibility to stabilize or resolve a systemically important bank without having to rely on public funds. Both FINMA and the Financial Stability Board concluded that Credit Suisse could have been resolved under the existing framework. Since then, UBS has even further improved its recovery and resolution framework and available resolution options.