

Insight

UBS and First Brands: a new Greensill moment?

The bankruptcy of U.S. company First Brands Group, LLC (“**First Brands**”) and UBS’s reported exposure through supply chain finance structures invites direct comparisons to the Greensill Capital scandal involving Credit Suisse. That case – in which LALIVE acted for a large group of (institutional) investors in successful recovery actions – resulted in criminal investigations, civil litigation and regulatory scrutiny.

The structural similarities between the two cases suggest that this may be more than just a credit event.

What happened?

On September 28, 2025, First Brands, a U.S. auto parts supplier, filed for Chapter 11 bankruptcy in Texas, citing more than USD 10 billion in liabilities. The full extent is still unclear.

Reportedly, UBS is considered an indirect major creditor, with some sources suggesting that its exposure may exceed USD 500 million through its hedge fund and asset management platforms (including the UBS Working Capital Finance Opportunistic Fund [EU]).

This exposure is said to originate from private credit and supply chain finance structures, many of which are believed to be off-balance-sheet – an approach reminiscent of the Greensill model. It has also been reported that UBS Asset Management has joined a USD 1.1 billion debtor-in-possession (“**DIP**”) financing syndicate to support First Brands during its bankruptcy proceedings.

What are the similarities to Greensill?

The parallels between First Brands and Greensill seem clear:

- **Supply chain finance at the core:** both cases revolve around supply chain finance programmes and the significant risks they can carry. These arrangements frequently enable financing to be kept off the balance sheet, making it challenging to accurately assess the true scale of credit exposure. This opacity can mask latent weaknesses within the structure, ultimately increasing the risk of unexpected financial distress.
- **Fund-level exposure:** UBS’s exposure is through funds managed by its hedge fund and asset management units – just as Credit Suisse’s USD 10 billion Greensill-linked funds were structured through its asset management division.
- **Concentration risk:** according to media reports, UBS funds – similar to the situation in the Greensill case – may have incurred significant concentration risk by making substantial investments in supply chain finance programmes linked to First Brands.

What’s at stake?

The structural similarities to Greensill suggest that investor claims may emerge, particularly if issues of disclosure, suitability or governance arise.

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UBS's reported dual role as both creditor and DIP financier may also attract scrutiny. The Greensill fallout led to criminal investigations, litigation, regulatory investigations and significant reputational damage to Credit Suisse. If First Brands follows a similar trajectory, affected investors may seek legal remedies.

Next steps

Investors with exposure to UBS-managed funds linked to First Brands should monitor this case closely, review fund documentation and assess potential recovery options. The situation remains fluid and early strategic positioning may prove critical.