



May 15, 2024

**Conditional Approval #1321  
June 2024**

Tom Wipf  
New York Branch Manager  
Credit Suisse AG  
11 Madison Avenue, 10th Floor  
New York, New York 10010

Re: Application by Credit Suisse AG to convert its state-licensed branch to a federal branch

OCC Control Number: 2023-FBA\_ConversionStateToFed-334869

Dear New York Branch Manager Wipf:

The Office of the Comptroller of the Currency (OCC) grants conditional approval to convert the Credit Suisse AG New York Branch (New York Branch) from a state-licensed branch to a federal branch.

This conditional approval is granted based on a thorough review of all information available as well as reliance upon representations and commitments made in the application by Credit Suisse AG (Applicant) and UBS AG, and by their representatives. The New York Branch's capital equivalency deposit shall be maintained at an unaffiliated U.S. member bank, consistent with 12 USC 3102(g) and 12 CFR 28.15, and pursuant to an agreement in such form and containing such limitations and conditions as prescribed by 12 CFR 28.15.

## **I. Background and Transaction**

The Applicant is a commercial banking organization that has its headquarters in Zurich, Switzerland, and provides a broad range of domestic and international banking services from its offices in Switzerland and around the world. Until June 12, 2023, the Applicant was a subsidiary of Credit Suisse Group AG, a Swiss foreign banking organization. On June 12, 2023, UBS Group AG acquired Credit Suisse Group AG, and Credit Suisse Group AG was merged with and into UBS Group AG. At that time, the Applicant became a direct, wholly owned subsidiary of UBS Group AG. UBS Group AG is also the parent of UBS AG, a foreign banking organization with existing federal branches in Connecticut and New York.

On December 4, 2023, the Applicant submitted an application to the OCC for permission to convert its state-licensed branch located at Eleven Madison Avenue, New York, New York into a federal branch pursuant to section 4 of the International Banking Act (IBA), 12 USC 3102(f), and 12 CFR 28.12. The application is part of a larger strategic plan to merge and consolidate Credit Suisse AG's operations into UBS AG (Parent Bank Merger). The Applicant indicates that no new business is being originated from the New York Branch, and the Applicant intends to wind down the operations of the New York Branch by December 2024 as detailed in the Application. The Application notes that, upon completion of the Parent Bank Merger, UBS AG will be required to obtain the OCC's approval to acquire the New York Branch upon consummation of the Parent Bank Merger.<sup>1</sup> UBS AG has committed in writing to comply with the OCC application procedures within a reasonable time after the Parent Bank Merger.

## II. Legal Authority

Conversions of state-licensed branches or agencies of foreign banks to federal branches or agencies are authorized under section 4(f) of the IBA:

Any branch or agency operated by a foreign bank in a State pursuant to State law and any commercial lending company controlled by a foreign bank may be converted into a federal branch or agency with the approval of the Comptroller. In the event of any conversion pursuant to this subsection, all of the liabilities of such foreign bank previously payable at the State branch or agency, or all of the liabilities of the commercial lending company, shall thereafter be payable by such foreign bank at the branch or agency established under this subsection.<sup>2</sup>

The OCC's regulations implementing the IBA set out the process for applying to convert a state-licensed branch or agency to a federal branch or agency and the standards for approval.<sup>3</sup> The OCC reviewed the Application, considered the factors in section 28.12(b), and determined they were consistent with approval. The conversion of the New York Branch to a federal branch is legally authorized.

## IV. Conditions

This approval is subject to the following conditions:

1. In addition to compliance with other applicable requirements under United States law, UBS Group AG, Credit Suisse AG, and the New York Branch will make

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<sup>1</sup> See 12 CFR 28.12(g).

<sup>2</sup> 12 USC 3102(f).

<sup>3</sup> See 12 CFR 28.12. The standards of approval in 12 CFR 28.12(b) include factors set out in the IBA with respect to OCC consideration of an application to establish a federal branch or agency, 12 USC 3102(c), as well as several other factors. For further discussion of OCC policies, procedures, and standards for conversions of state branches or agencies to federal branches or agencies, see the *Comptroller's Licensing Manual*, "Federal Branches and Agencies."

available to the OCC such information on the operations and activities of Credit Suisse AG and the New York Branch, and any of Credit Suisse AG's affiliates that the OCC deems necessary to determine and enforce compliance by the New York Branch with the IBA and other applicable federal laws. If the disclosure of any required information is prohibited by law or otherwise, UBS Group AG, Credit Suisse AG, and the New York Branch shall cooperate with the OCC including seeking timely waivers of or requirements in order to enable UBS Group AG, Credit Suisse AG, the New York Branch and Credit Suisse AG affiliates to make any such information available to the OCC.

2. UBS Group AG, Credit Suisse AG, and the New York Branch shall consent to the jurisdiction of the federal courts of the United States and of all United States government agencies, departments, and divisions for purposes of any and all claims made by, proceedings initiated by, or obligations to, the United States, the OCC, and any other United States government agency, department, or division, in any matter arising under the National Bank Act, the IBA, and other applicable federal banking laws.
3. The New York Branch (i) shall give the OCC's International Banking Supervision Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan or operations and (ii) shall obtain the OCC's written determination of no objection for any such significant deviation or change. Any determination by the applicant not to complete liquidation of the New York Branch and surrender of the New York Branch's license by June 30, 2025, shall constitute a significant deviation from its business plan or operations.
4. Within five (5) business days after consummation of the conversion, Credit Suisse AG and the New York Branch shall execute and agree to the OCC's issuance of a BSA-related Formal Agreement (OCC Formal Agreement) requiring the New York Branch to adhere to provisions substantially the same as those in the Federal Reserve Board and New York State Department of Financial Services' Written Agreement effective December 22, 2020 (FRBNY Agreement), which requires the New York Branch to take certain actions related to its BSA/AML compliance program. Pursuant to the OCC Formal Agreement, the New York Branch will be required to adhere to the provisions and requirements of the FRBNY Agreement as though it remained in full force and effect subsequent to the license conversion.
5. Following the conversion, if the OCC determines, in its discretion, to issue an informal or formal enforcement action to address any issues at the New York Branch in existence at the time of the conversion following an assessment, evaluation, or examination by the OCC, the New York Branch shall accept or consent to the issuance of such an action.

6. The New York Branch shall comply with the commitments contained in the letter from Darryll Hendricks, Americas Chief Operating Officer, and Tom Wipf, Credit Suisse NY Branch Manager, to Beth Dugan, Deputy Comptroller for Large Bank Supervision, dated May 14, 2024.

These conditions of approval are conditions “imposed in writing by a federal banking agency in connection with any action on any application, notice, or other request” within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

## **V. Conversion Requirements**

Please refer to the “Federal Branches and Agencies” booklet of the *Comptroller’s Licensing Manual* for the steps and requirements to be completed prior to conversion. In addition to other matters addressed in the “Federal Branches and Agencies” booklet, you are reminded that the following items must be satisfactorily addressed on or before the effective date of the conversion:

- The federal branch must maintain adequate fidelity bond coverage.
- It is the responsibility of the board of directors, appropriate committee, or senior management to continue, review, and modify as appropriate, those policies, practices, and procedures necessary to ensure the safe and sound operation of the federal branch and ensure compliance with them.
- The federal branch must maintain its accounts, books, and records as prescribed by 12 CFR 28 and in such a manner as to facilitate the complete and accurate presentation of financial statements and other reports in form and content as required by the OCC.
- You must notify the OCC upon completion of all steps required for conversion and of the effective date.
- If the conversion is not effected within six months of the decision date, approval will automatically terminate. The OCC is opposed to granting extensions except under the most extenuating circumstances and expects the conversion to occur as soon as possible.

The *Comptroller’s Licensing Manual* is available in electronic form on our web site: <http://www.occ.gov/publications/publications-by-type/licensing-manuals/index-licensing-manuals.html>.

## **VI. After-the-Fact Review of UBS AG’s Acquisition of the New York Branch**

Pursuant to 12 CFR 28.12(g), a foreign bank proposing to establish a federal branch through the merger with a foreign bank that has an office in the United States may proceed with the transaction before an application to establish the federal branch has been filed or acted upon, if the applicant: (1) gives the OCC reasonable advance notice of the proposed acquisition, merger,

or consolidation; (2) prior to consummation of the acquisition, merger, or consolidation, commits in writing to comply with the OCC application procedures within a reasonable period of time, or has already submitted an application; and (3) commits in writing to abide by the OCC's decision on the application, including a decision to terminate activities of the federal branch.

As noted above, the Application provides the OCC with advance notice of the Parent Bank Merger and of UBS AG's proposed acquisition of the New York Branch, UBS AG has committed to comply with OCC application procedures within one (1) month of the Parent Bank Merger, and UBS AG has committed to abide by the OCC's decision on such application. Accordingly, UBS AG may proceed with its acquisition of the New York Branch as a result of the Parent Bank Merger pursuant to 12 CFR 28.12(g).

## **VII. Conclusion**

This approval and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Our decision is based on the Applicant's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this decision, if a material change in information on which the OCC relied occurs prior to the date of the transactions to which this decision pertains.

Please include the OCC control number on correspondence related to this filing. If you have any questions, you may contact Director for Large Bank Licensing Jason Almonte, at (917) 344-3405 or [jason.almonte@occ.treas.gov](mailto:jason.almonte@occ.treas.gov).

Sincerely,

/s/

Stephen Lybarger  
Deputy Comptroller for Licensing