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UBS vs Switzerland

"Leave Switzerland": UBS and Its Home Country Head for a Showdown

By **Manasee Kurlekar** | October 2, 2026



A major UBS shareholder has told the bank to quit Switzerland. Lawmakers are pushing capital rules that could lock up about \$17bn more in equity. Three years after the Credit Suisse rescue, the question is blunt: can a small country safely host a bank this big, and can the bank afford to stay?

A major UBS shareholder has told the bank to quit Switzerland. Lawmakers are pushing capital rules that could lock up about \$17bn more in equity. UBS shareholders, broadly speaking, have

not been supportive of the proposed extra Swiss capital requirements because they see them as potentially reducing returns and tying up billions of dollars of equity that could otherwise be used for growth, dividends, or share buybacks.

Key points from the debate:

- The Swiss government proposed tougher capital rules after the 2023 collapse of Credit Suisse, arguing that UBS is now so large that Switzerland needs stronger safeguards.
- UBS has repeatedly argued that the measures are "excessive," not well aligned with international standards, and would hurt Switzerland's competitiveness as a banking center.
- UBS specifically noted that shareholders provided critical support through the Credit Suisse acquisition and that the proposed rules disregard that contribution.
- According to UBS, the latest parliamentary proposal could require roughly **\$16 billion of additional CET1 capital**, bringing the total incremental CET1 burden since the Credit Suisse acquisition to about **\$33 billion**. UBS estimates an annual cost of around **\$2.5 billion**.
- Investors' main concern is that higher capital requirements generally reduce a bank's **return on equity (ROE)** because more shareholder capital must be held against the same business. That can limit future buybacks and earnings growth.

That said, not all shareholders oppose stronger regulation in principle. Some long-term investors accept the need for higher resilience after Credit Suisse, but many prefer a more moderate approach that balances safety with profitability. Market reactions suggest investors have been watching whether parliament settles on a compromise rather than the strictest version of the rules.

In short: **the dominant shareholder view appears negative toward the extra capital rules because of their impact on profitability, capital returns, and UBS's competitive position, even though investors generally support a well-capitalized bank**

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