

Negócios online

UBS records new losses of €12 billion

RAQUEL GODINHO | rgodinho@negocios.pt | 01 April 2008, 08:11

UBS, the European bank with the highest losses because of the US subprime market crisis, has announced further losses of \$19 billion (€12 billion) in asset amortisation...

UBS, the European bank with the highest losses because of the US subprime market crisis, has announced further losses of \$19 billion (€12 billion) in asset amortisation, creating a loss of 12 million francs (€7.6 billion) in the first quarter of the year.

The amount of the asset amortisations the bank have made are higher than was estimated by analysts at Merrill Lynch and Oppenheimer, who anticipated average losses of \$11 billion (€6.9 billion).

UBS said that its chairman, Merce Opsel, would be asking to step down following these latest losses. The banker steered the creation of the bank 10 years ago and will be succeeded by Petr Kurer.

The Swiss bank is going to increase its capital by some \$15.1 billion (€9.5 billion), it said in a communiqué issued by email. UBS' results will probably lead to staff layoffs at the bank. This €7.6 billion drop in net profits is the second consecutive period in the red. In the last quarter of last year the 12.5 billion franc loss (€7.9 billion) was the biggest ever recorded by a bank and the CEO, Marcel Rohner, told reporters that 2008 would be "a difficult year".

The Swiss bank joins Citigroup and Merrill Lynch in asking investors to boost the capital for a second time after being penalised by asset amortisation. Today, Deutsche Bank said it expected to record further losses of €2.5 billion in the first quarter of the year.

Bloomberg added that before this latest announcement, the world's largest banks had suffered losses of \$208 billion (€131.6 billion).