

# **‘A financial banana republic’: UBS-Credit Suisse deal puts Switzerland’s reputation on the line**

The demise of banking giant Credit Suisse sent shock waves through financial markets and appears to have dealt a blow to Switzerland’s reputation for stability, with one executive suggesting investors will now look at the mountainous central European country as “a financial banana republic.”

UBS, Switzerland’s largest bank, agreed on Sunday to buy its embattled domestic rival Credit Suisse for 3 billion Swiss francs (\$3.2 billion) as part of a government-backed, cut-price deal.

Swiss authorities and regulators helped to negotiate the agreement, which came amid fears of contagion to the global banking system after two smaller U.S. banks collapsed in recent weeks.

The rescue deal means Switzerland, a country heavily dependent on finance for its economy, is on track to see its two biggest and best-known banks merge into just one financial giant.

“Switzerland’s standing as a financial centre is shattered,” Octavio Marenzi, CEO of Opimas, said in a research note. “The country will now be viewed as a financial banana republic.”

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## **Source:**

<https://www.cnn.com/2023/03/21/ubs-credit-suisse-deal-puts-switzerlands-reputation-on-the-line.html?&qsearchterm=credit%20suisse>

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