Credit Suisse fails to rule out redundancies but tells staff their bonuses are safe

Embattled Credit Suisse has told its staff there is “no immediate change” to their jobs and it plans to complete bonus payments ahead of the bank’s forced takeover by its larger domestic rival UBS.

A 42-point question-and-answer-style memo to workers, seen by Sky News, aimed to brief them on the implications of the deal struck over the weekend that will see Switzerland’s second-biggest bank merge with UBS once completed.

It was the culmination of efforts by the authorities to shore up the bank’s future after it was hit by depositor outflows linked to the crisis for shares which began earlier this month ahead of the failure of Silicon Valley Bank in the US.

As UBS shares tumbled on Monday in reaction to the deal, engineered by the Swiss National Bank, 50,000 staff including 5,000 in London waited anxiously for news on what it would mean for their jobs.

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The memo spoke of no immediate threat as the deal had not yet closed.

It said that the tie-up was expected to go through, subject to regulatory clearances, by the end of the year though it is understood that staff have been separately been told to expect completion before the end of June.

Staff were told: “If redundancies prove necessary, we will communicate in line with prevailing country-specific guidelines and practices and with our applicable social partners."

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'People are recalibrating what they thought the risk was'

It added that in the event of workers losing their jobs, it would "aim to continue to provide severance in line with market practice".

UBS and Credit Suisse employ a combined 11,000 workers in the City of London.

The enlarged bank, experts have warned, would look to cut costs across the business by removing duplication from within their respective teams.

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Credit Suisse said that it intended to honour the final bonus payments due in some of its operating countries and the same applied to vested share awards and salary increases that are due to take effect on 1 April.

It said that its terms of employment remained the same and staff would be informed, as soon as possible, over any changes that may arise.