

UBS to cut 3,000 jobs in Switzerland despite huge profits from takeover of rival

Swiss banking giant UBS has reported a record pre-tax profit of \$29bn (£22.8bn) in the latest quarter following its takeover of Credit Suisse.

The Zurich-based bank said its bumper earnings in the three months to June were largely down to the assets it acquired from its collapsed rival, which it bought for a discounted price of \$3.2bn (£2.5bn) earlier this year.

UBS confirmed it would fully absorb Credit Suisse's domestic bank and said full integration of the two was the "best outcome for UBS, our stakeholders and the Swiss economy".

But it also warned 3,000 job losses were planned in Switzerland over the next few years [as a result of the merger](#) as it seeks to cut costs by \$10bn (£7.9bn).

CEO Sergio Ermotti told staff in a memo: "The vast majority of cost reductions will come from natural attrition, retirements and internal mobility".

But he added that redundancies would begin in late 2024 as part of moves to restructure and integrate Credit Suisse.

UBS and Credit Suisse combined employ around 120,000 staff worldwide.

While UBS employs about 6,200 people in the UK with offices in cities including London, Birmingham and Manchester, and Credit Suisse had about 5,500 people based in the UK prior to the merger.

Excluding the additional assets, and the merger-related costs, UBS's pre-tax profit was \$1.1bn (£0.87bn) for the period.

Advertisement

Be the first to get Breaking News

Install the Sky News app for free



sky



Read more from business:

[Electrified models help power UK car production](#)

[M&S returns to FTSE 100 as investors cheer progress](#)

[Mortgage approvals drop in sign of housing market slowdown](#)

In a separate statement, Credit Suisse, which described itself as a UBS subsidiary following the completion of the takeover in June, announced a loss of \$10.6bn (£8.3bn) as it wrapped up its accounting for all of 2023.

UBS's shares soared by more than 5% during early trading following publication of the results on Thursday morning, hitting highs not seen since 2008.

Mr Ermotti said in a statement: "We are wasting no time in delivering value for all our stakeholders from one of the

biggest and most complex bank mergers in history.

“We are winning back the trust of clients, reducing costs and taking the necessary actions to create economies of scale that will allow us to better focus our resources and target investments for future growth.

“This combination will reinforce our status as a premier global franchise – and one that our home market, Switzerland, can be proud of. We are humbled by this task and the responsibility entrusted to us.”

When asked about potential job losses in the UK, UBS told Sky News it would not comment further beyond what Mr Ermotti had said.