

Credit Suisse Group's Additional Tier 1 Hybrid Ratings Lowered To 'D' From 'C' On Write-Down; Ratings Then Withdrawn

March 23, 2023

FRANKFURT (S&P Global Ratings) March 23, 2023--S&P Global Ratings today lowered to 'D' from 'C' its issue ratings on the additional tier 1 (AT1) hybrid capital instruments issued by Credit Suisse Group AG. We subsequently withdrew the ratings on these instruments.

The rating actions follow the recently announced acquisition of Credit Suisse Group AG (BBB-/Watch Pos/--) and its subsidiaries by UBS Group AG (A-/Negative/A-2) in a merger that leaves UBS as the surviving entity. As part of the transaction, Swiss regulator FINMA determined that Credit Suisse will write down the AT1 hybrid capital notes to zero. The aggregate nominal amount of these instruments is approximately Swiss franc (CHF) 16 billion. Prior to the write-down, we had lowered our ratings on the AT1s to 'C', reflecting the upcoming default of these instruments (see "Credit Suisse Placed On CreditWatch Positive On Acquisition By UBS; Tier 1 Hybrids Downgraded To 'C'," published March 20, 2023, on RatingsDirect).

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012

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- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Credit Suisse Placed On CreditWatch Positive On Acquisition By UBS; Tier 1 Hybrids Downgraded To 'C', March 20, 2023
- Outlook On UBS Group Revised To Negative On Execution Risk From Credit Suisse Acquisition; Ratings Affirmed, March 20, 2023

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352 Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; or Stockholm (46) 8-440-5914

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