

Annual Report 2025

UBS Group



UBS

Our external reporting approach

The scope and content of our external reports are determined by Swiss legal and regulatory requirements, accounting standards, relevant stock and debt listing rules, including regulations promulgated by the Swiss Financial Market Supervisory Authority (FINMA), the SIX Swiss Exchange, the US Securities and Exchange Commission (the SEC) and other regulatory requirements, as well as by our financial reporting policies.

At the center of our external reporting approach is the annual report of the UBS Group, which consists of disclosures for UBS Group AG and its consolidated subsidiaries. We also provide a separate annual report for UBS AG on a sub-consolidated basis. Both of the aforementioned annual reports are the basis for the corresponding 2025 SEC Form 20-F filings for UBS Group AG and UBS AG. For filing purposes in the European Union, the UBS AG Annual Report also includes disclosures required by the EU Non-financial Reporting Directive (the NFRD) and the EU Taxonomy Regulation.



Annual Reports

The UBS Group Annual Report 2025 and the UBS AG Annual Report 2025 include the consolidated financial statements of UBS Group AG and UBS AG, respectively, and together provide comprehensive information about our Group, including strategy, businesses, financial and operating performance, and other key information.

The consolidated financial statements of UBS Group AG and UBS AG have been prepared in accordance with IFRS Accounting Standards. The sections within “Risk, capital, liquidity and funding, and balance sheet” include certain audited financial information, which forms part of the consolidated financial statements. The UBS Group and UBS AG reports are presented in US dollars.

The UBS Group Annual Report 2025 is partly translated into German.

Sustainability Report

The UBS Group Sustainability Report 2025 provides our Swiss-law-governed disclosures on environmental, social and governance (ESG) topics.

Standalone reports of UBS Group AG and significant regulated entities

We publish separate 2025 statutory financial statements for UBS Group AG, which are the basis for our proposed appropriation of total profit and dividend distribution, subject to shareholder approval at the Annual General Meeting. We also publish standalone reports for UBS AG and UBS Switzerland AG. Selected financial and regulatory key figures for our significant regulated subsidiaries and sub-groups are included in the UBS Group Annual Report.

Pillar 3 Report of UBS Group AG including significant regulated entities and sub-groups

The Pillar 3 Report as of 31 December 2025 provides detailed quantitative and qualitative information about risk, capital, leverage, and liquidity and funding for the UBS Group and prudential key figures and regulatory information for our significant regulated subsidiaries and sub-groups. Scopes subject to disclosure are UBS Group AG consolidated, UBS AG consolidated and standalone, UBS Switzerland AG standalone, UBS Europe SE consolidated, UBS Americas Holding LLC consolidated and Credit Suisse International standalone.

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Dear shareholders,

The year 2025 proved another pivotal chapter for UBS. We helped clients navigate a complex global environment, delivered excellent financial performance, fulfilled our commitments to stakeholders and rewarded shareholders with attractive capital returns. Our unique global business model was the bedrock for these achievements, enabling clients to manage uncertainty and seize new opportunities.

We also made decisive progress with the integration of Credit Suisse, one of the most complex mergers in banking history. This further strengthened our position as the world's only truly global wealth manager and Switzerland's leading bank, supported by strong capabilities in asset management and investment banking.

Our performance puts us firmly on track to meet our targets for the end of 2026 and beyond. We are proud of what we have accomplished together and remain committed to delivering sustainable growth and long-term value for our clients, shareholders, employees and the communities where we live and work.

We advanced our integration of Credit Suisse at pace

In 2025, we achieved several of the most important milestones in integrating Credit Suisse, including the bulk of the client account migrations.

We transitioned all client accounts booked outside of Switzerland and 85% of those booked in Switzerland to UBS platforms and are on track to carry out the remaining client transfers by the end of March. We also finished the integration of Asset Management (AM), including the final portfolio migrations onto UBS platforms.

After delivering further efficiency improvements, we exceeded our cost-reduction targets, with cumulative gross cost savings reaching USD 10.7 billion in 2025, above our guidance of around USD 10 billion. This reflects our progress in decommissioning legacy technology applications and infrastructure, and in simplifying our legal entity structure. We identified an additional USD 0.5 billion of incremental gross cost savings, taking the planned cumulative total to USD 13.5 billion by the end of 2026.

Our Non-core and Legacy (NCL) unit continued to wind down non-strategic positions and reduce exposures. Since its inception in 2023, NCL has freed up USD 8 billion of capital and reduced its risk-weighted assets by two-thirds and its underlying operating expenses by around 80% compared with the full-year 2022 baseline. We also exited the costliest debt inherited from Credit Suisse, which was issued at distressed spreads prior to the acquisition, and resolved several outstanding legacy litigation matters.

Our efforts in streamlining our post-acquisition balance sheet are complete. This gives us confidence that over the economic cycle we will be capable of delivering revenues of around 10% on our average risk-weighted assets. That stronger footing, coupled with the capital efficiency embedded in how we allocate resources across the Group, means we are well positioned to deploy incremental balance sheet to support profitable revenue growth across our core businesses.

Our progress so far has kept us on track to substantially complete the integration by the end of 2026 and meet our 2026 exit-rate targets.

We achieved excellent financial results

Our 2025 financial performance was excellent based on strong operating leverage, with net profit rising 53% year on year to USD 7.8 billion and Group invested assets surpassing USD 7 trillion for the first time. Underlying profit before tax rose by 33% to USD 11.7 billion, while reported profit before tax increased by 30% to USD 8.9 billion.

Total operating expenses on a reported basis decreased by around 2.5% year-on-year to USD 40.2 billion, and around 2.3% to USD 35.6 billion on an underlying basis. This reflects our successful cost-reduction initiatives in driving integration synergies, which helped improve the Group's reported cost / income ratio to 81.1%, or 74.4% on an underlying basis.

All regions made a strong contribution to our full-year performance, underscoring the power of our diversified model and unrivaled global connectivity. Switzerland remains our anchor, making the largest contribution to our underlying pre-tax profit across core businesses and achieving solid year-on-year growth. Outside of Switzerland, each region – Asia Pacific, EMEA and the Americas – delivered robust underlying profitability and growth. These results provide clear evidence that our scale, reach and disciplined integration are building a more balanced earnings profile, positioning us to perform through the cycle and to capitalize on growth opportunities.

Global Wealth Management (GWM), our largest division, continued to deliver growth with reported profit before tax rising to USD 5.2 billion and USD 6.3 billion on an underlying basis. GWM's full-year underlying revenues grew by 7.4% to USD 25.4 billion, as we continued to leverage our global reach, regional expertise and connectivity with the Investment Bank (IB), AM and Personal & Corporate Banking (P&C) to deliver advice and solutions to clients.

The reported profit before tax for P&C was CHF 2.1 billion and CHF 2.4 billion on an underlying basis. Our custody assets increased, due in part to healthy growth in net new investment products in 2025. P&C's performance in 2025 reflects our commitment to stay close to clients while executing one of the industry's most complex client account migrations ever.

In AM, reported profit before tax increased to USD 719 million, and USD 975 million on an underlying basis, reflecting positive operating leverage and the substantial completion of our integration priorities. Net new money reached USD 30.4 billion.

The IB saw reported profit before tax rise by nearly half to USD 2.8 billion and USD 2.7 billion on an underlying basis. Global Markets delivered its best full-year revenues since 2013, increased its market share in equities, Foreign Exchange and precious metals, and was recognized by *Euromoney* as Europe's best FX bank in 2025.

We generated attractive capital returns

We maintained a robust capital position, with a reported common equity tier 1 (CET1) ratio of 14.4% and a CET1 leverage ratio of 4.4%, both comfortably above our guidance.

At the same time, our performance enables us to fulfill our commitment to you, our shareholders, to provide sustainably higher returns. In 2025, our shareholders benefited from USD 6.4 billion in total capital returns, with USD 3.4 billion coming in the form of planned dividends and the rest as share repurchases.

For the 2025 financial year, the Board of Directors intends to propose a dividend of USD 1.10 per share, an increase of 22% year over year, subject to approval at the Annual General Meeting.

In 2026, we are accruing for a mid-teen percentage increase in dividend per share. We also intend to repurchase USD 3 billion of shares in 2026, with the aim to do more. The amount of additional buybacks is subject to further clarity around the future regulatory regime in Switzerland, our financial performance and maintaining a CET1 capital ratio of around 14%.

Beyond 2026, we intend to continue to pursue a progressive dividend, complemented by share repurchases that will be calibrated based on our financial results, our capital ratio and the final outcome, and timing, of the implementation of the new regulatory regime in Switzerland.

We continued to be a pillar of Swiss prosperity

In 2025, we were a steadfast partner to Swiss businesses and households. Our balance sheet for all seasons enabled us to grant or renew around CHF 80 billion in loans, part of our continued commitment of approximately CHF 350 billion in total lending to support growth and opportunities across Switzerland.

As the country's third-largest private employer, and a purchaser of nearly CHF 4 billion of Swiss goods and services each year, we play a vital role in supporting the Swiss economy. Our longstanding presence has helped cultivate talent across the financial sector and beyond, with many industry leaders having developed their expertise at UBS or one of its predecessors. As a partner to the Swiss economy, we stand at the center of a vibrant and diversified financial ecosystem, supporting innovative start-ups and investing in the future. By scaling innovation and fostering partnerships, we help create new jobs and ensure Switzerland continues to punch above its weight on many economic measures.

As the leading player in wealth management in Switzerland, our firm, along with other financial institutions, contributes to a healthy funding environment in our home nation. Together we attract international assets that increase the supply of funds and help keep interest rates lower for Swiss families and businesses, directly supporting national prosperity.

The financial center provides other benefits to Switzerland as well. It accounts for over 5% of jobs and around 9% of gross domestic product. And in recent years the financial sector has often paid more than one-third of all corporate taxes – a huge contribution to fiscal revenue. UBS, Credit Suisse and their employees have paid around CHF 24 billion in Swiss taxes over the past decade alone.



Colm Kelleher
Chairman of the Board of Directors



Sergio P. Ermotti
Group Chief Executive Officer

We support proportionate, targeted and internationally aligned regulation

In June 2025, the Swiss Federal Council published its proposals for amendments to Switzerland's banking regulation. Our firm fully supports the Council's ambition for Switzerland to remain one of the world's leading financial centers with an internationally competitive large bank at its core. We also recognize that amending Swiss banking regulation is a complex, multi-year political process, which, since the commencement of this process, has introduced uncertainty and negatively impacted the relative performance of our share price compared to our peers.

So far, two public consultations have taken place, to which we have submitted responses. We remain committed to engaging constructively on behalf of our clients, shareholders, employees and other stakeholders.

Robust oversight is essential for a healthy financial center. At the same time, all parties agree that any regulatory amendments must be targeted, proportionate and internationally aligned. Experience shows that past idiosyncratic crises in the banking sector mostly stemmed from poor business strategy and risk management, not from insufficient capital requirements. By granting substantial regulatory concessions and not publicly communicating early on about Credit Suisse's weaknesses, the Swiss authorities enabled Credit Suisse to muddle through and avoid the market's discipline, forestalling timely action to adjust its business model.

Regulation works best when it fosters financial stability without stifling innovation or damaging competitiveness. Excessive or narrowly focused regulation risks undermining the very strengths that have made Swiss banking a global benchmark. Overly restrictive measures lead to higher costs for clients and the broader economy and reduce the international competitiveness of the country's financial sector. The goal should be to preserve Switzerland's unique advantages while ensuring that its regulatory environment stays resilient and forward-looking.

With the integration of Credit Suisse, we are creating an even more resilient firm, not only for our shareholders, clients and employees, but for all stakeholders and the whole of Switzerland. Protecting and expanding Switzerland's competitiveness is an obligation shared by both political and economic spheres. If we walk down this path together, Switzerland will remain successful. It will remain a country that proves time and again how much can be achieved by acting with clarity, responsibility and foresight.

We have positioned our firm for growth

With most of the integration work behind us, we are well placed to harvest the full benefits of the acquisition and produce sustainably higher returns, building toward our ambition to restore and surpass pre-acquisition levels of profitability.

Our strategy is stronger than ever. It is anchored in our unique, globally diversified business model, which underpins the breadth and depth of our franchise and enables us to serve clients across regions and market cycles. We are committed to remaining the world's only truly global wealth manager and the number one Swiss universal bank, with a leading Asset Management franchise and a competitive and focused Investment Bank. This approach allows us to offer the best service for clients while maintaining disciplined risk and cost management and delivering attractive capital returns.

With that in mind, we have set our ambitions for 2028, including a reported return on CET1 capital of approximately 18% and a reported cost / income ratio of around 67%, based on the current capital framework and assuming a CET1 capital ratio of around 14%. Each core business division will play a part, and each has clear profitability ambitions.

To get there, we have reiterated ambitious 2026 exit-rate targets. These include achieving an underlying return on CET1 capital of approximately 15% and reducing our underlying cost / income ratio to below 70%. These targets reflect our commitment to both profitability and efficiency.

We also aim to maintain a robust capital position, with a CET1 capital ratio of around 14% and a CET1 leverage ratio above 4%. These goals underscore our disciplined approach toward a strong capitalization of our firm as we finish the final stages of the Credit Suisse integration and continue to unlock new opportunities for growth.

In the US, we advanced our strategy in 2025 by applying for a national bank charter, an important step in improving our performance in the world's largest wealth market. Over time, this will allow us to build a platform offering a broader suite of banking products to clients, including traditional bank accounts. This application received conditional approval in January 2026.

Crucially, our firm continues to deepen collaboration across divisions, regions and functions, strengthening our One Bank concept to bring the full power of our franchise to clients. This integrated approach, combined with a focus on high-growth segments, such as high net worth clients, alternatives and banking, puts us in a position to capture new opportunities and expand our market share in key regions. Our unified culture is the cornerstone of our long-term success. This risk-aware mindset empowers every employee to do the right thing, keeps clients at the heart of our actions and fosters pride in being part of a trusted, resilient firm.

We are harnessing the power of AI and technology

In 2025, we accelerated artificial intelligence (AI) implementation to increase employee productivity and enhance client service. Using AI-powered chatbots we're delivering seamless, instant mobile banking support for 1.2 million clients, and our analytics tools in call centers are providing instant insights to improve service and boost efficiency. We're enabling our people to work smarter and faster through our in-house AI assistant, Red, and Microsoft 365 Copilot, which are now deployed across the firm. Using digital assistants, we're advancing the pace and scale of software development and driving innovation and process reengineering. By the end of 2025, we had 380 live use cases.

We deepened our strategic relationships with technology companies and academia, launching the Oxford-UBS Centre for Applied AI with the University of Oxford to develop pioneering AI research and solutions to implement at scale across UBS.

With a client-led approach to digital assets, we are building out core infrastructure and exploring targeted offerings, focusing on tokenized real-world assets and digital money. For example, we are developing our tokenized money market fund, uMINT, using our in-house UBS Tokenize service and developing our UBS Digital Cash tokenized deposit solution. We are also evaluating stablecoin use cases and exploring client access to cryptocurrencies.

We are rooted in responsibility

Long-term success is about more than execution and growth. It is rooted in the responsibility we share to help shape a more sustainable future – for our clients, for our people and for the communities where we operate. In 2025, we bolstered the foundations of our sustainability and impact agenda, as set out in our Sustainability Report.

We support clients as they transition to a low-carbon economy, assessing climate-related risks and opportunities across our business to create value for clients, shareholders and other stakeholders. In 2025, we progressed toward our scope 1 and 2 net zero targets, reducing emissions by 48% through our energy reduction initiatives and renewable electricity usage. For scope 3, we remain committed to our lending decarbonization targets in key sectors and to further developing our approach to transition finance.

At the same time, we continued to improve our climate risk management capabilities, including identifying, measuring, monitoring, managing and reporting climate-related risks, while further embedding regulatory requirements into our financial risk management and stress testing frameworks. Our efforts remain anchored in our ambition to be a leader in sustainability. Our progress is reflected in key ESG ratings, with MSCI reaffirming our AA score and continued performance in the S&P Global Corporate Sustainability Assessment.

The 2026 Annual General Meeting

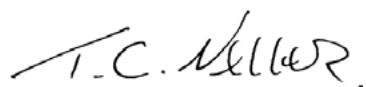
At the upcoming Annual General Meeting, we will propose Markus Ronner to join the Board of Directors of UBS Group AG as Vice Chairman. We have also nominated Agustín Carstens and Luca Maestri for election to the Board. Lukas Gähwiler will not stand for re-election. After an exceptionally successful career spanning 45 years, he decided to retire from his role as Vice Chairman, concluding his long career in banking, which included several leadership roles at UBS. William C. Dudley and Jeanette Wong also decided to step down after seven years on the Board. We extend our deep appreciation to those stepping down for their commitment and contributions over the past years.

Also at the Annual General Meeting, you will be asked to vote on the proposed increase in dividends, the Compensation Report and the UBS Group Sustainability Report.

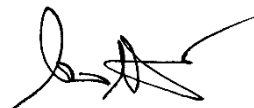
Building on our achievements in 2025, we enter 2026 confident in our strategy and our ability to deliver. We are positioned to generate sustainably higher returns and long-term value for all stakeholders. We are energized by the opportunities ahead and dedicated to building an even stronger firm.

Thank you for your ongoing support. We look forward to welcoming you to the 2026 Annual General Meeting, which will take place on 15 April in Basel, Switzerland.

Yours sincerely,



Colm Kelleher
Chairman of the Board of Directors



Sergio P. Ermotti
Group Chief Executive Officer

Corporate information

UBS Group AG is incorporated and domiciled in Switzerland and operates under Art. 620ff. of the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares. Its registered office is at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41-44-234 11 11, and its corporate identification number is CHE-395.345.924. UBS Group AG was incorporated on 10 June 2014 and was established in 2014 as the holding company of the UBS Group. UBS Group AG shares are listed on the SIX Swiss Exchange and on the New York Stock Exchange (ISIN CH0244767585; CUSIP H42097107). UBS Group AG owns 100% of the outstanding shares in UBS AG.

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Shareholder Services

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Corporate calendar UBS Group AG

Information about future publication dates is available at
ubs.com/global/en/investor-relations/events/calendar.html

Imprint

Publisher: UBS Group AG, Zurich, Switzerland | ubs.com

Language: English

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Our key figures

UBS Group key figures

	As of or for the year ended		
USD m, except where indicated	31.12.25	31.12.24	31.12.23
Group results			
Total revenues	49,573	48,611	40,834
Negative goodwill			27,264
Credit loss expense / (release)	524	551	1,037
Operating expenses	40,197	41,239	38,806
Operating profit / (loss) before tax	8,853	6,821	28,255
Net profit / (loss) attributable to shareholders	7,767	5,085	27,366
Diluted earnings per share (USD) ¹	2.36	1.52	8.30
Profitability and growth²			
Return on equity (%) ³	8.8	6.0	36.9
Return on tangible equity (%) ³	9.5	6.5	40.8
Underlying return on tangible equity (%) ^{3,4}	12.1	8.5	4.1
Return on common equity tier 1 capital (%) ³	10.8	6.7	41.8
Underlying return on common equity tier 1 capital (%) ^{3,4}	13.7	8.7	4.2
Revenues over leverage ratio denominator, gross (%) ³	3.1	3.0	2.9
Cost / income ratio (%) ^{3,5}	81.1	84.8	95.0
Underlying cost / income ratio (%) ^{3,4,5}	74.4	79.5	87.2
Effective tax rate (%)	11.9	24.6	3.1
Net profit growth (%) ³	52.7	(81.4)	258.7
Resources²			
Total assets	1,617,427	1,565,028	1,716,924
Equity attributable to shareholders	90,213	85,079	85,624
Common equity tier 1 capital ⁶	71,262	71,367	78,002
Risk-weighted assets ⁶	493,397	498,538	546,505
Common equity tier 1 capital ratio (%) ⁶	14.4	14.3	14.3
Going concern capital ratio (%) ⁶	18.5	17.6	16.8
Total loss-absorbing capacity ratio (%) ⁶	38.0	37.2	36.4
Leverage ratio denominator ⁶	1,622,438	1,519,477	1,695,403
Common equity tier 1 leverage ratio (%) ⁶	4.4	4.7	4.6
Liquidity coverage ratio (%) ⁷	182.6	188.4	215.7
Net stable funding ratio (%)	116.1	125.5	124.7
Other			
Invested assets (USD bn) ^{8,9}	7,005	6,087	5,714
Internal and external personnel ⁹	119,589	128,983	138,462
Internal personnel (full-time equivalents)	103,177	108,648	112,842
Market capitalization ^{10,11}	155,760	105,719	107,355
Total book value per share (USD) ¹⁰	29.18	26.80	26.68
Tangible book value per share (USD) ¹⁰	26.93	24.63	24.34
Credit-impaired lending assets as a percentage of total lending assets, gross (%) ³	0.9	1.0	0.8
Cost of credit risk (bps) ³	8	9	19

¹ Refer to "Share information and earnings per share" in the "Consolidated financial statements" section of this report for more information. ² Refer to the "Targets, capital guidance and ambitions" section of this report for more information about our performance targets. ³ Refer to "Alternative performance measures" in the appendix to this report for the relevant definition(s) and calculation method(s). Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. ⁴ Refer to the "Group performance" section of this report for more information about underlying results. ⁵ Negative goodwill is not used in the calculation as it is presented in a separate reporting line and is not part of total revenues. ⁶ Based on the Swiss systemically relevant bank framework. Refer to the "Capital management" section of this report for more information. ⁷ The disclosed ratios represent averages for the fourth quarter of each year presented, which were calculated based on an average of 64 data points in the fourth quarter of 2025, 64 data points in the fourth quarter of 2024 and 63 data points in the fourth quarter of 2023. Refer to the "Liquidity and funding management" section of this report for more information. ⁸ Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Refer to "Note 30 Invested assets and net new money" in the "Consolidated financial statements" section of this report for more information. ⁹ Represents full-time equivalents for internal personnel and workforce count for external personnel. ¹⁰ Refer to the "UBS shares" section of this report for more information. ¹¹ The calculation of market capitalization reflects total shares issued multiplied by the share price at the end of the period.

Alternative performance measures

An alternative performance measure (an APM) is a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable recognized accounting standards or in other applicable regulations. We report a number of APMs in the discussion of the financial and operating performance of the Group, our business divisions and Group Items. We use APMs to provide a more complete picture of our operating performance and to reflect management's view of the fundamental drivers of our business results. A definition of each APM, the method used to calculate it and the information content are presented under "Alternative performance measures" in the appendix to this report. Each APM that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report.

- › Refer to "Alternative performance measures" in the appendix to this report for additional information
- › Refer to the "Group performance" section of this report for additional information about underlying results

Terms used in this report, unless the context requires otherwise

"UBS", "UBS Group", "UBS Group AG consolidated", "Group", "the Group", "we", "us" and "our"	UBS Group AG and its consolidated subsidiaries
"UBS sub-group"	All UBS Group entities, excluding Credit Suisse AG and its consolidated subsidiaries, Credit Suisse Services AG, and other small former Credit Suisse Group entities now directly held by UBS Group AG
"UBS AG" and "UBS AG consolidated"	UBS AG and its consolidated subsidiaries
"Credit Suisse AG"	Credit Suisse AG and its consolidated subsidiaries, before the merger with UBS AG
"Credit Suisse Group" and "Credit Suisse"	Credit Suisse Group AG and its consolidated subsidiaries, before the acquisition by UBS
"UBS Group AG" and "UBS Group AG standalone"	UBS Group AG on a standalone basis
"Credit Suisse Group AG"	Credit Suisse Group AG on a standalone basis, before the merger with UBS Group AG
"UBS AG standalone"	UBS AG on a standalone basis
"UBS Switzerland AG" and "UBS Switzerland AG standalone"	UBS Switzerland AG on a standalone basis
"UBS Europe SE" and "UBS Europe SE consolidated"	UBS Europe SE and its consolidated subsidiaries
"UBS Europe SE standalone"	UBS Europe SE on a standalone basis
"UBS Americas Holding LLC"	UBS Americas Holding LLC and its consolidated subsidiaries
"1m"	One million, i.e. 1,000,000
"1bn"	One billion, i.e. 1,000,000,000
"1trn"	One trillion, i.e. 1,000,000,000,000

In this report, unless the context requires otherwise, references to any gender shall apply to all genders.

Comparability

Profit and loss and other flow-based information for the years ended 31 December 2025 and 31 December 2024 is based entirely on consolidated data following the acquisition of the Credit Suisse Group. Comparative information for the year ended 31 December 2023 includes seven months (June to December 2023) of post-acquisition consolidated data and five months of UBS Group data only (January to May 2023).

Balance sheet information as at 31 December 2025, as at 31 December 2024 and as at 31 December 2023 is based entirely on post-acquisition consolidated information.

Our Board of Directors

1.

Colm Kelleher
Chairman of the Board of Directors / Chairperson of the Corporate Culture and Responsibility Committee / Chairperson of the Governance and Nominating Committee
2.

Jeanette Wong
Member of the Audit Committee / member of the Compensation Committee
3.

Fred Hu
Member of the Governance and Nominating Committee
4.

Julie G. Richardson
Chairperson of the Compensation Committee / member of the Risk Committee
5.

Lukas Gähwiler
Vice Chairman of the Board of Directors / member of the Governance and Nominating Committee / member of the Risk Committee
6.

Renata Jungo Brüngger
Member of the Corporate Culture and Responsibility Committee
7.

Patrick Firmenich
Member of the Audit Committee / member of the Corporate Culture and Responsibility Committee
8.

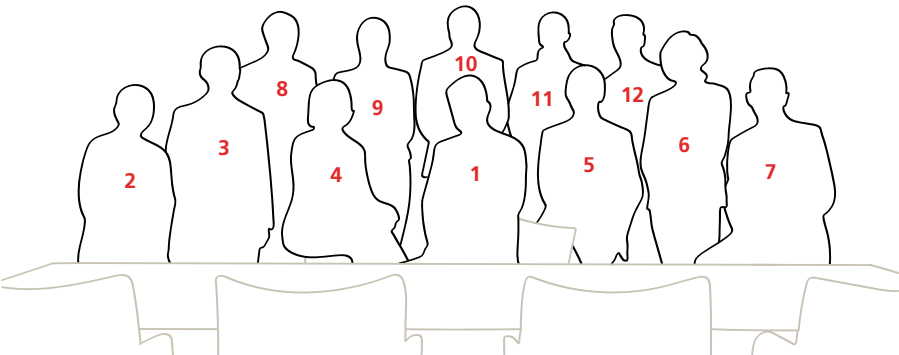
Mark Hughes
Chairperson of the Risk Committee / member of the Corporate Culture and Responsibility Committee
9.

Gail Kelly
Member of the Compensation Committee / member of the Governance and Nominating Committee
10.

Jeremy Anderson
Senior Independent Director / Chairperson of the Audit Committee / member of the Governance and Nominating Committee
11.

Lila Tretikov
Member of the Audit Committee
12.

William C. Dudley
Member of the Corporate Culture and Responsibility Committee / member of the Risk Committee



The Board of Directors of UBS Group AG (the BoD), led by the Chairman, consists of between 6 and 12 members, as per our Articles of Association. The BoD decides on the strategy of the Group, upon recommendation by the Group Chief Executive Officer (the Group CEO), and is responsible for the overall direction, supervision and control of the Group and its management. It is also responsible for supervising compliance with applicable laws, rules and regulations. The BoD exercises oversight over UBS Group AG and its subsidiaries and is responsible for establishing a clear Group governance framework to provide effective steering and supervision of the Group, taking into account the material risks, opportunities and impacts to which UBS Group AG and its subsidiaries are exposed and may affect its performance, value creation and reputation. The BoD has ultimate responsibility for the success of the Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. It approves all financial statements and appoints and removes all Group Executive Board (GEB) members.

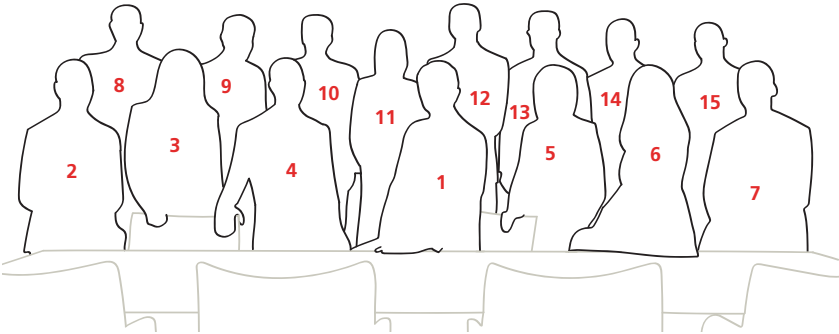
Our Group Executive Board



- 1. **Sergio P. Ermotti**
Group Chief Executive Officer
- 2. **Stefan Seiler**
Head Group Human Resources and Corporate Services
- 3. **Michelle Bereaux**
Group Integration Officer until December 2025,
Group Chief Compliance and Operational Risk Control
Officer since January 2026
- 4. **Aleksandar Ivanovic**
President Asset Management
- 5. **Sabine Keller-Busse**
President Personal & Corporate Banking and
President UBS Switzerland
- 6. **Beatriz Martin Jimenez**
Group Chief Operating Officer since January 2026,
Head Non-Core and Legacy and President UBS Europe,
Middle East and Africa
- 7. **Todd Tuckner**
Group Chief Financial Officer
- 8. **Damian Vogel**
Group Chief Risk Officer
- 9. **Markus Ronner**
Group Chief Compliance and Governance Officer
(stepped down on 31 December 2025)
- 10. **Iqbal Khan**
Co-President Global Wealth Management and
President UBS Asia Pacific
- 11. **Barbara Levi**
Group General Counsel
- 12. **Marco Valla**
Co-President Investment Bank
- 13. **Robert Karofsky**
Co-President Global Wealth Management and
President UBS Americas
- 14. **Mike Dargan**
Group Chief Operations and Technology Officer
(stepped down on 31 December 2025)
- 15. **George Athanasopoulos**
Co-President Investment Bank

UBS Group AG operates under a strict dual-board structure, as mandated by Swiss banking law, and therefore the BoD delegates the management of the business to the GEB. As of 31 December 2025, the GEB, under the leadership of the Group CEO, consisted of 15 members. It has executive management responsibility for the steering of the Group and its business, develops the strategies of the Group, business divisions and Group functions, and implements the BoD-approved strategies.

› Refer to “Board of Directors” and “Group Executive Board” in the “Corporate governance” section of this report or to ubs.com/bod and ubs.com/geb for the full biographies of the members of the BoD and the GEB



Our evolution

Since our origins in the mid-19th century, more than 500 different firms have become part of the history of our firm and helped shape our development. 1998 was a major turning point: two of the three largest Swiss banks, Union Bank of Switzerland and Swiss Bank Corporation (SBC), merged to form UBS. Both banks were well established and successful in their own right. Union Bank of Switzerland had grown organically to become the largest Swiss bank. In contrast, SBC had grown mainly through strategic partnerships and acquisitions, including S.G. Warburg in 1995.

In 2000, we acquired PaineWebber, a US brokerage and asset management firm with roots going back to 1879, establishing us as a significant player in the US. Since 1964, we have been building our strong presence in the Asia Pacific region, where we are by far the largest wealth manager,¹ with asset management and investment banking capabilities.

After incurring significant losses in the 2008 financial crisis, we sought to return to our roots, emphasizing a client-centric model that requires less risk-taking and capital. In 2011, we started a strategic transformation of our business model to focus on our traditional businesses: wealth management globally, and personal and corporate banking in Switzerland.

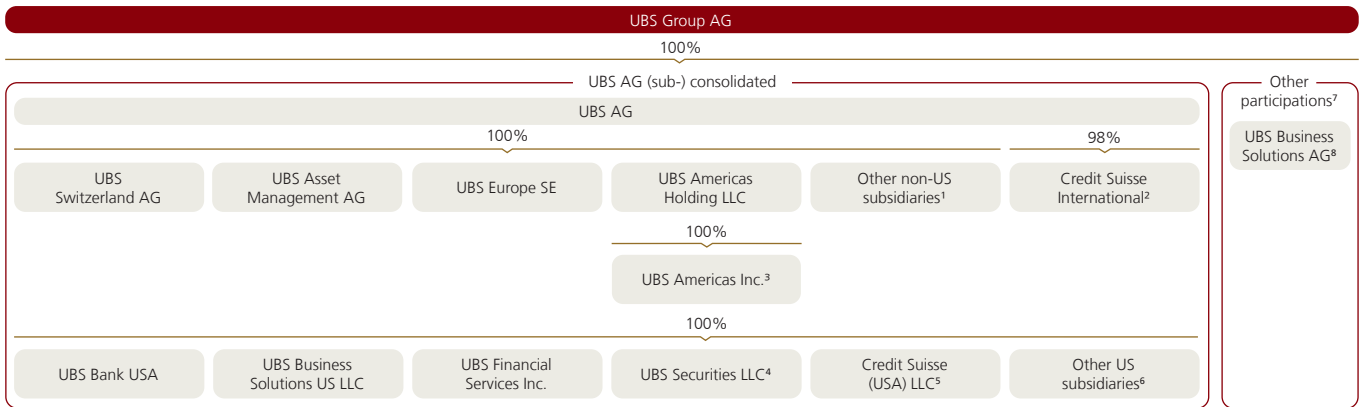
In 2014, we began adapting our legal entity structure in response to too-big-to-fail (TbTF) requirements and other regulatory initiatives. First, we established UBS Group AG as the ultimate parent holding company for the Group. In 2015, we transferred personal and corporate banking and Swiss-booked wealth management businesses from UBS AG to the newly established UBS Switzerland AG. That same year, we set up UBS Business Solutions AG as the Group’s service company. In 2016, UBS Americas Holding LLC became the intermediate holding company for our US subsidiaries, and our wealth management subsidiaries across Europe were merged into UBS Europe SE, our Germany-headquartered European intermediate parent undertaking. In 2019, we merged UBS Limited, our UK-headquartered subsidiary, into UBS Europe SE.

2023 was another defining moment in our history, as we acquired the Credit Suisse Group, a global systemically important financial institution and a major wealth manager headquartered in Switzerland, which was founded in 1856. The acquisition followed a request from the Swiss Federal Department of Finance, the Swiss National Bank and the Swiss Financial Market Supervisory Authority (FINMA), with support from other supervisors, to UBS Group AG and Credit Suisse Group AG to give due consideration to the acquisition in order to restore necessary confidence in the stability of the Swiss economy and banking system and to serve the best interests of the shareholders and stakeholders of UBS and Credit Suisse. The acquisition strengthened our position today as the largest truly global wealth manager, the leading bank in Switzerland, a global, large-scale and diversified asset manager, and a focused investment bank.

In 2024 and 2025, several mergers of subsidiaries and other developments in our legal entity structure were effected, as the process of integrating Credit Suisse progressed further. The mergers included those of UBS AG and Credit Suisse AG, and UBS Switzerland AG and Credit Suisse (Schweiz) AG, both in 2024, and that of UBS Americas Inc. and Credit Suisse Holdings (USA), Inc. in 2025. In addition, the transition to a single US intermediate holding company was completed in 2024, and, in 2025, UBS Europe SE was established as the single EU intermediate parent undertaking. Also in 2025, Credit Suisse International transferred substantially all of its residual business and the related products to UBS AG London Branch and UBS Europe SE. The chart below gives an overview of our principal legal entities and our legal entity structure as of 31 December 2025.

- Refer to ubs.com/history for more information
- Refer to the “Integration of Credit Suisse” section of this report for more information

The legal structure of the UBS Group as of 31 December 2025



¹ Other non-US subsidiaries are held either directly or indirectly by UBS AG. ² Of which 98% held by UBS AG and 2% held by UBS Group AG. ³ Merged with Credit Suisse Holdings (USA), Inc. on 30 May 2025. ⁴ Of which 99% directly held by UBS Americas Inc. and 1% held by UBS Americas Holding LLC. ⁵ Merged with UBS Americas Inc. on 2 February 2026. ⁶ Typically held either directly or indirectly by UBS Americas Inc. ⁷ And other small former Credit Suisse Group entities now directly held by UBS Group AG. ⁸ Merged with Credit Suisse Services AG on 1 July 2025.

¹ Asian Private Banker (April 2025) and UBS estimate.

Our strategy, business model and environment

Management report

Integration of Credit Suisse

On 12 June 2023, UBS Group AG acquired Credit Suisse Group AG, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse Group AG.

Since the acquisition, we have significantly simplified our legal entity structure across key jurisdictions, having merged UBS AG and Credit Suisse AG in May 2024 and having completed the transition to a single US intermediate holding company and the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG in July 2024.

In 2025, we merged Credit Suisse Holdings (USA), Inc. with UBS Americas Inc, deregistered Credit Suisse Securities (USA) LLC as a broker-dealer and established UBS Europe SE as the single EU intermediate parent undertaking. Moreover, Credit Suisse International transferred substantially all of its residual business and the related products to UBS AG London Branch and UBS Europe SE.

In the first quarter of 2025, we completed the consolidation of our branch network in Switzerland, having merged 95 branches with existing ones since the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG.

Throughout 2025, we also continued to make excellent progress with respect to client account migrations and infrastructure decommissioning. By the end of the fourth quarter of 2025, 85% of Swiss-booked accounts had been migrated, including substantially all of the targeted Personal & Corporate Banking client accounts. We remain on track to complete the migrations of the Swiss-booked client accounts by the end of the first quarter of 2026.

In 2025, we realized a total of USD 3.2bn in gross cost savings. Cumulative gross cost savings at the end of 2025 amounted to USD 10.7bn compared with the 2022 combined cost base of UBS and Credit Suisse. In the fourth quarter of 2025, we identified additional synergies that enabled us to increase our ambition for annualized exit rate gross cost savings by the end of 2026 from around USD 13bn to approximately USD 13.5bn.

As of 31 December 2025, our Non-core and Legacy division had decommissioned 73% of its applications. It has also delivered a reduction of around 80% in underlying operating expenses (excluding litigation) compared with the 2022 combined baseline and delivered a 67% reduction in risk-weighted assets (RWA) since the second quarter of 2023. Having already achieved a reduction of credit and market risk RWA to around USD 5bn, we are well positioned to meet our ambition of around USD 4bn by the end of 2026. We also have a 2026 exit rate ambition of around USD 0.5bn in underlying operating expenses (excluding litigation).

In March 2025, we completed the sale of Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse, which was managed in Non-core and Legacy. We recognized a gain of USD 97m upon the completion of the transaction, and the completion reduced the Group's RWA by around USD 1.3bn and the Group's leverage ratio denominator by around USD 1.7bn.

In October 2024, we entered into an agreement to sell to American Express Swiss Holdings GmbH (American Express) our 50% interest in Swisscard AECS GmbH (Swisscard). At the same time, we entered into an agreement with Swisscard to transition the Credit Suisse-branded card portfolios to UBS. The purchase of the card portfolios was completed in January 2025. In January 2026, we completed the sale of our 50% interest in Swisscard to American Express, and we expect to record a gain on sale in the first quarter of 2026. As previously disclosed, this gain is expected to largely offset the effects related to the prior Swisscard transactions recorded in the first quarter of 2025 (an expense of USD 180m and a gain of USD 64m) and the fourth quarter of 2024 (an expense of USD 41m).

➤ Refer to "Note 28 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of this report for more information

We expect to substantially complete the integration of Credit Suisse by the end of 2026.

Remediation of Credit Suisse material weaknesses

In March 2023, prior to the acquisition by UBS Group AG, the Credit Suisse Group and Credit Suisse AG disclosed that their management had identified material weaknesses in internal control over financial reporting as a result of which the Credit Suisse Group and Credit Suisse AG had concluded that, as of 31 December 2022 and 2021, their internal control over financial reporting was not effective. Following the acquisition and merger of Credit Suisse Group AG into UBS Group AG in June 2023, Credit Suisse AG concluded that as of 31 December 2023 its internal control over financial reporting continued to be ineffective. As permitted by SEC guidance in the year of an acquisition, UBS Group AG excluded Credit Suisse AG from its assessment of internal control over financial reporting for the year ended 31 December 2023 and concluded that its internal control over financial reporting was effective as of such date.

Since the Credit Suisse acquisition, UBS has executed a remediation program to address the identified material weaknesses and has implemented additional controls and procedures.

As of 31 December 2024, management assessed that the changes to internal controls made to address the material weaknesses relating to the classification and presentation of the consolidated statement of cash flows, as well as assessment and communication of the severity of deficiencies, were designed and operating effectively. The remaining material weakness related to the risk assessment of internal controls. During 2024, UBS integrated the Credit Suisse control framework into the UBS internal control framework and risk assessment and evaluation processes. In addition, UBS reviewed the processes, systems and internal controls in connection with the integration of Credit Suisse into UBS and implemented additional processes and controls to reflect the increase in complexity of the accounting and financial control environment following the acquisition. Management assessed that the risk assessment process was designed effectively.

However, considering the increased complexity of the internal accounting and control environment, the remaining migration efforts still underway and limited time to demonstrate operating effectiveness and sustainability of the post-merger integrated control environment, management concluded that additional evidence of effective operation of the remediated controls was required to conclude that the risk assessment processes were operating effectively on a sustainable basis. In light of the above, management concluded that there was a material weakness in internal control over financial reporting at 31 December 2024.

As of 31 December 2025, UBS management has assessed the effectiveness of UBS's risk assessment process and concluded that changes made to the risk assessment processes were designed and operating effectively, with significant integration and migration steps completed. UBS management has therefore concluded that the risk assessment material weakness has been remediated.

- › **Refer to "Management's report on internal control over financial reporting" in the "Consolidated financial statements" section of this report for more information about management's assessment of internal control over financial reporting as of 31 December 2025 and the remediation of Credit Suisse material weaknesses**

Our strategy

UBS – who we are

We are the world's only truly global wealth manager and the leading bank in Switzerland. These key pillars of our strategy are enhanced by our focused and competitive asset management and investment banking capabilities. Staying close to our clients, whether they are individuals, institutions or businesses, and providing financial advice and solutions to help them to achieve their goals is at the heart of what we do. We have a capital-generative and well-diversified global business model with strong competitive positions in our target markets and the regions in which we operate.

Our business model, including our regional diversification, with our deep-rooted, risk-aware culture, superior client service and prudent capital management, is built on our respected brand and has made it possible to sustainably grow profits and deliver attractive capital returns to shareholders over the long term.

We are focused on driving sustainable long-term growth while maintaining risk and cost discipline

Our objective is to generate value for our stakeholders by driving sustainable long-term structural growth and attractive capital returns. To accomplish this, we are building on our scale, content and solutions, while remaining disciplined on capital, risk and costs. Maintaining a balance sheet for all seasons remains a foundation of our success and a significant source of strength and resilience. This provides us with the capacity to invest strategically and enables us to deliver against our financial targets and ambitions, which are outlined in the "Targets, capital guidance and ambitions" section of this report.

Our growth plans are rooted in an attractive business mix, that is also a source of competitive strength, and are supported by collaboration between our businesses. Our asset-gathering businesses generate close to 60% of our revenues¹ and are characterized by being structurally attractive from a capital consumption perspective, representing around 39% of our risk-weighted assets (RWA).¹ Around another third of our RWA¹ are in Personal & Corporate Banking in Switzerland, our home market and an attractive, stable and well-diversified economy, with low historic credit losses. Furthermore, we operate a capital-efficient Investment Bank, which is limited to 25% of Group RWA.¹

Our aim is to create long-term sustainable value. We also have a responsibility to the communities in which we live and operate, and to our employees. We have outlined selected environmental, social and governance (ESG) aspirations, which are aligned with our financial targets and ambitions.

We have a global, diversified business model

Our invested assets of more than USD 7trn are regionally diversified across the globe. We give our clients access to a broad, relevant and customizable range of solutions, which, together with our thought leadership and capabilities, position us well to become their partner of choice. Our strategic ambitions reflect the long-term outlook on demographic and social trends affecting wealth distribution, product demand and client experience.

We are among the market leaders in the Americas, the world's largest wealth pool and one of the fastest-growing wealth markets. Around half of the invested assets our wealth management clients entrusted us with are booked in that region. Following the acquisition of Credit Suisse, the Investment Bank has invested in growing its Global Banking and Global Markets capabilities in the region, and is focused on cross-regional and cross-divisional collaboration to drive growth.

Asia Pacific is our fastest-growing region, and where we continue to lead as the largest wealth manager² and remain a consistent top-tier investment bank. We are further investing in and growing our businesses to deliver leading capabilities, capitalizing on market momentum in the Hong Kong SAR and the mainland of China, leveraging strong cross-divisional collaboration and global connectivity, and driving growth through a diversified footprint, with the Hong Kong SAR and Singapore as the regional hubs, as well as strategic partnerships in markets such as Japan and India. In 2025, our total invested assets in Asia Pacific surpassed the USD 1trn milestone for the first time.

In EMEA, we are one of the largest wealth managers, and we are focused on deepening our share of wallet with EMEA-domiciled global clients, while further driving profitability in select key markets, including the Middle East.

Finally, in Switzerland we have a highly integrated business model and aim to reinforce our position as the leading bank. We are driving our digital transformation, enhancing the client experience and improving efficiency, while focusing on capturing growth opportunities. In 2025, UBS was again named Best Bank in Switzerland by *Euromoney*, for the eleventh time since 2012. Our role as a trusted partner to the Swiss economy remains central to our strategy. This is reflected in our substantial contribution to the Swiss economy, including, among other aspects, a lending volume commitment of CHF 350bn.

We deliver integrated coverage for clients by collaborating as one UBS

We are committed to serving our clients as one firm, with collaboration across our business divisions being a cornerstone of our strategy and a key differentiator, as we deliver the full value of the firm to clients. For example, our asset-gathering businesses work in synergy to offer clients a comprehensive product suite paired with exclusive, personalized services. The Investment Bank complements these by delivering insights, execution capabilities and risk management expertise to both wealth management clients with complex needs and Swiss corporate clients.

In today's interconnected world, our wealth management clients are becoming increasingly global and mobile in both their business and personal lives, demanding comprehensive, seamless, multi-jurisdictional financial solutions. With our unmatched global footprint and best-in-class solutions, we are well positioned to connect our clients to the firm across jurisdictions in a systematic and integrated manner.

We are investing in our technology to improve the client experience and enhance employee productivity

We continue to focus on investing in a resilient and secure technology infrastructure that is designed to help ensure the stability of our services for our clients and employees worldwide. This includes investments to strengthen our core platforms, modernize applications and enhance system reliability, in an increasingly complex environment.

Since our acquisition of the Credit Suisse Group in 2023, one of our key focus areas has been the integration of technology and operations. We continue to rapidly advance in this space, with approximately 1,600 Credit Suisse business applications decommissioned by the end of 2025 (55% of those in scope) and around 85% of Swiss-booked client accounts transferred. In addition, our strong technology foundation has facilitated an overall seamless integration across the Group, including the migration of businesses and client accounts to the UBS platforms.

› Refer to the "Integration of Credit Suisse" section of this report for more information

We also continue to strengthen our technology position, with a focus on accelerating our Group artificial intelligence (AI) strategy to achieve impactful outcomes more quickly and incrementally. In 2025, we appointed a Chief Artificial Intelligence Officer to support UBS's transformation into a fully AI-enabled institution. We are moving quickly to adopt AI throughout the Group to reshape business capabilities and enhance employee productivity, and we are constantly developing and exploring new opportunities, from more traditional automation to agentic AI solutions. Our AI strategy is centered around nine large-scale transformational AI initiatives. These initiatives are designed to have a broad impact across the Group, increasing efficiency and improving processes and systems. For example, we are implementing the next generation of software development, which includes the widespread deployment of AI-augmented development tools, enabling engineers to deliver faster, more innovative and scalable solutions and streamlining UBS's software development cycle.

To support our employees, we are upskilling and reskilling employees in AI and adjacent technologies through specific AI training to ensure innovation is embedded responsibly and effectively. We also continue to invest in partnerships with leading academic institutions worldwide and other key players, to develop ideas, drive positive outcomes across the Group and foster pioneering AI research. For example, we have announced the launch of the Oxford-UBS Centre for Applied Artificial Intelligence, focusing on three key research areas (society, economy and the future of AI). This enables us to explore pioneering applications and practical solutions that can be implemented at scale across the Group.

These efforts are underpinned by an AI framework and policy that have been designed to safeguard the interests of clients, employees and stakeholders. In parallel, we maintain a strong focus on operational resilience, cybersecurity and data protection to support keeping our platforms secure, stable and available at all times.

› Refer to the "Risk management and control" section of this report for more information

In addition, we are actively building out foundational digital asset infrastructure to launch a range of new products addressing evolving client needs. For example, we are investing in our solutions for the tokenization of real-world assets, such as *UBS Tokenize*. We are also developing digital money offerings, such as our *UBS Digital Cash* tokenized deposit solution, and we are evaluating stablecoins. Finally, we are also exploring access to cryptocurrencies.

Supporting sustainability

We are guided by our ambition to be a leader in sustainability. This is reflected in our vision to be the bank for the next generation. To help us realize that vision, our sustainability and impact strategy is based on three overarching strategic pillars: Protect, Grow and Attract.

› Refer to the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, for more information

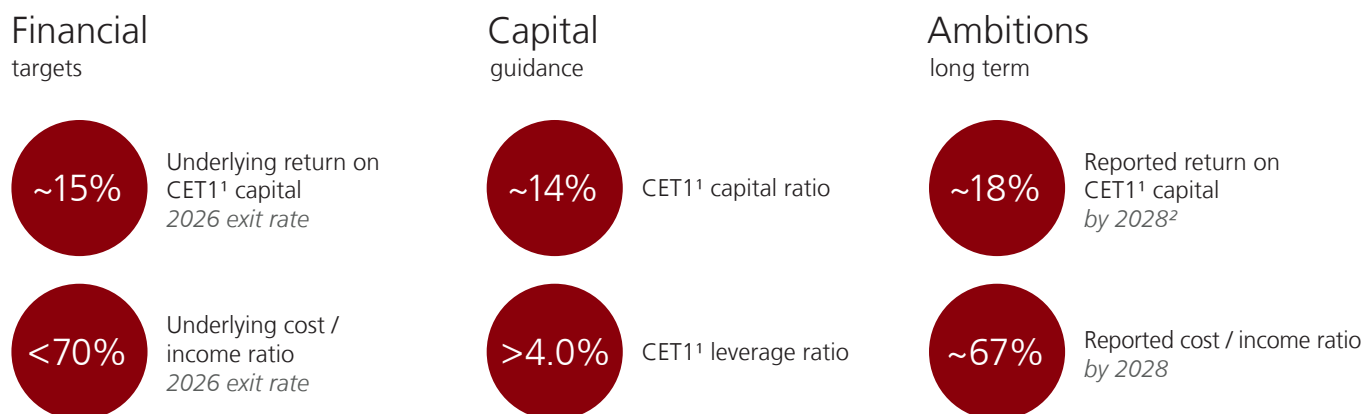
¹ Excluding Non-core and Legacy.

² Asian Private Banker (April 2025) and UBS estimate.

Targets, capital guidance and ambitions

We remain committed to the Group's 2026 exit-rate financial targets and long-term ambitions. We are targeting, by the end of 2026, an underlying return on common equity tier 1 (RoCET1) capital of around 15% (exit rate) and an underlying cost / income ratio of less than 70% (exit rate). For 2028, our ambition is to deliver reported RoCET1 of around 18% in 2028 (based on the current capital framework and assuming a common equity tier 1 (CET1) capital ratio of around 14%). Supporting this is a recently introduced ambition to deliver a reported cost / income ratio of around 67%. We are well positioned to deliver on those targets and ambitions, and we believe that our scale and client franchises, as well as the completion of the integration, will enable us to achieve sustainable higher returns.

The graphic below shows our Group financial targets, capital guidance and long-term ambitions.



¹ Common equity tier 1. ² Based on the current capital framework and assuming a CET1 capital ratio of around 14%.

As of the end of 2025 our cumulative gross cost savings amounted to USD 10.7bn compared with the 2022 combined cost base of UBS and Credit Suisse. We have identified additional synergies, enabling us to increase our ambition for annualized exit-rate gross cost savings by the end of 2026 from around USD 13bn to approximately USD 13.5bn. Gross cost savings will provide the necessary capacity for investment in capabilities, talent and technology to deliver on our 2028 ambitions.

Group targets, ambitions and guidance

We are on track to deliver on our exit-rate targets upon completion of the integration by the end of 2026:

- an underlying RoCET1 of around 15%;
- an underlying cost / income ratio of less than 70%; and
- gross cost savings of around USD 13.5bn compared with the 2022 combined cost base of UBS and Credit Suisse.

As we complete the integration, we believe our scale and client franchises will position us to sustainably deliver higher returns. We aim to deliver reported RoCET1 of around 18% in 2028 (based on the current capital framework and assuming a CET1 capital ratio of around 14%) and a reported cost / income ratio of around 67% in 2028.

Our capital guidance remains unchanged, and we aim to maintain:

- a CET1 capital ratio of around 14%;
- a CET1 leverage ratio of greater than 4.0%; and
- a UBS AG standalone CET1 capital ratio of between 12.5% and 13.0%.

For our business divisions we have the following ambitions:

- for Global Wealth Management, more than USD 5.5trn of invested assets by the end of 2028, more than USD 200bn of net new assets per annum from 2028 and a reported cost / income ratio of around 68%;
- for Personal & Corporate Banking, a reported cost / income ratio of around 48% in 2028 and a reported return on attributed equity of around 19% over the medium term;
- for Asset Management, a net new money growth rate of around 3% (through the cycle) and a reported cost / income ratio of around 65% in 2028;
- for the Investment Bank, a reported return on attributed equity of around 15% (through the cycle); and
- for Non-core and Legacy, underlying operating expenses (excluding litigation) of around USD 0.2bn in 2028.

Our aspirations on environmental, social and governance (ESG) matters are set out in the UBS Group Sustainability Report 2025, available under “Annual reporting” at ubs.com/investors.

Performance against these targets, capital guidance and ambitions is taken into account when determining variable compensation.

- › Refer to “Society” and “Our focus on sustainability” in the “Our stakeholders” section and to the “Corporate governance” section of this report for more information about ESG matters
- › Refer to the “Compensation” section of this report for more information about variable compensation
- › Refer to “Alternative performance measures” in the appendix to this report for definitions of and further information about our performance measures

Our businesses

We operate through five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank and Non-core and Legacy. With significant presences in the largest and fastest-growing markets, our global reach and the breadth and depth of our expertise are major assets that set us apart from our competitors. We see collaboration, both within and between business divisions and regions, as key to delivering on our growth objectives. Our Group functions are support and control functions that provide services to the Group. Virtually all costs incurred by the Group functions are allocated to the business divisions, leaving a residual amount that we refer to as Group Items in our segment reporting.

Global Wealth Management

We are the world's only truly global wealth manager, dedicated to serving high and ultra high net worth individuals, as well as select institutional clients, through trusted advisor and financial intermediary relationships. Our global reach combined with local expertise, Chief Investment Office (CIO)-led investment approach, comprehensive solutions platform and premium brand are key differentiators.

Global Wealth Management is jointly managed by two Co-Presidents and organized into five regional business units covering the US, Latin America, Asia Pacific, EMEA and Switzerland, as well as capability business units, such as the CIO and GWM Solutions, and support units. Altogether, these units help to efficiently deliver research and solutions, tied to the CIO-led value proposition, to our clients – leveraging our global scale and local implementation.

For regional financial reporting purposes, we disclose selected information about the Americas, Asia Pacific, EMEA and Switzerland regions, and Divisional items.

Our business

We help clients to protect and grow their investments and pursue what matters most to them through advice, expertise, and tailored solutions.

We offer clients advice on wealth planning to sustainably increase their wealth over the long term through a broad range of solutions, including discretionary or advisory mandates and investment funds where we have distribution agreements. These solutions represent USD 2.1trn in fee-generating assets globally, which is a subset of total invested assets of USD 4.8trn. The remaining invested assets represent advisory assets or assets generating primarily transaction-based and interest income, mainly from trading, cash, deposits and lending services. With discretionary mandates, clients delegate investment decisions to UBS and benefit from our full investment capabilities, including portfolio management, instrument selection and access to leading external managers across traditional, sustainable and alternative asset classes. With advisory mandates, clients make their own investment decisions, supported by professional advice and portfolio monitoring guided by the *UBS House View*. Our investment offering covers a broad range of instruments, including cash equities, cash bonds, money market instruments, investment funds, structured products and alternative solutions that provide access to private markets, hedge funds and real estate assets. We typically generate recurring net fee income, which is primarily linked to the value of the fee-generating assets. This fee income includes portfolio management fees, asset-based fund fees, custody fees and administrative fees. We also generate transaction-based income, which consists primarily of brokerage revenues, trading revenues, foreign exchange fees and other charges linked to specific client transactions.

- › Refer to “Alternative performance measures” in the appendix to this report for the definition and calculation method of invested assets, fee-generating assets, net new money and net new assets
- › Refer to “Note 30 Invested assets and net new money” in the “Consolidated financial statements” section of this report for more information about invested assets and net new money

Beyond our investment solutions, we offer a comprehensive range of banking services, including lending and deposits. Our lending offering includes securities-based lending, mortgages, structured products and tailored solutions designed to meet more sophisticated borrowing needs of our clients – including select institutional clients – and their businesses. As of 31 December 2025, our lending portfolio amounted to USD 327bn globally and generated revenues primarily through net interest income. In terms of deposits, we provide clients with flexibility and convenient access to their funds. These deposits, which also contribute to net interest income, totaled USD 479bn globally as of 31 December 2025. Our broad-based investment and banking solutions help us attract net new money from new and existing clients. This, combined with dividends and interest, drives net new assets.

Chief Investment Office-led value chain



Our CIO-led value proposition is designed to identify investment opportunities to protect and grow our clients' wealth over the long term, forming the basis of the **UBS House View**. The CIO gathers insights on financial planning, macroeconomics, multi-asset strategies, stocks, bonds, currencies and commodities, as well as structured, sustainable, and alternative investments. GWM Solutions brings all UBS products under one umbrella and efficiently and consistently implements the CIO's guidance, delivering integrated solutions that put the **UBS House View** into action for our clients.

We continue to invest in our platforms to enhance the client experience and deliver the full value of our CIO-led approach. Clients can access research and solutions directly through our digital banking channels, where the **Direct Investment Insights** function enables them to act on CIO-driven ideas seamlessly and efficiently. For clients who prefer a personalized discretionary solution, **UBS My Way** offers a flexible, digital-led platform that enables them, together with their advisor, to tailor portfolios to their individual preferences and objectives. For those seeking professional guidance while remaining actively involved in decision-making, **UBS Advice Compass** equips advisors to work side-by-side with clients, reviewing portfolios in depth and identifying actionable opportunities aligned with the **UBS House View**.

We are embedding advanced artificial intelligence (AI) capabilities across our platforms. AI-powered tools, including chatbots, intelligent search features and multi-media functionalities, are enhancing both client and advisor experiences by making the investment insights delivery more efficient and personalized. In addition, we connect clients with cutting-edge research, innovative solutions and exclusive access to experts in the AI space and beyond, helping them to stay on top of the latest innovations shaping today's industries.

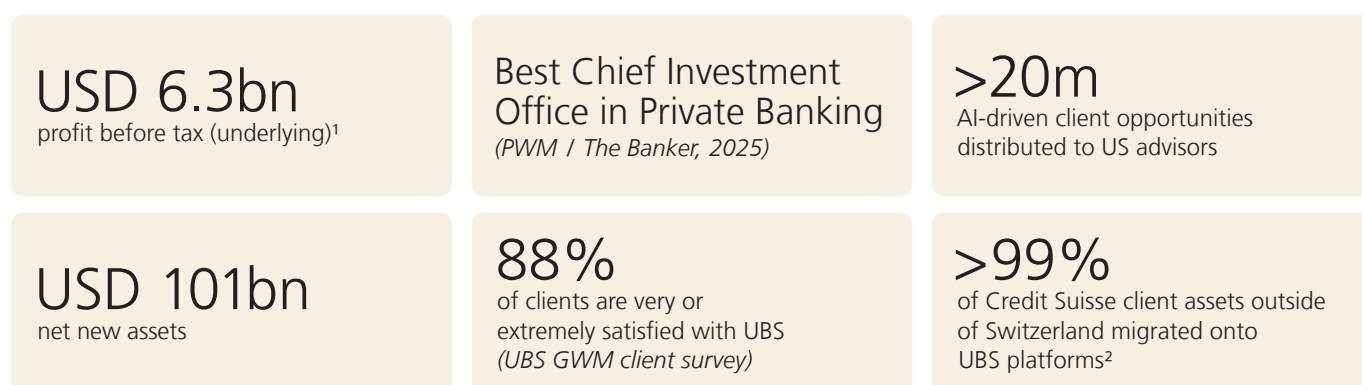
› Refer to "We are investing in our technology to improve the client experience and enhance employee productivity" in the "Our Strategy" section of this report for more information

Competition

Our main competitors fall into two categories: competitors with a strong position in the Americas but with more limited global footprints, such as Morgan Stanley, JPMorgan Chase, Bank of America and Wells Fargo, as well as some smaller firms, such as Raymond James; and competitors with international footprints but with a smaller presence than UBS in the US, such as Julius Baer, BNP Paribas, Deutsche Bank and HSBC. We also compete with fintech firms in some regions and products. We have strong positions across all key regions, including the largest wealth region (the US) and the fastest-growing wealth regions (Asia Pacific, the Middle East and Latin America), as well as the more mature markets in Europe, including Switzerland. The scale of our global franchise, our bespoke cross-divisional solutions and our premium brand and reputation differentiate us from our competitors and would be difficult to replicate.

2025 selected highlights

As of or for the year ended 31 December 2025



¹ For more information about underlying results, refer to the "Group performance" section of this report. ² Excludes clients of legacy Credit Suisse locations with no prior UBS footprint that will be integrated into UBS.

Personal & Corporate Banking

Personal & Corporate Banking is at the core of our operations in Switzerland, the only market in which we operate across all of our business areas, supporting our clients and the Swiss economy with UBS's unparalleled global reach and capabilities.

We are the leading universal bank in Switzerland, and we provide an extensive range of financial products and services to private, corporate and institutional clients. We are a go-to bank for entrepreneurs in Switzerland, providing comprehensive support at every stage of the entrepreneurial journey. With our network of around 190 branches and highly qualified client advisors, complemented by modern digital banking services and customer service centers, we serve more than one-third of Swiss households and more than 90% of large Swiss companies.

In 2025, UBS was again named Best Bank in Switzerland by *Euromoney*, for the eleventh time since 2012. Our role as a trusted partner to the Swiss economy remains central to our strategy. This is underpinned by our pledge to remain a reliable provider of credit to the Swiss economy through a lending volume commitment of around CHF 350bn.

Aligned with the UBS Group's artificial intelligence (AI) strategy and ambition to become an AI-enabled institution, Personal & Corporate Banking is embedding AI into its operations to drive innovation and enhance client experience. In addition, Personal & Corporate Banking is actively shaping the UBS digital assets offering to meet the emerging needs of our clients. For example, we are developing digital money offerings for corporate clients and exploring access to crypto assets for individual clients.

› Refer to **"We are investing in our technology to improve the client experience and enhance employee productivity" in the "Our Strategy" section of this report for more information**

Our business

Personal & Corporate Banking is composed of two business areas: Personal Banking and Corporate & Institutional Clients.

In Personal Banking, we provide clients with a comprehensive suite of life-cycle-oriented products and services. Financing solutions, primarily mortgages, and deposits form the cornerstone of our offering. Additionally, we provide our clients with access to investment products and pension solutions. Our clients also benefit from further services, such as payment solutions, card transactions and foreign exchange operations.

In Corporate & Institutional Clients, we serve corporate and institutional clients with a comprehensive suite of solutions backed by deep expertise. Our financing offering and deposit products are the central pillar of our offering. A second pillar consists of services related to foreign exchange, payments and trade finance. A third pillar includes additional services, such as asset custody and the provision of investment fund products.

On an aggregate Personal & Corporate Banking level, net interest income from our financing and deposit offerings is the primary income contributor, accounting for more than half of total revenues. Transaction-based income generated through payments, card transactions, trade finance and foreign exchange operations is the second-largest contributor, making up approximately one quarter of total revenues. Additional revenues are mainly derived from recurring net fee income linked to our investment products, pension solutions, asset custody services and basic banking offerings.

In Personal & Corporate Banking, we work in close collaboration with other business areas to provide our Swiss clients seamless access to a broad range of capabilities and global reach. In collaboration with Global Wealth Management, we deliver leading wealth management services tailored to clients' individual needs. In partnership with the Investment Bank, we offer capital market and foreign exchange products, hedging strategies, trading capabilities and corporate finance advice. Additionally, through our cooperation with Asset Management, we provide comprehensive fund and portfolio management solutions.

We support our clients in achieving their sustainability goals, as both corporate clients and individuals have been exploring effective strategies for transitioning to a lower-carbon economy. For example, we have enhanced our Swiss real estate services to further support clients with renovating and refurbishing their properties to achieve higher energy efficiency standards. Furthermore, we have introduced CO₂ portfolio reporting capabilities for institutional investors on our **UBS key4** mortgage platform, enhancing transparency and facilitating more informed decision-making regarding their portfolios. These innovations mark important steps in helping our clients improve the energy efficiency and long-term value of their properties.

We consider a strong partner network as essential for UBS's success in Switzerland, enabling us to serve both corporate and individual clients holistically through bank-adjacent services. These partnerships not only foster deeper client relationships, accelerate time to market and offer flexible integration options, but also unlock new market opportunities and revenue streams.

Our partner network includes collaborations with platforms for start-ups, such as Fagoon, Startups.ch, and NewCo, enabling us to actively support clients in taking their first entrepreneurial steps. Partnerships aimed at building stronger relationships with our mortgage clients are another example. Our exclusive partnership with the SMG Swiss Marketplace Group enables us to support potential property buyers in their journey toward owning a home through our integration with Switzerland's largest real estate portals, such as Homegate and Immoscout24.

Competition

In Personal Banking, our main competitors are the Swiss cantonal banks, Raiffeisen, PostFinance and other regional and local Swiss banks; we also face competition from international neobanks and other national digital market participants.

In the corporate and institutional business, the Swiss cantonal banks and foreign banks are our main competitors. We also support the international business activities of our Swiss corporate clients through local hubs in New York, Frankfurt, Singapore and the Hong Kong SAR, where we compete with other foreign banks that have global operations. No other Swiss bank offers its corporate clients local banking capabilities abroad.

2025 selected highlights

As of or for the year ended 31 December 2025

~CHF 80bn

loans granted or renewed
to Swiss clients¹

Best bank in
Switzerland

(Euromoney, 2025)

>90%

of large Swiss companies served²

Switzerland's most
digital bank 2025

(IFZ Lucerne University
of Applied Sciences and Arts)

More than a third

of Swiss households served³

Market Leader Trade
Finance Switzerland

(Euromoney, 2025)

¹ Loans to private clients, companies and public institutions by Personal & Corporate Banking and Global Wealth Management Switzerland. ² The calculated figure of more than 90% is based on approximately 200 of the largest Swiss companies. ³ Number of Swiss households served by UBS divided by the total number of Swiss households according to the Swiss Federal Statistics Office.

Asset Management

We are a global, large-scale and diversified asset manager offering investment capabilities and strategies to institutions, wholesale intermediaries and Global Wealth Management clients. With total invested assets of over USD 2trn, we are one of the leading Europe-based asset managers.

We are focused on meeting the evolving needs of our clients by capitalizing on the products and areas where we have a differentiated and scalable offering and by enhancing our partnerships with the other business divisions across the Group.

In 2025, we have integrated the breadth of our direct public and private markets capabilities within our Investments area, enabling us to leverage the best of our expertise and technology within a single platform.

Following this change, Asset Management is organized into four areas: Client Coverage; Investments, Unified Global Alternatives; and the Chief Operating Officer area.

We cover the main asset management markets globally and have a local presence in 24 locations across four regions: the Americas; Asia Pacific; EMEA; and Switzerland. We also continue to build on our long-standing presence in China, where we have enhanced our onshore presence through the ICBC joint venture.

To support sustainable growth across our business, we are transforming our end-to-end platform and embedding artificial intelligence across our investment, front-to-back and distribution processes to enhance scalability, efficiency and client outcomes. We also remain focused on capturing structural efficiencies and further sharpening our product offering.

› Refer to “We are investing in our technology to improve the client experience and enhance employee productivity” in the “Our Strategy” section of this report for more information

Our business

We are committed to delivering investment excellence and to creating value for our clients that endures through cycles. We offer a range of investment products and services across all major traditional and alternative asset classes and investing styles.

We have organized our direct investment capabilities across the following areas.

Active Equities – investment strategies with varying risk and return objectives, including global, region-focused and thematic strategies, as well as high alpha, growth and quantitative styles.

Active Fixed Income – global, regional and local strategies, across sectors, including high yield, emerging market and currencies, as well as money market funds. In addition, our Credit Investments Group specializes in syndicated loans, structured credit and upper-middle-market direct lending.

Active Multi-Asset – global and regional asset allocation and currency investment across the risk / return spectrum, including balanced, growth, income, risk-managed and unconstrained strategies, as well as white label solutions.

Partnership Solutions – we draw on our value chain across the Group to provide customized full-service fiduciary, investments and proprietary technology solutions and also collaborate with other business divisions to serve the needs of our clients. For example, our Separately Managed Accounts (SMA) Advantage initiative with Global Wealth Management in the US continues to gain momentum and reached a record USD 231bn in invested assets at the end of 2025.

Passive – we continue to build on our position as the largest Europe-based manager of indexed investments and our expertise in customization. We offer a wide range of indexed strategies across asset classes, along with exchange-traded funds (ETFs), pooled funds and segregated mandates. In 2025 we expanded our ETF offering with the launch of a new cost-efficient **Core** range, as well as our first active ETFs, leveraging our active fixed-income capabilities.

Real Assets (including real estate and infrastructure) – a comprehensive range of global and regional strategies, from core to value-add and opportunistic.

To capture the growth opportunity in alternatives, and in a transformational move for our clients and our partners, in 2025 we brought together our leading manager selection franchises from across Asset Management and Global Wealth Management to create our **Unified Global Alternatives (UGA)** business. UGA provides an open architecture platform offering clients customized solutions across hedge funds, private equity, private credit, real estate, infrastructure and multi-alternative investment products, as well as access to co-investments and secondary market opportunities for our more sophisticated clients. With a combined USD 330bn in invested assets, UGA is one of the leading limited partners globally.

We support our clients' sustainability objectives with a wide range of products and solutions incorporating a variety of approaches, including impact- and transition-focused strategies.

We charge management fees on our funds and mandates (as a percentage of invested assets) and, to a lesser extent, performance fees on our active investment capabilities. Our revenues therefore depend on both total invested assets and the mix between higher fee strategies, such as active mandates, and lower fee passive strategies.

Competition

Our main competitors are global firms with wide-ranging capabilities and distribution channels, such as AllianceBernstein, Allianz Asset Management, Amundi, BlackRock, DWS, Franklin Templeton, Invesco, J.P. Morgan Asset Management, Morgan Stanley Investment Management, Schrodgers, State Street Global Advisors and T. Rowe Price, as well as firms with a specific market or asset-class focus.

2025 selected highlights

As of or for the year ended 31 December 2025

USD 2.1trn

total invested assets

USD 330bn

invested assets in Unified Global Alternatives¹

USD 231bn

invested assets in the SMA² initiative

No.1 Europe-based manager of indexed investments³

Record

net new money into ETFs

USD 30.4bn

total net new money

¹ Includes invested assets across Asset Management and Global Wealth Management. ² Separately managed accounts. ³ Based on assets under management.

Investment Bank

The Investment Bank provides services to institutional, corporate, financial sponsor and Global Wealth Management clients, helping them raise capital, invest and manage risks, while targeting attractive and sustainable risk-adjusted returns for the Group's shareholders. Our traditional strengths are in equities, foreign exchange, precious metals, research, advisory and capital markets, complemented by a focused rates and credit platform. We use our data-driven research and technology capabilities to help clients adapt to evolving market structures and changes in regulatory, technological, economic and competitive landscapes.

We aim to deliver market-leading solutions by leveraging our intellectual capital and digital platforms, we work closely with Global Wealth Management, Personal & Corporate Banking and Asset Management to bring the best of the Group's capabilities to our clients. We do so while being disciplined about risk, balance sheet deployment and costs.

Our business is regionally diversified, with a presence in more than 30 countries. We cover the main investment banking markets globally and have major financial hubs across four regions: the Americas; Asia Pacific; EMEA; and Switzerland.

Our business

The Investment Bank is composed of two business areas, Global Banking and Global Markets, both supported by Global Research. Our global coverage model utilizes our international industry expertise and product capabilities to meet clients' emerging needs.

Our Global Banking business area, which consists of Advisory and Global Capital Markets, offers a broad range of investment banking products and services to our clients. Global Banking advises clients on strategic business opportunities, such as mergers, acquisitions and related strategic matters, and helps them raise capital, in both public and private markets, to fund their activities. We position ourselves as trusted advisors via our client coverage and ability to provide access to the wider suite of UBS's capabilities. With teams located across the Americas, Asia Pacific, EMEA and Switzerland regions, our banking coverage offers clients local market expertise coupled with access to a global network. Global Banking primarily generates fee-based revenues from advisory, origination, deal execution, financing and underwriting services provided to clients.

Our Global Markets business helps clients engage with international financial markets, providing fast, innovative and bespoke access to solutions, from market and insight tools to trade strategies and execution. Our capabilities are grouped into three product verticals: Execution Services, Derivatives & Solutions and Financing. Global Markets enables clients to buy, sell and finance securities on capital markets worldwide and to manage their risks and liquidity. We distribute, trade, finance and clear cash equities and equity-linked products, as well as structuring, originating and distributing new equity and equity-linked issues. From origination and distribution to managing risk and providing liquidity in foreign exchange, rates, credit and precious metals, we help clients to realize their financial goals. We generate revenue from fees for trading services (e.g. execution, market making, clearing and providing liquidity) and interest on investment financing.

Our Global Research business delivers data-driven insights to clients across major financial markets and securities worldwide. With analysts based in more than 20 countries and coverage of over 3,800 stocks in 52 markets, we continue to strengthen our research capabilities. Our offering includes fundamental coverage across equities, economics and strategy, as well as market-leading data insights from Quant Research, Evidence Lab and HOLT, which are cornerstones of the UBS Investment Bank's data intelligence offering. UBS HOLT maintains a database of over 20,000 company profiles around the world, providing clients with seamless benchmarking, screening and scoring of companies, eliminating the need to sift through extensive global accounting data.

The Investment Bank also offers an array of sustainability-focused advice, products, research and events. We help meet clients' needs with respect to environmental, social and governance considerations and sustainable finance, helping to reshape business models and investment opportunities and to develop sustainable finance products and solutions. As sustainability priorities and other secular themes, such as AI, continue to shape investor preferences, corporate strategy and actions, we aim to deliver integrated advice that connects these evolving trends to equity stories, financing and investor engagement.

Our global reach presents a catalyst for continued and future profitable growth. In the Americas, the largest investment banking fee pool globally, we continue to focus on increasing market share in our core Global Banking and Global Markets businesses. In Asia Pacific, we plan to capture opportunities arising from expected market internationalization and growth in China and other markets and to strengthen our presence in the region. In EMEA and Switzerland, we plan to leverage our strong base and brand recognition to further gain market share.

Our priority is providing high-quality execution and seamless client service, through an integrated, solutions-led approach, with disciplined growth in the advisory and execution businesses, while accelerating our digital transformation. We seek to develop new products and solutions consistent with our capital-efficient business model, typically related to new technologies or changing market standards.

The Investment Bank strives to be the digital investment bank of the future, focused on delivering innovation-led solutions and efficiencies for our clients. Our digital strategy harnesses technology to provide access to sources of unique, global liquidity, personalized advice and differentiated content.

Our ambition to be the most client-focused, efficient and data-driven investment bank is being realized through the simplification of technology architecture, increased speed and quality of delivery and the attraction of best-in-class talent. As we look forward to the continued evolution of our digital capabilities, we will see increased adoption of technologies, such as generative AI, to scale efficiency and provide actionable insights into client portfolios.

› Refer to "We are investing in our technology to improve the client experience and enhance employee productivity" in the "Our Strategy" section of this report for more information

Our capabilities, core products and services enable us to deliver our strategy to an expanded institutional and corporate client base. In addition, we are well positioned to serve Global Wealth Management, offering investment banking capabilities, and to further enhance our connections with wealth management clients. Joint efforts between the Investment Bank and the other business divisions (for example, our work with Global Wealth Management through GWM Solutions coverage) and, externally, strategic partnerships (for example, UBS BB jointly with Banco do Brasil, focused on Latin America) continue to be key strategic priorities. Partnerships with Global Wealth Management and Asset Management enable us to provide clients with broad access to financing, global capital markets and portfolio solutions. We expect these initiatives to continue to lead to growth by delivering global products to each region, leveraging our global connectivity across borders and sharing and strengthening our best client relationships.

Competition

Competing firms operate in many of our markets, but our strategy differentiates us, with our focus on selective leadership in the areas where we have chosen to compete and a business model that leverages talent and technology rather than balance sheet. Our main competitors are major global investment banks, including Morgan Stanley, Goldman Sachs, Bank of America, Barclays, Citigroup, BNP Paribas, Deutsche Bank, Wells Fargo and JPMorgan Chase. In certain products and regions, we also compete with boutique investment banks and fintech firms.

2025 selected highlights

As of or for the year ended 31 December 2025

Record Global Markets revenues ¹	World's best FX liquidity provider <i>(Euromoney, 2025)</i>	Record M&A revenues ¹
The world's best bank for trading technology <i>(Euromoney, 2025)</i>	Asia's best investment bank & Asia's best bank for markets <i>(Euromoney, 2025)</i>	Record Equities revenues ¹

¹ Record since 2013.

Non-core and Legacy

The Non-core and Legacy division was formed at the end of the second quarter of 2023 to incorporate selected assets and liabilities originating from the former Credit Suisse businesses not aligned with our long-term strategic priorities or risk appetite, including associated financial and non-financial assets, operating expenses, and funding costs. A small part of the division was made up of positions from UBS's former Non-core and Legacy Portfolio and some other legacy UBS assets and liabilities that were assessed as non-strategic in the context of the acquisition of the Credit Suisse Group.

With the aim of exiting its positions over time, the division's portfolio included the following businesses from the former Credit Suisse Investment Bank:

- loans primarily related to corporate clients and emerging markets;
- the residual securitized products businesses;
- the macro trading business, including rates and foreign exchange;
- the legacy life-finance business;
- the equities portfolio, including the remaining equity swaps, share back-lending positions and legacy structured renewables-linked positions; and
- the residual credit business.

Since its inception, Non-core and Legacy has made strong progress in actively reducing its portfolio. In the final year of integration, we aim to continue to reduce Non-core and Legacy's operating costs, with a focus on infrastructure simplification. We also expect to continue to wind down some remaining positions to achieve further reductions in financial resource consumption. Incremental costs or losses may arise in connection with the reduction of such assets and liabilities.

› Refer to the "Integration of Credit Suisse" section of this report for more information

Group functions

Our Group functions are support and control functions that provide services to the Group, focusing on operational effectiveness, risk mitigation and efficiency. The major areas of these functions are Group Services and Group Treasury.

Group Services consists of Group Technology, Group Compliance and Operational Risk Control, Group Finance, Group Risk Control, Group Human Resources and Corporate Services, Group Corporate Communications and Group Brand & Marketing, Group Legal, the Group Integration Office, Group Sustainability and Impact, and the Chief Strategy Office. The vast majority of these support and control functions are fully aligned with, or deliver shared services to, the business divisions.

Group Treasury manages balance sheet structural risk (e.g. interest rate, structural foreign exchange and collateral risks), as well as the risks associated with our liquidity, capital and funding portfolios. Group Treasury serves all five business divisions, and its risk management is integrated into the Group risk governance framework.

Virtually all costs incurred by the Group functions are allocated to the business divisions, leaving a residual amount that we refer to as Group Items in our segment reporting in accordance with IFRS Accounting Standards. These include costs or revenues related to certain activities that are retained centrally, such as group hedging and own debt activities in Group Treasury, as they are not directly related to the business divisions, as well as certain other costs that are mainly related to deferred tax assets.

Most of our employees in the Group functions are employed by UBS Business Solutions AG. The costs of the Group functions employees in UBS Business Solutions AG are reflected as compensation expense in UBS Group reporting and as general and administrative expense in UBS AG reporting.

Our environment

Market environment

Global economic developments in 2025¹

The global economy remained resilient in 2025, with growth accelerating to 3.5% from 3.4% in 2024, supported by heavy investment in artificial intelligence (AI) and healthy demand from consumers across many of the world's regions and markets. Worries raised early in the year over the potential for a global trade conflict faded as the US and key trading partners agreed deals.

US gross domestic product (GDP) grew by 2.2%, moderating after above average growth in 2023 and 2024. Capital spending on AI accounted for about half of US growth for the year. US consumer spending continued to rise, backed by increasing real incomes, and in spite of signs of weakness in the labor market.

China's GDP grew by 5.0%, in line with the 5.0% growth recorded in 2024. This was despite weakness in the property market and consumer demand. New economic drivers, including investment in AI, advanced manufacturing and renewables, gained momentum.

The Eurozone's GDP growth picked up from 0.9% in 2024 to 1.5% in 2025, as the region benefited from an easing of monetary policy, the improving health of the banking system and rising demand for goods. Swiss GDP grew by 1.2%, slightly less than 1.4% recorded in 2024. While consumer spending was solid and the Swiss National Bank (the SNB) cut interest rates to zero, worries over trade relations with the US weighed on business confidence throughout most of the year, until a trade deal was agreed in November 2025.

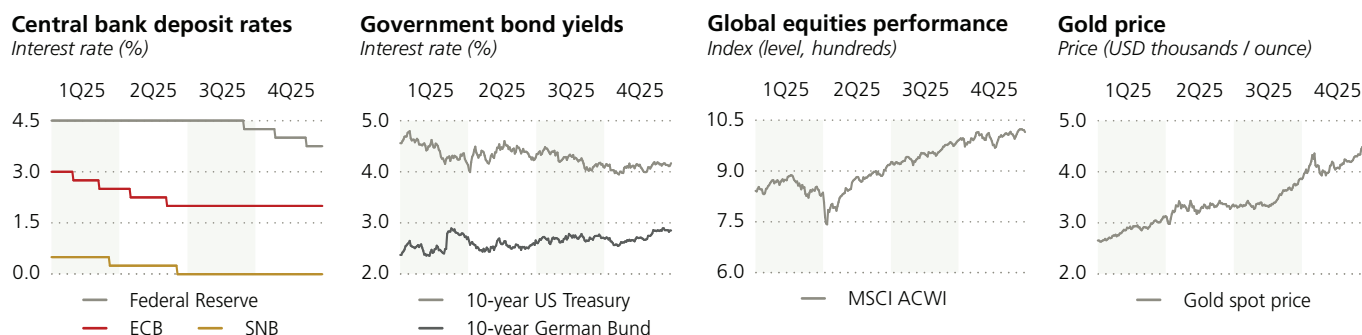
Inflation across most major economies continued to normalize. Consumer prices globally increased by 3.3% in 2025, compared with 5.7% in 2024. The ebbing of inflationary pressure enabled many large central banks to cut interest rates further. The European Central Bank (the ECB) lowered its deposit rate to 2.0%, down from 3.0% at the start of the year, as inflation for the Eurozone moved closer to its 2% target. US inflation remained above the Federal Reserve's 2% target, averaging 2.7% for the year. But slowing inflation (down from 3.0% in 2024) and a cooling labor market led the Federal Reserve to reduce interest rates in each of its last three policy meetings in 2025.

Amid interest rate cuts and solid economic growth, most major asset classes delivered strong gains in 2025 across regions. Global stocks (the MSCI All Country World index) delivered a third straight year of gains in excess of 20%. In the US, enthusiasm over the outlook for AI contributed to broader gains, with the S&P 500 index delivering a total return of 17.9%, while the equal-weighted S&P 500 index, which dilutes the impact of large technology stocks, gained 11.4%. In the Eurozone, the MSCI EMU index of stocks returned 24.7%, helped by expectations of a boost to demand after the German government approved a fiscal expansion. In Asia Pacific, the MSCI China index gained 30.7% and the MSCI Japan index 24.7%.

The US dollar index (DXY), which tracks the US dollar against six major peer currencies, decreased by 9.4%, its worst year since 2017. The depreciation of the US dollar was partly driven by the erosion of the US interest rate advantage over its peers, as the Federal Reserve resumed cutting interest rates later in the year after other large central banks were near or at the end of their easing cycles.

The combination of falling inflation and central bank interest rate reductions contributed to the best annual returns in global fixed income since 2020, based on Bloomberg's Global Bond Aggregate index. Finally, gold delivered a return of 63% in US-dollar terms, its largest gain since 1979, lifted by strong demand as many central banks diversified their reserves into gold, and strong investment demand supported the price.

Economic and market developments in 2025



Source: Bloomberg

Economic and market outlook for 2026¹

We expect the economic factors that supported global growth in 2025 to persist through 2026, including continued investment in AI and generally healthy consumer spending across major regions. Although most major central banks are unlikely to cut interest rates further, we expect low interest rates to persist throughout the year, providing an economic tailwind. Fiscal policy also appears set to stimulate growth in several leading economies, including the US, Germany and Japan. Geopolitical developments have the potential to raise risk premiums, and higher energy prices, if sustained, pose a potential downside risk to the outlook. While uncertainty is significant, our base case view is that energy prices will not stay high enough for long enough to materially weaken the global economy. Our base case projection is for only a slight slowing of global GDP growth in 2026, to a still healthy 3.3%.

We expect US GDP to grow by 2.6%, accelerating from 2.2% in 2025, with fiscal stimulus and the lagged effect of interest rate cuts offsetting the drag from a weaker labor market. Consumer demand should continue to be underpinned by solid salary growth and healthy household balance sheets among middle- and upper-income class groups.

For the Eurozone, we expect GDP growth of just over 1% in 2026, down from 1.5% in 2025. Consumer sentiment remains cautious, higher gas prices could present a headwind, and we expect growth in certain local markets, such as Spain, to decrease to more normal levels after strong growth in 2025. At the same time, we expect Germany's fiscal stimulus and infrastructure spending to provide a boost in 2026. A healthier banking system is now better able to support lending, and we expect an ongoing recovery in demand for goods, supporting the manufacturing sector in the Eurozone. We forecast Swiss GDP growth of 1.3%. Although US tariffs and a strong Swiss franc represent headwinds, growth should pick up in the second half of the year on the back of a rebound in the German economy.

We expect China to deliver GDP growth of 4.5%, with its five-year plan prioritizing technology innovation and industrial upgrades. The rivalry with the US has the potential to create headwinds, but China's ongoing focus on domestic upgrades and supply-chain diversification is expected to help support economic stability, despite external uncertainty.

Regarding inflation, provided energy price rises are not sustained, we expect the global average to slow further to 2.9% in 2026. In the Eurozone, inflation could fall below the central bank's target, to average 1.8%, based on our forecasts. We see consumer prices in Switzerland rising by just 0.3%, after 0.2% in 2025, at the bottom end of the SNB's target rate of between 0% and 2%. However, after interest rate cuts in 2024 and 2025, we are not forecasting further easing from either the ECB or the SNB, although the SNB has signaled its willingness to intervene in currency markets in case of excess Swiss franc strength. We expect prices to rise by 2.7% in the US, reflecting an unchanged inflation rate from 2025. Although this is above the Federal Reserve's goal, we expect the US central bank to respond to a subdued labor market by cutting rates twice in 2026.

A combination of a decent economic backdrop and continued optimism about the potential of AI to boost earnings should lead to another year of gains for global stocks, in our view, albeit with likely volatility driven by concerns about geopolitical developments, AI competition and credit risk. We expect earnings per share growth for the MSCI All Country World index of almost 12% in 2026 to support market upside, despite historically elevated valuations. We also expect another positive year for fixed income, given solid headline yields and the potential for major benchmark yields to fall should inflation slow and central bank rates remain low.

¹ Based on the following sources: Haver Analytics, CEIC Data, Office for National Statistics (UK) and UBS.

Industry trends

Technological transformation, product innovation and evolving client expectations continue to emerge as key drivers of change today, increasingly affecting the competitive landscape, as well as our offering, service models and operations. In parallel, the state of our industry continues to be materially driven by regulatory, financial, macroeconomic and geopolitical dynamics.

Emerging technologies

The continuous adoption of emerging technologies is accelerating and transforming our industry. Artificial intelligence (AI) remains a key driver in enhancing client service and employee efficiency, enabling new business opportunities, and transforming business models.

Generative AI is expanding AI's reach across organizations, leading to new use cases and driving productivity. Agentic AI is gaining traction, creating the potential to reduce cognitive load and unlock speed, scale and hyper-personalization by enabling systems to act autonomously toward defined objectives. As these emerging technologies advance, so does the associated risk landscape, making robust AI governance, risk control and data protection critical.

Across the industry, the focus is on responsible adoption of AI, ensuring robust risk and regulatory compliance, as well as ethical and sustainability requirements. High-quality, well-governed data remains a fundamental requirement for the safe and effective use of AI, ensuring that advanced models are trained on accurate, trusted information and can operate reliably at scale. Although AI is a powerful tool, it cannot perform without human interaction. Banks must foster environments where humans and AI work together, attract top engineering talent and invest in their workforce.

Digital assets and distributed ledger technology are driving a structural transformation across financial markets, gradually reshaping how money is issued, assets are settled and trust is established. This shift has the potential to unlock meaningful economic gains: near-instant settlement reduces counterparty and reconciliation risk; tokenization improves collateral mobility, real-time valuation and balance sheet efficiency; programmability embeds business rules directly into assets; and digital rails expand global reach.

As a global player, UBS is investing in emerging technologies to enhance the client and employee experience, while maintaining its high standards of security and compliance.

› Refer to the "Our strategy" section of this report for more information about our technology strategy

Generative AI in wealth management

AI has the potential to transform the entire wealth management value chain, from internal process efficiencies to how we interact with our clients. We believe generative AI will continue to empower advisors to deliver more personalized advice and efficient solutions.¹ The most compelling opportunities lie in tools to support client acquisition, onboarding, servicing and advising our clients, as well as in internal support functions. For example, in client prospecting, early adopters of generative AI have reported substantial benefits, multiplying their leads and doubling conversion rates.²

At UBS, we enable clients and advisors to harness the power of AI through a robust operational backbone designed to deploy and scale AI capabilities across our Global Wealth Management business.

Sustainable finance

In 2025, sustainability-oriented public market investment funds and exchange-traded funds recorded a new high of USD 3.9trn³ as of the end of December 2025, supported by strong market performance over the course of the year. Europe remains by far the largest market with an 86% market share. Sustainability-oriented funds accounted for 12% of all global private markets fundraising in 2025, reaching final-close size of USD 167bn and exceeding that of 2024.⁴ Demand was highest for energy-transition-related infrastructure funds. Multiple industry surveys⁵ conducted throughout the year consistently confirmed sustained investor interest and a commitment to sustainable investing. In the global financing markets, the total issuance volumes of sustainable bonds grew 5% year on year (USD 849bn in 2025⁶). Green bond issuance continued to dominate, accounting for 59% of total sustainable finance bond issuance in 2025.⁶ A new label, the European Green Bond, debuted in the labeled market last year.

Finance has an important role to play as companies and individuals consider how best to approach the global economy's transition to a more sustainable world. Banks and investment managers can support this transition by effectively and efficiently allocating capital and helping to mobilize investment and financing.

Sustainable finance and our commercial sustainability related product and services offering are a central part of our firm-wide sustainability and impact strategy. Our business divisions are continuing to further develop the firm's sustainable finance capabilities in line with evolving client priorities. We support our corporate, institutional and private clients in managing the risks and capturing the opportunities presented by the transition to a low-carbon economy.

- › Refer to the **UBS Group Sustainability Report 2025**, available under "Annual reporting" at ubs.com/investors, for more information about sustainability matters
- › Refer to "Regulatory trends" in the "Regulation and supervision" section of this report for more information about regulatory policy trends in sustainable finance
- › Refer to the "Regulatory and legal developments" section of this report for more information about developments related to environmental, social and governance matters

Client expectations

Technological advancements continue to reshape client expectations toward banks. Clients increasingly expect tailored, seamless, on-time solutions, while trade tensions and policy uncertainty have increased demand for cross-border capabilities. Convenience and smooth user experience and interfaces are essential. We expect the growing adoption of AI and digital assets to expedite this change in expectations: the financial services sector needs to continue evolving, as clients measure us against new benchmarks.

Recent geopolitical, macroeconomic and societal shifts have re-emphasized values such as security, trust and stability, as well as the need to have a credible plan toward a sustainable future, leading to an increased focus on investment, financing and advisory products and services that fit clients' own sustainability preferences and ambitions.

Consolidation

The financial services sector is still highly fragmented. We expect further consolidation, with the key drivers being ongoing margin pressure, a push for cost efficiencies and increasing scale advantages resulting from technology costs and regulatory requirements. Participants in the financial services sector continue to seek increased exposure and access to regions with attractive growth profiles, such as Asia and other emerging markets, through local acquisitions or partnerships, as well as acquiring new capabilities addressing changes in market dynamics and overall client demands. The increased focus on core capabilities and geographical footprint, as well as the ongoing simplification of business models to reduce operational and compliance risks, is likely to drive further disposals of non-core businesses and assets across the industry. While banks already face increasing challenges from digitalization needs and intensified competition, uncertain macroeconomic and geopolitical conditions across major economies might create further pressure.

New competitors

Our competitive environment is evolving. In addition to traditional competitors in the asset-gathering businesses, new entrants are targeting selected parts of the value chain, taking advantage of modern technologies without legacy limitations and a lighter regulatory burden to challenge traditional banks' operating models. In addition, we observe traditional players pursuing partnerships or inorganic opportunities with emerging competitors, including fintech firms and non-bank financial institutions, to acquire technology capabilities or accelerate client acquisition.

Over the long term, we believe emerging and established technology companies may also pose a threat to financial services firms, given their strong client franchises and access to client data, if they decide to broaden the scope of their services. While fintech firms continue to gain momentum, we do not expect a material disruption to our asset-gathering businesses as long as we innovate. In addition, their long-term success will also depend on their ability to navigate our regulatory landscape, build customer trust and maintain innovation. New competitors are not emerging in isolation; their rise is closely intertwined with shifting client expectations and the advancing application of new technologies, such as AI and digital assets. These forces are simultaneously reinforcing one another, accelerating the pace of change across the industry. As competition intensifies, the way value is delivered and perceived is being reshaped, and we need to adapt accordingly.

Growth of private markets

Over the past decade, private-market products have gradually evolved from niche alternatives, accessible only to institutional investors and ultra high net worth individuals (UHNWIs), to reach a broader investor base. In 2025, this trend accelerated, with high net worth individuals (HNWIs), affluent and retail clients, and retirement plan investors entering the private market space or increasing their allocation, supported by regulatory changes reducing minimum investments and improving liquidity. Novel fund structures offering continuous access, coupled with greater performance transparency, enable investors to break down the silos between public and private markets, in favor of a total-portfolio approach that blends public- and private-market assets in a single fund or model portfolio. In this context, we observe private-market asset managers increasingly partnering with traditional asset managers and banks to jointly develop and distribute new products specifically targeted at non-institutional investors. At the same time, this expansion also requires an understanding, assessment and management of relevant risks, as private assets typically involve lower liquidity and higher valuation complexity compared with public securities. As client demand for private assets expands over time, banks' ability to thrive will depend on their ability to navigate the operational, regulatory and advisory complexities of private markets.

We are well positioned to serve client needs in this space. For example, we brought together our manager selection franchises across Asset Management and Global Wealth Management, creating our Unified Global Alternatives business, one of the leading limited partners globally. In addition, we entered into a strategic partnership with General Atlantic Credit to enhance clients' and borrowers' access to a broader set of direct lending and other credit products.

Wealth development

General overview of wealth development⁷

Personal financial assets, which include cash, deposits, securities, investment fund units, life insurance policies and retirement plan capital awards, continued to grow, by around 7% in 2025, to an estimated USD 269trn as of the end of 2025. Absolute gains were especially strong in Asia Pacific, where personal financial assets grew by USD 8trn, or 9%, followed by North America, with a growth of USD 6trn, or 6%. EMEA saw growth of USD 3trn, or 5%. Looking ahead, North America is projected to lead the expansion of personal financial wealth, with an expected growth rate of 7% per annum until 2030, followed by Asia Pacific (6%) and EMEA (5%). On average, global personal financial assets are expected to grow at 6% per year until 2030.

North America remains the largest personal financial wealth pool (with 42% of global personal financial wealth), followed by Asia Pacific (35%) and EMEA (21%).

Looking at our invested assets as of the end of 2025, about half were booked in the Americas (48%), with the remaining half split between EMEA (34%) and Asia Pacific (17%).

Wealth segment view⁷

Personal financial asset growth across the HNWI and UHNWI segments in 2025 was between 7.4% (for individuals with personal financial assets between USD 1m and USD 5m) and 8.8% (for the UHNWI client segment, i.e. individuals with personal financial assets in excess of USD 30m).

The client segment with personal financial assets between USD 1m and USD 5m continues to be the largest HNWI segment, with USD 59trn, or 68% of global HNWI personal financial assets, with the remainder of such assets (i.e. USD 27trn, or 32%) with clients whose assets are between USD 5m and USD 30m.

Expected growth of personal financial assets across the HNWI and UHNWI segments is very similar, with around 7% per year until 2030. Looking ahead, we are building on our strong position in the UHNWI segment, while actively capturing growth opportunities in the HNWI segment.

Wealth transfer

We expect a total global wealth transfer of over USD 83trn within the next 20 to 25 years, of which over USD 74trn will be between generations. More than USD 50trn in wealth transfers is expected in the Americas, followed by roughly USD 20trn in EMEA and USD 10trn in Asia Pacific.⁸ Recent surveys indicate that over 80% of next-generation HNWIs plan to change financial advisors within one to two years of receiving an inheritance. The primary reasons cited for this shift are insufficient digital service offerings (46% of respondents) and limited access to alternative investments (33%).⁹ These findings highlight the importance of wealth managers engaging early with the next generation and proactively addressing evolving client needs throughout the intergenerational wealth transfer process. UBS has a comprehensive global offering from family advisory through business succession and wealth planning to philanthropy, addressing all aspects of the client situation and catering for a wide range of client and family needs related to succession. In addition, we renewed our long-standing partnership with the Young Investors Organization, the industry's first and largest community of ultra high net worth peers (1,900+ members from 75+ countries), offering tailor-made digital and in-person programs to develop members' skills and give access to top leaders from business, government and academia.

Female investors¹⁰

The global wealth management industry is seeing a significant shift as women increasingly accumulate and control greater proportions of wealth. This trend is driven by rising female participation in the workforce, entrepreneurship and intergenerational wealth transfers. In 2025, there were 374 female billionaires, with their average wealth increasing by 8% to USD 5.2bn from 2024 to 2025, primarily driven by inheritance. From a wealth perspective, female billionaires have grown their combined assets to USD 1.9trn.

We have had a dedicated advisory approach tailored to the needs and goals of female investors since 2017. We have developed the Women's Wealth Academy to help women acquire or deepen their financial know-how. In its fourth year, the UBS Female Founder Project continued to address the female funding gap and help early-stage women entrepreneurs build networks and investor readiness, supporting 212 female founders across 26 countries in 2025. UBS was named as the Best Private Bank for Wealthy Women at the *PWM / The Banker* awards in 2025.

Entrepreneurs

Self-made entrepreneurs are a growing client group within the UHNWI segment. Our Global Entrepreneur 2025 survey found that 55% of entrepreneurs consider expert guidance from their wealth advisor to be essential when selling or exiting their business.¹¹ We are committed to supporting entrepreneurs through dedicated community platforms and strategic partnerships, giving them direct access to valuable partners and resources. Additionally, we elevated our thought leadership efforts in 2025 by publishing our first Global Entrepreneur Report, which provides fresh insights into how the world's top entrepreneurs manage their private wealth.

We offer entrepreneurs exclusive access to our Growth Entrepreneur Network and our Industry Leader Network, facilitating meaningful connections among peers and industry veterans.

Trends in the asset management industry

The asset management industry maintained strong momentum in 2025, partly supported by a constructive macro-economic environment. Industry trends remain intact: clients continue to seek passive and alternative asset classes, with growth in alternatives increasingly skewed toward the largest players and exchange-traded funds (ETFs) that continue to deliver record net new money growth. Structural headwinds around asset managers' profit pools remain, as a result of rising cost pressure coupled with continued margin compression, forcing asset managers to rethink their operating model and to increasingly leverage technology and AI as differentiators. These continued structural dynamics and disruptors point to signs of accelerating consolidation across the industry.

Passive investing continues to gain share^{12,13}

Passive investing continued to be important for clients, reinforced by fee sensitivity, the continued rise of model portfolios and the growing client preference for transparent building blocks. As passive investing expands, differentiation increasingly shifts away from "product only" toward portfolio design, outcomes (income, real assets, and downside management) and advice-enabled solutions.

We have a long history of successfully managing indexed and rules-driven strategies across asset classes. Our flexible investment platform enables us to create customized solutions to meet clients' objectives.

ETFs are evolving into a primary distribution format^{12,14}

ETFs have extended their role from low-cost index access to a mainstream wrapper for outcomes, targeted exposures (e.g. market factors, sectors or asset classes) and, increasingly, active management. Multiple market trackers and industry commentaries pointed to record-setting ETF inflows in 2025 and continued expansion in both the equity and fixed-income categories.

Active ETFs have moved further into the center of the competitive landscape, supported by an increase in product launches and the adoption of ETFs within advisory channels and model portfolios.

We launched the UBS Core ETFs range in the first half of 2025, enabling investors to build cost-efficient, high-quality foundations portfolios, as well as our first active ETFs.

¹ AI@GWM, internal communication by Global Wealth Management.

² BCG's Global Wealth Report 2025.

³ Morningstar.

⁴ Preqin.

⁵ KPMG, BPN, Morgan Stanley, Bloomberg, UBS.

⁶ LSEG.

⁷ McKinsey Global Wealth Pools.

⁸ UBS Global Wealth Report 2025.

⁹ Capgemini Research Institute – World Report Series 2025: Wealth Management.

¹⁰ UBS Billionaire Ambitions Report 2025.

¹¹ UBS Global Entrepreneur Report 2025.

¹² BCG Global Asset Management Report 2025.

¹³ Investment Company Factbook 2025.

¹⁴ ETF book 2025.

Our stakeholders

Clients

Our clients are at the heart of our business. We are committed to providing excellent client service and building and sustaining long-term relationships based on mutual trust, integrity and respect. Understanding our clients' needs and expectations enables us to best serve their interests and to create value for them.

Our clients and what matters most to them

In Global Wealth Management, we are focused on serving the needs of both high net worth and ultra high net worth individuals and selected institutional clients around the world through trusted relationships with our advisors and financial intermediaries. Our distinctive approach to wealth management, with cross-divisional offerings, a broad array of solutions and our global network, is underpinned by guidance from our Chief Investment Office. During 2025, the rapidly changing market, influenced by global geopolitical shifts, the macroeconomic landscape and artificial intelligence (AI)-driven transformation, prompted changes in our clients' needs. Our focus on offering tailored advice, expertise and solutions helped our clients navigate this uncertainty and was bolstered by key developments within our business. This included a number of targeted investments in our Americas wealth management business, designed to enhance our multi-disciplinary coverage model for ultra high net worth clients and strengthen how we deliver for high net worth and core affluent clients. With trillions of US dollars of wealth expected to be passed from one generation to the next and client migration trends spanning the next two decades, we have also expanded our Strategic Clients unit to include a Global Connectivity mandate that focuses on enabling multi-jurisdictional access, partnering with clients to transfer wealth across generations and leveraging our global network to connect clients seamlessly across markets.

Personal & Corporate Banking serves more than one-third of Swiss households and around 200,000 corporate clients. We are the leading universal bank in Switzerland, supporting our clients via our credit offering and global capabilities and footprint. We are leveraging the strength of the merged Swiss businesses to broaden our services and to promote innovation to our clients.

In Asset Management, we manage relationships with institutional clients (including sovereign institutions, central banks, pension funds and insurers), wholesale intermediaries and Global Wealth Management and its clients. By building long-term, personalized relationships with our clients, we aim to earn their trust and understand their needs. In 2025, their key concerns centered around geopolitical risk and the need for diversification across asset classes and geographies, as well as a continued search for yield. Our global scale and the breadth of our investment offering – from traditional to alternatives, from active to passive – mean we can build the right solutions to meet our clients' detailed needs.

The Investment Bank provides corporate, institutional, financial sponsor and Global Wealth Management clients with expert advice, financial solutions, execution and access to the world's capital markets. Our business model is specifically built around our clients and their needs, and to facilitate increased connectivity with our wealth management franchise.

Engaging with our clients

Our clients' preferred communication channels continually evolve, and we strive to engage with them in the most convenient way. We use a variety of channels, in particular digital channels and regular client relationship and service meetings, as well as various corporate road shows and dedicated events, with a mix of hybrid and in-person events.

Global Wealth Management engages with clients through a broad range of forums and channels, from personalized private briefings with subject matter experts to segment-specific virtual and in-person events and large-scale initiatives. Through marketing and media campaigns, events, advertising, publications and digital-only solutions, we helped to drive a greater awareness of the firm among prospective clients and reinforced trust-based relationships between advisors and clients. We have continued to deliver capabilities to clients, for example through digitally enabled e-banking and advisory tools, while also bringing the best of UBS to our clients via units such as Unified Global Alternatives, Unified Global Banking and Unified Global Markets. We have also continued to leverage AI to positively impact our business and serve our clients more efficiently. Examples include *STAAT Insights*, which assisted our US financial advisors in their client interactions through the delivery of over 20 million insights in 2025, and our AI-powered chatbots, available across regions. We believe AI will continue to enable more personalized advice and solutions more quickly, ensuring a more efficient experience for our clients around the globe. It does not replace trust or human interaction, which are the cornerstones of our business.

Personal & Corporate Banking engages with clients via various means of communication, including regular client events (leveraging a number of formats, such as webcasts and in-person, virtual or hybrid events), as well as sustaining many events formerly led by Credit Suisse. In 2025, we further enhanced our digital engagement strategies to reach more clients and strengthen relationships with existing ones. We utilize various channels, including social media, online displays, search engines and helplines, as well as our branch network.

In Asset Management, we use various channels to bring our clients the ideas, understanding and clarity to support their investment decisions. Our regular investor publications provide thematic perspectives and actionable insights, supplemented by our global program of events, which includes our annual *The Red Thread* market outlook road show in key international locations, as well as our flagship *UBS Reserve Management Seminar (RMS)* in Switzerland and *Sovereign Investment Circle* in Singapore. These events bring together institutional investors to debate relevant topics and share best practices, while the annual *RMS* survey provides an authoritative insight into central bank, sovereign and investor sentiment and trends. We also continued to host a broad range of hybrid and online events to help our clients better understand market challenges and opportunities, as well as our ongoing engagement through our social media and digital platforms.

The Investment Bank hosted more than 240 conferences globally in 2025, providing clients with access to corporations, experts, research and capital introductions. The events covered a diverse range of topics, including macroeconomic, geopolitical, technology and AI, and sector- and region-specific themes, in addition to regulatory, product and market trends. More than 50,000 clients took part in such events over the year. We leverage our intellectual capital and relationships and use our execution capabilities, differentiated research content, bespoke solutions, client franchise model and global platform to expand coverage across a broad set of clients. *UBS Live Desk*, built within the *UBS Neo* platform, provides clients with a stream of fast-paced commentary from UBS traders. The *UBS Analytical Research Community (UBS-ARC)* is a proprietary, interconnected research network of industry leaders, subject matter specialists, executives, academics and analysts in the Americas region.

Investors

We aim to drive sustainable, long-term value creation for our investors by executing on our strategy, growth and integration plans, while maintaining risk and cost discipline, and delivering attractive shareholder returns through the cycle.

Investor base

Our investor base is well diversified. A substantial proportion of our institutional shareholders are based in the US, the UK and Switzerland.

› Refer to the “Corporate governance” section of this report for more information about disclosed shareholdings

Our Investor Relations function is the primary point of contact between the firm and our investors

Our senior management and the Investor Relations function regularly interact with institutional investors, financial analysts, credit rating agencies and other market participants. Clear, transparent and relevant disclosures, supported by regular direct interactions with existing and prospective investors, form the basis for our communications. The Investor Relations function regularly relays the views and feedback on UBS from institutional investors and other market participants to our senior management.

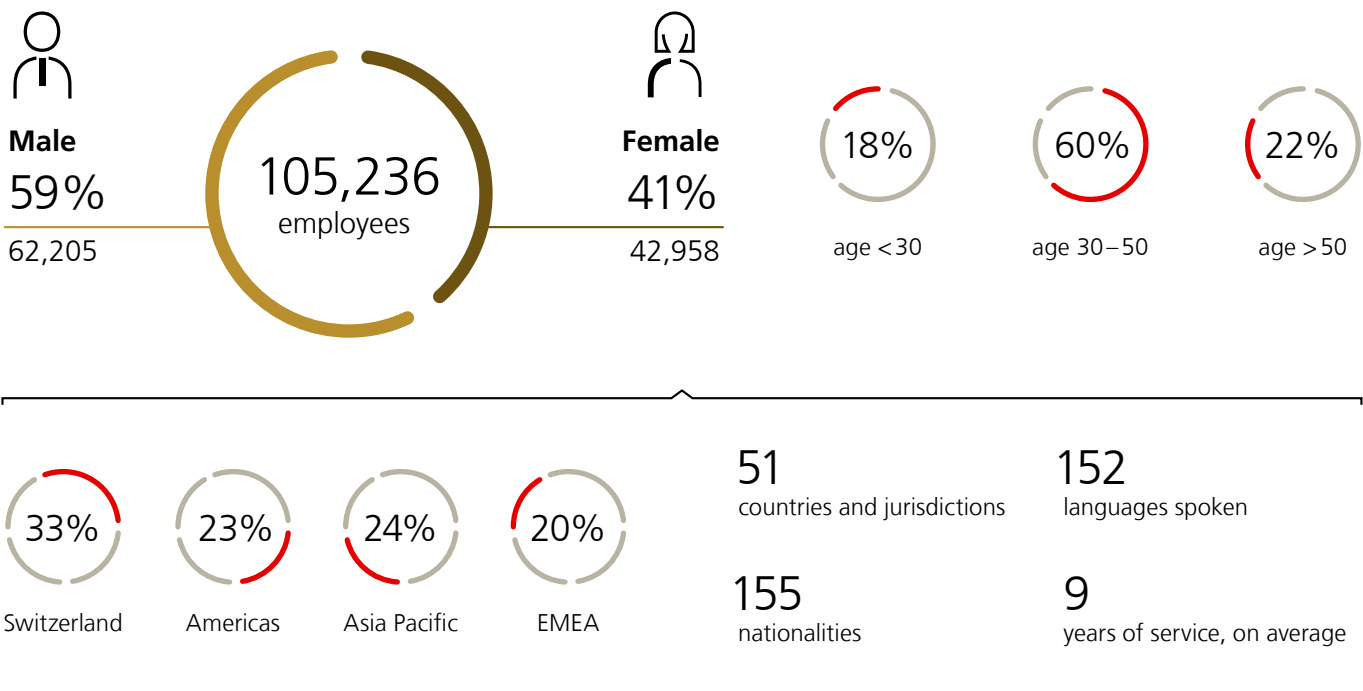
The Investor Relations and Corporate Responsibility functions work together and interact with investors interested in sustainability topics relevant to UBS and the wider society.

- › Refer to the first part of the “Corporate governance” section of this report and “Information policy” in that section for more information
- › Refer to the UBS Group Sustainability Report 2025, available under “Annual reporting” at ubs.com/investors, for more information

Employees

We seek to be a world-class employer for talented individuals across all our markets and a place where people can unlock their full potential. We therefore invest in measures to strengthen our culture and to provide a framework for employee growth and well-being as part of our overarching people-management approach.

Our workforce in a nutshell



The infographic above shows that on 31 December 2025 UBS had 105,236 employees by headcount (internal personnel). On that date, 62,205 or 59% of our employee workforce were male and 42,958 or 41% female, 18% under the age of 30, 60% aged between 30 and 50, and 22% over 50. Switzerland was where 33% of our workforce were located, with 23% in the Americas, 24% in Asia Pacific and 20% in EMEA. Our employees come from 51 countries and jurisdictions, hold 155 nationalities, speak 152 languages, and have an average of 9 years of service. All data was calculated as of 31 December 2025 on a headcount basis of 105,236 internal employees only (103,177 FTE). The number of external staff as of 31 December 2025 was approximately 16,412 (workforce count). All quantitative headcount-related disclosures include all UBS employees except the employees in the Savoy Hotel Baur en Ville AG, Ausbildungszentrum Schloss Wolfsberg AG, Fides and Card Center subsidiaries. Gender data is self-reported in HR systems and does not include those who have chosen not to disclose as a male or female employee. Therefore, gender-specific numbers do not match the overall total.

The three keys and our corporate culture

Our culture, grounded in our three keys to success (our Pillars, Principles and Behaviors), guides how we work together, supports our business decisions and steers our people management approach.

Following the acquisition of the Credit Suisse Group in 2023, we continued to embed our culture across our combined organization in 2025, to ensure it fully reflects our values and supports our strategy. Our cultural integration efforts were guided by a dedicated Culture Integration Forum, which was instrumental in steering the firm’s cultural alignment; the Corporate Culture and Responsibility Committee of the Board of Directors maintained oversight by reviewing and monitoring activities across the Group related to corporate culture.

Our three keys to success were amplified through initiatives such as our global peer-to-peer recognition program, *Kudos*, and through our *One UBS* referrals and ideas program, formerly known as our *Group Franchise Awards*. The *One UBS* program rewards cross-divisional business collaboration and recognizes employees for sharing innovation or simplification ideas. Additionally, internal culture ambassadors played an active role in embedding our culture across the firm.

Throughout the year, global training programs, such as *Crafting our Future*, which was a series of interactive in-person sessions sponsored by the Group Executive Board (the GEB), helped align managers at all levels of the organization around our strategy and culture and equip them to contribute to our future growth.

- Refer to ubs.com/global/en/our-firm/our-culture.html for details about our three keys to success
- Refer to the UBS Group Sustainability Report 2025, available under “Annual reporting” at ubs.com/investors, for more information

Hiring, developing and retaining talent

We hired a total of 8,024 external candidates, including graduates and apprentices, across the Group in 2025. We actively promote multi-year apprenticeship programs in Switzerland and the UK, along with summer internship programs in the US, EMEA, Asia Pacific and Switzerland. A total of 2,117 junior talents joined one of our various firm-wide internship, graduate and apprenticeship programs.

› Refer to ubs.com/global/en/careers/awards.html for employer ratings and recognitions

Personnel by region

		As of		% change from
		31.12.25	31.12.24	31.12.23
<i>Full-time equivalents</i>				
Americas		24,016	26,360	27,638
of which: US		22,353	24,651	26,024
Asia Pacific		25,660	26,179	27,638
Europe, Middle East and Africa (excluding Switzerland)		20,285	21,927	22,686
of which: UK		7,889	8,685	8,970
of which: rest of Europe (excluding Switzerland)		11,826	12,656	13,085
of which: Middle East and Africa		570	586	631
Switzerland		33,216	34,182	34,880
Total		103,177	108,648	112,842

Talent management and development

In 2025, 59.4% (2024: 52.6%) of all eligible roles were filled by internal candidates, reflecting our strong culture of internal mobility and commitment to employee development. We launched the *UBS My Career* talent hub in 2025 to connect employees with internal jobs, mentoring, rotations and learning opportunities and to facilitate targeted talent management. Line managers are expected to play an active role in supporting both individual development and internal career progression.

Our Group-wide talent offering is supplemented by programs in the business divisions, functions, and regions. Their aim is to create a culture of cross-divisional and international mobility, developing versatile leaders at all levels of the organization. Central to this approach is an annual talent and succession review to identify future leaders, ensure business continuity and proactively manage employee development.

Internal training is delivered via our *UBS University* platform. Our offering includes client advisor certification and regulatory, business and line manager training, along with modules on culture, sustainable finance, artificial intelligence (AI), data literacy, language learning, well-being and other topics. In addition to internal training, we continued our partnership with a leading external provider in 2025 to offer employees access to thousands of additional learning opportunities. In 2025, permanent employees completed more than 2.9 million learning activities (including mandatory training), equating to an average of 22.9 training hours per employee.

Performance management

Our performance management approach (*MyImpact*) reflects our strategy and supports our high-performance culture. Performance and behavior objectives help the firm assess both what an employee accomplishes and how our *Behaviors* (accountability with integrity, collaboration and innovation) are demonstrated. Regular check-ins, along with an embedded feedback tool, enable employees to give and receive real-time feedback throughout the year, supporting continuous improvement. Although each line manager retains the decision and ownership of the performance review, they are supported by AI-enabled tools, including a summarization of the employee's feedback, to support more holistic and complete evaluations.

Fair and equitable pay

We pay for performance, and we take pay equity seriously. Across all our locations, we apply the same fair pay standards, reinforced by annual reviews of our approach and policies in line with established equal pay methodologies. In 2025, our statistical pay gap analyses reaffirmed that pay differences between male and female employees in similar roles across our core financial hubs remained below 1%, a difference consistent with that for 2024. If we find any gaps not explained by business or by appropriate employee factors, such as role, responsibility, experience, performance or location, we look at the root causes and address them.

We also aim to ensure that all employees are paid at least a living wage. We regularly assess employees' salaries against local living wages, using benchmarks defined by the Fair Wage Network. Our latest review showed that all employees' salaries were at or above the respective benchmarks.

› Refer to the "Compensation" section of this report for more information

Workforce inclusion

We are committed to being an inclusive workplace based on meritocracy, and we aim to build a culture of belonging where all employees are recognized and valued, and where everyone can be successful and thrive.

Our strategy is built on four pillars: inclusive leadership, hiring, development and belonging. We leverage all four to support our workforce and create an inclusive culture for everyone.

Our governance framework enables leaders and employees to deliver the strategy and play a part in delivering an inclusive environment. This guiding principle starts with the oversight and commitment of the GEB and is implemented by leaders across the firm. In every location in which we operate, we continue to act in accordance with the current law and regulations and will monitor any changes to ensure we remain consistent.

This strategy is reinforced by our public commitments to support all employees, including, but not limited to, the UN Women's Empowerment Principles, the Valuable 500 and the Race at Work Charter (in the UK). Of particular note is our commitment to the Valuable 500, a global business collective of CEOs and their companies focused on advancing disability inclusion that we have partnered with since 2021.

A sense of belonging drives employee engagement and is vital for both individual and organizational well-being. Acting as an engine for engagement and belonging, our employee network chapters around the world connect employees on a variety of topics. These communities, which are open to everyone, come together to celebrate all cultures, educate and raise awareness, offer peer support, allyship, and networking opportunities, and help ensure the firm's sustainable growth by further strengthening our inclusive culture.

› Refer to the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, and refer to ubs.com/inclusion for more information about inclusion topics and status

Employee engagement and support

Our multi-faceted employee listening strategy, including short pulse surveys, employee life-cycle surveys and focus groups on topics such as strategic alignment, work environment, AI and well-being, enabled us to gather insights from all the business divisions. Our Group-wide employee survey, conducted in September 2025, assessed organizational-health indicators, such as line manager effectiveness, employee engagement, empowerment and culture. The response rate was 81%, with an engagement score of 81% and an empowerment score of 87%. These results exceeded industry benchmarks¹ and reaffirmed our commitment to remaining an employer of choice in the financial services sector.

Our benefits offering, which supports employees through every stage of life, is aligned with local markets and often exceeds legal requirements. Employee assistance programs and internal teams help employees and their family members manage personal or work-related issues that may affect their well-being. In addition, we promote employee health and well-being through a range of programs, benefits and workplace resources, along with specialized e-learning curriculums. In 2025, employees in every region participated in community volunteering activities, mental and physical health initiatives, and financial education events. In addition to mentorships and peer-led sessions, we deepened our commitment to the [#WorkingWithCancer](#) pledge in 2025 by supporting a time off for screening initiative for employees.

In 2025, most employees were eligible to work partially from home, depending on their role, regulatory restrictions and location, along with divisional or functional requirements. Such arrangements, along with options such as part-time schedules, flexible hours, job sharing and partial retirement, support employee engagement and retention and help us attract a wider range of talent.

› Refer to the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, for more information about our workforce, our people management approach and relevant data

¹ Benchmarks provided by Ipsos Karian and Box as of the third quarter of 2025.

Society

UBS aims to support an economy that prioritizes the well-being of people and planet. Through the UBS Optimus network of foundations (the UBS Optimus Foundation), and in partnership with philanthropists, employees, implementation organizations and institutional partners, we work to deliver systemic and catalytic impact for marginalized communities globally and locally, with a focus on children and young people. The UBS Optimus Foundation is a global network of separately organized and regulated, tax-exempt, charitable organizations, founded and managed by UBS, that make grants and other financial contributions to implementing partner organizations aligned with their values and objectives.

In addition to mobilizing our clients' resources to advance the missions of our portfolio of partners, we also seek to ensure both the firm and employees are engaged in our Social Impact strategy. We do this mainly through charitable contributions and employee volunteering.

In 2021, UBS set two goals: (i) mobilizing USD 1bn in philanthropic capital, which was achieved, ahead of schedule, in 2024; and (ii) reaching more than 26.5 million people by the end of 2025 (cumulative since 2021), which had been exceeded by the end of 2025.

We know that working together is key to achieving these targets. We want to go beyond these outputs to create systemic impact. That is why, in addition to providing insights, advice and execution services to clients and prospective clients, we have increased our efforts in the areas of blended finance, collaborative philanthropy and impact transparency.¹

In blended finance, we continue to facilitate opportunities and partnerships that leverage public and private capital in innovative ways.

In collaborative philanthropy, we have brought together clients and partners on joint initiatives addressing global challenges, most recently through the Resilio Fund, a bold initiative designed to strengthen the resilience of communities responding to humanitarian crises. This fund backs what local NGOs and community groups are already doing to help themselves by financing local mutual aid, scaling community services and supporting a faster, more accountable response to crises. We have also continued our collaboration with the Lemann Foundation, supporting efforts to improve public education outcomes across Latin America through an ecosystem approach involving local organizations, research institutions and public-sector partners.

On impact transparency, our impact rating tool, which was introduced in 2024 and rates all grants and investments with regard to intentionality, additionality and measurability, is now being deployed across all grants and investments. In collaboration with Impact Frontiers, we have published the first results of this experience and are working to apply artificial-intelligence-based algorithms to help our teams complete the tool more efficiently and enhancing impact monitoring for swifter reporting and decision-making.

Our clients and partners are invited to be part of our impact ecosystem by supporting and engaging in various collaborative initiatives and approaches.

The UBS Optimus Foundation

In 2025, the UBS Optimus Foundation raised USD 472m in donations (2024: USD 366m, both figures include UBS matching contributions). The 2025 amount exceeded the ambition of reaching by 2027 USD 400m in donations each year (including matching contributions). Going forward, the foundation aims to continue to raise a similar amount each year. In 2025, the UBS Optimus Foundation committed USD 461m (2024: USD 310m) in grants from the foundations.²

Investing for impact

In 2025, the UBS Optimus Foundation focused on strengthening its existing portfolio by mobilizing funding from clients, so investees can achieve meaningful results. In addition, the foundation celebrated the successful final closing of the SDG Outcomes Fund and advanced outcomes-based financing through its Outcomes Accelerator Program, reinforcing its commitment to innovative approaches that deliver measurable impact.

UBS Collectives

Launched in 2020, the *UBS Collectives* focus on issues central to our impact strategy.

- UBS Accelerate Collective: advancing innovative financing for education, health and climate outcomes.
- UBS Climate Collective: strengthening coastal resilience through community empowerment, ecosystem restoration and nature-based climate action.
- UBS Transform Collective: promoting family-based care and transforming child protection systems.

Our three *UBS Collectives* unite philanthropists and social investors to co-fund high-impact programs, share knowledge and embark on a structured learning journey, while building meaningful connections with peers. Members benefit from expert-led modules, donor update calls, access to subject matter specialists and immersive experiences that bring to life impact on the ground.

Helping our clients structure their philanthropy: donor-advised funds

Donor-advised funds (DAFs) provide clients with an alternative charitable-giving vehicle to setting up their own foundations, offering greater choice and personalization while being managed in line with their usual investment approach. UBS operates its own DAF entities in Switzerland, Singapore, the UK and the Hong Kong SAR. In 2025, USD 961m in donations was received into these UBS charitable entities (2024: USD 329m).³

Supporting our communities

We have provided direct cash contributions through our affiliated foundations in Switzerland, through partnerships in the communities where we operate and through contributions to the UBS Optimus Foundation. The combined value of these contributions in 2025 was USD 84m (2024: USD 74m).

Employee volunteering

We have global targets for employee engagement through volunteering, which are built from the bottom up on the basis of regional targets. In 2025, we successfully engaged 37% of our global workforce in volunteering (2024: 32%).

¹ Currently, our impact transparency focus is on ensuring that all grants and investments supported by the UBS Optimus Foundation undergo consistent and transparent diligence, approval, management and reporting processes, in line with industry standards.

² The UBS Optimus Foundation receives donations from all of the business divisions, with the majority coming from Global Wealth Management.

³ The increase is primarily attributable to substantial inflows from a small number of clients.

Our focus on sustainability

We are guided by our ambition to be a leader in sustainability. This is reflected in our vision to be the bank for the next generation. To help us realize that vision, our sustainability and impact strategy is based on three overarching strategic pillars: Protect, Grow and Attract.

Sustainability and impact vision: be the bank for the next generation		
Protect	Grow	Attract
Manage our business in alignment with our sustainable, long-term Group strategy and evolving standards	Embed an innovative sustainability and impact offering across all our business divisions	Be the bank of choice for clients and employees

Our sustainability and impact strategy

Protect

As part of our continued commitment to protect our clients' assets and those of our firm, we are focused on managing our business by aligning with the sustainable long-term Group strategy and evolving standards. We maintain a strong control and risk framework to support our risk management processes and product offering, in addition to complying with regulatory requirements. In addition, we have a climate transition plan in place to support our clients in the transition to a low-carbon world and to reduce their exposure to transition risks, while also mitigating related risks to UBS.

Grow

We are continuing to expand our sustainability and impact product offering across all business divisions to meet our clients' evolving needs and to support them through the world's transition to a low-carbon economy. Innovation in product development, client reporting and engagement, as well as exploring artificial-intelligence-driven use cases to streamline processes are key to delivering competitive solutions. To facilitate this, we have a dedicated Group Sustainability and Impact Business Development & Client Forum, which focuses on client, product and impact approaches.

Attract

We aspire to be the bank of choice for clients and employees alike, maintaining top-quartile sustainability ratings and positioning the firm as a go-to employer through our engagement and education programs. In 2025, our MSCI AA rating was reaffirmed,¹ and our S&P Global Corporate Sustainability Assessment (CSA) score remained at a high level.²

- › Refer to the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, for detailed information about UBS's sustainability strategy and activities

Our sustainability and impact governance

Sustainability activities are overseen at the highest level of UBS, by the Board of Directors (the BoD) and the GEB, and are grounded in the Code of Conduct and Ethics of UBS (the Code).

- › Refer to the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, for more information about UBS's sustainability and impact governance

The Code of Conduct and Ethics of UBS

In our Code, the BoD and the GEB set out the principles and practices that define our ethical standards, and the way we do business, which apply to all aspects of our business. All employees must affirm annually that they have read and will adhere to the Code and other key policies, supporting a culture where ethical and responsible behavior is part of our everyday operations. In our Code, we make a commitment to acting with the long term in mind and creating value for clients, employees, communities and investors. We aspire to create a fairer, more prosperous society, championing a healthier environment, and to support addressing inequalities. Every year, the BoD and the GEB conduct a review of our Code to ensure that developments key to our clients, employees and other stakeholders are reflected.

- › Refer to the Code of Conduct and Ethics of UBS, available at ubs.com/code, for more information, including recent updates

Reporting to our stakeholders on our sustainability strategy and activities

Further information about our sustainability efforts and commitments is provided in the UBS Group Sustainability Report 2025. The content of that report has been prepared in accordance with the Swiss Code of Obligations (Art. 964a et seq).

- › Refer to the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, for an overview of non-financial disclosures in accordance with the Swiss Code of Obligations (Art. 964a et seq)
- › Refer to "Sustainability and climate risk" in the "Risk management and control" section of this report for UBS's climate risk metrics disclosures as required by Annex 5 to FINMA Ordinance on the Disclosure Obligations of Banks and Securities Firms

¹ Source: MSCI ESG Ratings & Climate Search Tool, UBS Group AG ESG Rating 2025.

² Source: S&P Global, UBS Group AG CSA Score 2024 and 2025.

Regulation and supervision

As a financial services provider based in Switzerland, the UBS Group is subject to consolidated supervision by the Swiss Financial Market Supervisory Authority (FINMA). Our entities are also regulated and supervised by authorities in each country where we conduct business. Through UBS AG and UBS Switzerland AG, which are licensed as banks in Switzerland, UBS may engage in a full range of financial services activities in Switzerland and abroad, including personal banking, commercial banking, investment banking and asset management.

As a global systemically important bank (a G-SIB), as designated by the Financial Stability Board, and a systemically relevant bank (an SRB) in Switzerland, we are subject to stricter regulatory requirements and supervision than other Swiss banks.

- › Refer to the “Our evolution” section of this report for more information
- › Refer to the “Integration of Credit Suisse” section of this report for more information
- › Refer to the “Regulatory and legal developments” and “Risk factors” sections of this report for more information

Regulation and supervision in Switzerland

Supervision

UBS Group AG and its subsidiaries are subject to consolidated supervision by FINMA under the Swiss Banking Act and related ordinances, which impose standards for matters such as capital adequacy and risk diversification rules, liquidity, internal control systems, business conduct, and corporate governance. FINMA meets its statutory supervisory responsibilities through licensing, regulation, supervision and enforcement. It is responsible for prudential supervision. It undertakes direct inspections and mandates audit firms to perform regulatory audits and other supervisory tasks on its behalf.

Capital adequacy and liquidity regulation

As an internationally active Swiss systemically important bank (an SIB), we are subject to capital and total loss-absorbing capacity (TLAC) requirements that are based on both risk-weighted assets and the leverage ratio denominator, and are among the most stringent in the world. We are also subject to liquidity requirements and to minimum long-term funding requirements for Swiss SIBs.

- › Refer to the “Capital management” section of this report for more information about the Swiss SRB framework and the Swiss too-big-to-fail (TBTf) requirements
- › Refer to the “Liquidity and funding management” section of this report for more information about liquidity coverage ratio, net stable funding ratio requirements and the Swiss TBTf liquidity requirements

Regulation and supervision outside Switzerland

Regulation and supervision in the US

In the US, UBS is subject to regulation and supervision by the Board of Governors of the Federal Reserve System (the Federal Reserve Board) under a number of laws. UBS Group AG and UBS AG are subject to the Bank Holding Company Act, pursuant to which the Federal Reserve Board has supervisory authority over our US operations.

In addition to being a financial holding company under the Bank Holding Company Act, UBS AG has US branches, which are authorized and supervised by the Office of the Comptroller of the Currency (the OCC). UBS AG is registered as swap dealer with the Commodity Futures Trading Commission (the CFTC) and as securities-based swap dealer with the Securities and Exchange Commission (the SEC).

UBS Americas Holding LLC is the intermediate holding company for our operations in the US outside of the UBS AG branch network, as required under the Dodd–Frank Act, and is subject to requirements established by the Federal Reserve Board related to risk-based capital, liquidity, the Comprehensive Capital Analysis and Review (CCAR) stress-testing and capital planning process, and resolution planning and governance.

UBS Bank USA, a Federal Deposit Insurance Corporation (FDIC)-insured depository institution subsidiary, is licensed and regulated by state regulators in Utah and is also supervised by the FDIC. It has received conditional approval from the OCC to convert to a national charter and expects to complete the conversion in 2026. Following conversion, the OCC will be the primary banking regulator for UBS Bank USA.

UBS Financial Services Inc., UBS Securities LLC, Credit Suisse Securities (USA) LLC and several other US subsidiaries of UBS are subject to regulation by a number of different government agencies and self-regulatory organizations, including the SEC, the Financial Industry Regulatory Authority, the CFTC, the Municipal Securities Rulemaking Board and national securities exchanges, depending on the nature of their business. Certain of our activities in the US are subject to regulation by the Consumer Financial Protection Bureau.

Regulation and supervision in the UK

Our regulated UK operations are mainly subject to the authority of the Prudential Regulation Authority (the PRA), which is part of the Bank of England (the BoE), and the Financial Conduct Authority (the FCA). We are also subject to the rules of the London Stock Exchange and other securities and commodities exchanges of which UBS AG is a member.

UBS AG has a UK-registered branch, UBS AG London Branch, which serves as a global booking center for our Investment Bank. UBS AG also has regulated subsidiaries in the UK that provide asset management services. Credit Suisse International and Credit Suisse (UK) Limited are authorized and regulated by the FCA and subject to the authority of the PRA.

Regulation and supervision in Europe

UBS Europe SE, headquartered in Germany, is subject to the direct supervision of the European Central Bank (the ECB), as well as to conduct, consumer protection and anti-money-laundering-related supervision by the German Federal Financial Supervisory Authority and by the German Bundesbank. The entity is subject to EU and German laws and regulations. UBS Europe SE maintains branches in Denmark, France, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Spain, Sweden and Switzerland and is subject to conduct supervision by authorities in all those countries.

In Italy, Credit Suisse (Italy) SpA has been integrated into UBS Europe SE and UBS has relinquished the banking license of Credit Suisse Bank (Europe) SA. In Spain, UBS AG Spain Branch is supervised by the Bank of Spain, the Servicio Ejecutivo de la Comisión de Prevención del Blanqueo de Capitales and the Comisión Nacional del Mercado de Valores.

Regulation and supervision in Asia Pacific

We operate in numerous locations in Asia Pacific, including Singapore, the Hong Kong SAR, mainland China, Australia and Japan. The operations in these locations are subject to regulation and supervision by local financial regulators. Our Asia Pacific regional hubs are in Singapore and the Hong Kong SAR.

In Singapore, UBS AG Singapore Branch and UBS Securities Pte Ltd are supervised by the Monetary Authority of Singapore and the Singapore Exchange. UBS Asset Management (Singapore) Ltd is supervised by the Monetary Authority of Singapore.

In the Hong Kong SAR, UBS AG Hong Kong Branch is supervised by the Hong Kong Monetary Authority and the Hong Kong Securities and Futures Commission. UBS Securities Hong Kong Limited, UBS Securities Asia Limited and UBS Asset Management (Hong Kong) Limited are supervised by the Hong Kong Securities and Futures Commission. In addition, UBS Securities Hong Kong Limited is supervised by Hong Kong Exchanges and Clearing Limited.

In mainland China, we have multiple licenses to operate the business lines of UBS AG, and the various entities are subject to regulation by a number of different government agencies. The People's Bank of China oversees China's macro capital markets policies and ensures coordinated supervisory approaches by the National Financial Regulatory Administration (the China Banking and Insurance Regulatory Commission until May 2023), the China Securities Regulatory Commission and a number of exchanges.

In Australia, UBS AG Australia Branch is supervised by the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission, the Australian Transaction Reports and Analysis Centre, the Reserve Bank of Australia, and the Australian Securities Exchange. UBS Securities Australia Ltd is supervised by the Australian Securities and Investments Commission, the Australian Transaction Reports and Analysis Centre and the Australian Securities Exchange. UBS Asset Management (Australia) Limited is supervised by the Australian Securities and Investments Commission and the Australian Transaction Reports and Analysis Centre.

In Japan, UBS Securities Japan Co., Ltd. is supervised by the Financial Services Agency and the Japan Exchange Group. UBS AG Tokyo Branch is supervised by the Financial Services Agency and the Bank of Japan. UBS SuMi TRUST Wealth Management Co., Ltd. is supervised by the Financial Services Agency and the Japanese Ministry of Finance. UBS Asset Management (Japan) Ltd and UBS Japan Advisors Inc. are supervised by the Financial Services Agency.

Financial crime prevention

Combating money laundering and terrorist financing has been a major focus of many governments in recent years. Laws and regulations require effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and the verification of client identities.

In Switzerland, the introduction of a transparency register will further strengthen the anti-money laundering (AML) framework through increased ownership and control information. At EU level, the AML reform package, including the Regulation establishing the EU Anti-Money-Laundering Authority, is aimed at strengthening EU-wide AML rules, including by harmonizing requirements across EU Member States and imposing stricter due diligence obligations. The US AML regulation is in an active implementation phase, with the Anti-Money-Laundering Act of 2020 driving expanded risk-based obligations, enhanced information sharing and the rollout of new requirements that have not yet been codified. At the same time, regulators are increasing supervisory scrutiny and enforcement expectations, emphasizing effectiveness, data quality and the accountability of senior management rather than mere technical compliance.

Failure to introduce and maintain adequate programs to prevent money laundering and terrorist financing can result in significant legal and reputational risk and fines.

We are also subject to laws and regulations prohibiting corrupt or illegal payments to government officials and other persons, including the US Foreign Corrupt Practices Act and the UK Bribery Act. We maintain policies, procedures and internal controls intended to comply with those regulations.

› Refer to "Non-financial risk" in the "Risk management and control" section of this report for more information

Data protection

We are subject to regulations concerning the use and protection of customer, employee and other personal and confidential information. This includes provisions under Swiss law, the EU General Data Protection Regulation (the GDPR), US laws and laws of other jurisdictions.

In 2025, data protection developments were dominated by new artificial intelligence (AI) rules (including the first enforcement of the EU Artificial Intelligence Act), tighter scrutiny of cross-border data transfers, and the continued spread and toughening of privacy laws, and enforcement globally. As UBS is a global bank, these translate into strategic themes around AI and data governance, cross-border data and cloud risk, regulatory fragmentation and rising expectations for data sharing, transparency and customer control.

› Refer to the “Risk factors” section of this report for more information about regulatory change

Recovery and resolution

The existing Swiss regulations require each SRB to establish an emergency plan to maintain systemically important functions in case of impending insolvency. In response to these Swiss requirements and similar ones in other jurisdictions, UBS has developed the Global Recovery Plan (the GRP), the Global Resolution and Restructuring Strategy and the Swiss Emergency Plan (the SEP), as well as other local recovery and resolution plans for its key regions (to the extent required). The plans describe how to restructure and / or wind down businesses if the Group could not otherwise be stabilized. FINMA evaluates the recovery and resolution plans of Swiss SRBs on a regular basis. Similarly, the local recovery and resolution plans are evaluated by the respective local authorities.

Global Recovery Plan

The GRP sets forth measures to restore financial strength if UBS comes under severe capital or liquidity stress. Its objective is to sustainably stabilize the Group in case of a crisis without government intervention. Quantitative and qualitative triggers are monitored and are subject to predefined governance and escalation processes. Recovery options are linked to owners and checklists, with the objectives of preserving capital, raising capital or liquidity, or disposing of or winding down businesses. In September 2025, FINMA announced that a full assessment of UBS’s recovery plan was not possible, due to the ongoing integration of Credit Suisse into UBS and the resulting rapid pace of change. UBS submitted an updated GRP in summer 2025, which is currently under review by FINMA.

Global Resolution and Restructuring Strategy

FINMA produces a global resolution plan for UBS setting out measures that FINMA can take to resolve UBS in an orderly manner. FINMA’s preferred strategy for UBS is a single point of entry (SPE) strategy involving write-down of the Group’s remaining equity and additional tier 1 (AT1) and tier 2 instruments, conversion of senior unsecured bonds of UBS Group AG to equity, if required, and an internal recapitalization of undercapitalized subsidiaries to shift losses to UBS Group AG. Post-resolution restructuring measures could include disposals and / or wind-down of businesses and disposals of assets. Over the years, UBS made structural, financial and operational changes to facilitate these measures and is confident that a resolution of the Group is operationally executable and legally enforceable. FINMA’s September 2025 resolution report on UBS confirms that a bail in remains operationally executable for UBS, and an SPE resolution strategy remains the preferred strategy for UBS.

Alternative Resolution Strategy

Following the Credit Suisse crisis, related parliamentary investigations and lessons learned, FINMA determined that UBS’s resolution planning must be further developed to increase the number of options available to FINMA in case of a resolution. These additional options, which will be documented in the Alternative Resolution Strategy going forward, should include a forced sale of the Group in its entirety and a solvent market exit (either via disposal or wind-down or a combination of both). In case of an insolvency threat, the additional resolution options would allow the authorities to choose the approach with the best prospect of safeguarding financial stability internationally and maintaining systemically important functions in Switzerland, without having recourse to taxpayers’ money. Initial concepts for the Alternative Resolution Strategy were developed by UBS and are under review by FINMA; however, their implementation is subject to the ongoing legislative change process.

Swiss Emergency Plan

The SEP demonstrates how UBS’s systemically important functions and critical operations in Switzerland can continue if the UBS Group cannot be restructured. This is achieved mainly by operating these functions in a separate legal entity, UBS Switzerland AG, and by ensuring its financial and operational self-sufficiency to enable its continued operation throughout a crisis. Although UBS’s SEP was deemed largely compliant with current regulatory requirements, FINMA has determined that it will need to be integrated into the new Alternative Resolution Strategy going forward (which, in turn, is subject to the ongoing legislative change process as noted under “Alternative Resolution Strategy” above).

Other local recovery and resolution plans

The US resolution plan sets out the steps that could be taken to resolve the US intermediate holding company, UBS Americas Holding LLC, and its subsidiaries if it suffered material financial distress and UBS Group was unable or unwilling to provide financial support. As required by US regulations, UBS’s US plan contemplates that UBS Americas Holding LLC will commence US bankruptcy proceedings. Prior to this, the plan envisages UBS Americas Holding LLC downstreaming financial resources to its respective subsidiaries to facilitate an orderly wind-down or disposal of businesses. UBS filed its updated US resolution plan in October 2025.

UBS Europe SE updates a local recovery plan annually based on ECB requirements as well as resolution planning information and capabilities based on Single Resolution Board requirements. On the basis of such information, the Internal Resolution Team, composed of members of the Single Resolution Board, produces a resolution plan for UBS Europe SE.

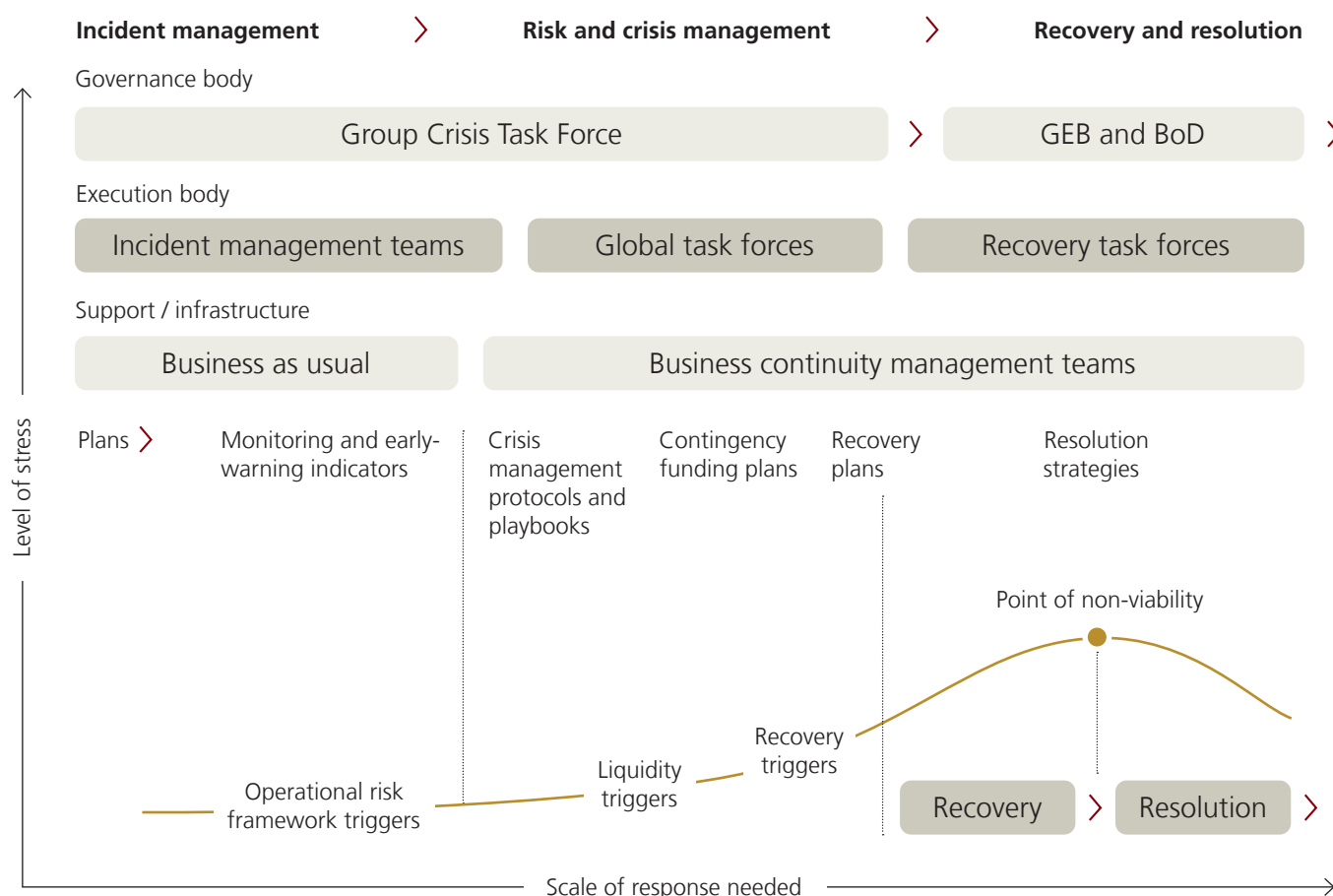
Other local recovery and resolution planning is in place for various Group entities and jurisdictions.

Crisis management framework

The UBS Group's crisis management framework assigns responsibility and actions depending on the nature of the stress incident and the scale of the response needed. As such, it connects the recovery and resolution planning with the earlier stages of crisis planning.

- For incident, risk and crisis management, the Group Crisis Task Force works with incident management teams that provide monitoring and early-warning indicators at the local / regional level, without needing to activate protocols at the Group level. If a local response is insufficient, global task forces and crisis management teams provide decision-making guidance and coordination, including crisis management plans, protocols and playbooks, and contingency funding plans.
- The Group Executive Board (the GEB) and the Board of Directors (the BoD) would evaluate and decide upon the need to activate the GRP if a stress event has reached a severity requiring activation based on the GRP's recovery risk indicators.
- FINMA has the authority to determine whether the point of non-viability, as defined by Swiss law, has been reached and, as part of the Global Resolution and Restructuring Plan for UBS, has the power to order the bail in of creditors to recapitalize and stabilize the Group, limit payments of dividends and interest, alter the legal structure of the Group, take actions to reduce business risk, and order a restructuring of the Group.

UBS crisis management framework



Regulatory trends

The regulatory environment continues to evolve, with some policymakers aiming to simplify and / or reduce regulatory constraints, while others remain focused on addressing vulnerabilities revealed by the March 2023 banking turmoil. In Switzerland, for example, authorities are advancing reforms to the TBTF regime aimed at further strengthening financial stability. Following the consultations on stricter capital and liquidity requirements, the focus is now shifting to implementation through legislation and ordinances. This includes finalizing the Capital Adequacy Ordinance and foreign subsidiary capital rules, as well as advancing consultation drafts on other regulatory areas, such as enhanced governance and strengthened recovery and resolution planning.

In contrast, other major jurisdictions, such as the EU, the UK and the US, are increasingly shifting their policy and regulatory approaches toward promoting a pro-growth and competitiveness agenda. The US administration's deregulatory stance has prompted reviews of supervisory standards for banks and caused delays in major regulatory initiatives, including the implementation of Basel III, while the EU and the UK have postponed or streamlined regulatory initiatives to reduce administrative burdens on companies and mobilize private capital. These divergent approaches are contributing to concerns over regulatory fragmentation, with differences in timelines and content posing challenges for globally active banks.

Digitalization and digital asset regulations continue to progress, with global policy responses adapting to rapid technical developments. The EU Markets in Crypto-Assets Act and the US GENIUS Act are establishing new frameworks for stablecoins and digital assets, and Switzerland is consulting on new stablecoin and crypto service provider licenses. The Basel Committee on Banking Supervision (the BCBS) announced a targeted review of its prudential standards for banks' crypto asset exposures. AI has also attracted heightened supervisory and regulatory attention, with the EU's expansive AI Act entering into force, while other jurisdictions opt for sector-specific or incremental approaches. However, as an expression of strategic technology competition, the focus in many countries has shifted from strict safety to supporting responsible AI innovation. Cybersecurity and third-party risk management concerns also remain prominent, with expanded incident reporting and critical third-party regimes under development in many jurisdictions. At the international level, the BCBS has approved its final principles for the sound management of third-party risk, and the Financial Stability Board has finalized the common Format for Incident Reporting Exchange.

Sustainable finance was marked by important revisions of regulations in certain jurisdictions, driven by competitiveness and growth considerations, but with very different approaches leading to further fragmentation. The EU is seeking to simplify and refine its framework to reduce the regulatory and reporting burden on businesses, while the US is pursuing a path of deregulation. In this context, Switzerland has paused its work on sustainability reporting and sustainability due diligence pending the finalization of the EU review, while the UK is cautiously developing its own framework with a focus on international alignment and interoperability. In contrast, with the growing frequency of climate-related disasters, supervisory attention to improve the management of climate and nature-related financial risks continues to increase, especially in Europe. In addition, nature-related topics, transition finance and carbon markets are increasingly gaining policy traction globally, with significant efforts underway to support their global convergence through standardized frameworks and regulations.

Financial stability risks in the non-bank financial intermediation (NBFI) sector are an increasing concern, with global work aiming to improve NBFI data availability to make risk assessments more credible, starting with initial work in the areas of leverage and private credit, due to their high expected materiality with regard to financial stability. In the UK, a system-wide stress test has been launched to further assess the systemic risk, mainly by private markets, in the event of stress. Anti-money-laundering reforms in Switzerland will impact our due diligence processes, while the global sanctions environment remains complex, including the continued implementation of additional sanctions measures against Russia by the EU, the US and Switzerland. In addition, market structure reforms, such as shortening the standard settlement cycle for financial trades to one business day after the trade date (T+1), from two business days after the trade date (T+2), are progressing in Europe.

Looking ahead to an environment marked by geopolitical uncertainties, shifting global dynamics and the risk of increasing regulatory fragmentation, we are convinced that our prudent adaptations in a dynamic environment and our diversified business model put us in a solid position to absorb upcoming changes to the regulatory framework.

› Refer to the “Regulatory and legal developments” section of this report for more information

Regulatory and legal developments

Developments in Switzerland

In June 2025, the Swiss Federal Council published regulatory proposals that aim to further strengthen banking stability in Switzerland. Proposed measures to be submitted to the Swiss Parliament for enactment would exclude from common equity tier 1 (CET1) capital investments in foreign subsidiaries of systemically important banks (SIBs), include additional requirements for the recovery and resolution of SIBs, add measures to increase the potential for obtaining liquidity via the Swiss National Bank (the SNB), introduce a Senior Managers Regime for banks, and provide additional powers for the Swiss Financial Market Supervisory Authority (FINMA).

Proposed measures at the ordinance level would exclude capitalized software and deferred tax assets (DTAs) on temporary differences from CET1 capital, add stricter requirements for prudential valuation adjustments (PVAs) of assets and liabilities, require suspension of interest payments for additional tier 1 (AT1) capital instruments in the event of a cumulative loss over four quarters, and introduce measures that aim to enable FINMA and other authorities to better assess the situation of banks in a liquidity crisis. The Swiss Federal Council has proceeded towards implementation of these recommendations through several legislative and regulatory packages.

A public consultation on proposed measures at the ordinance level ended in September 2025. The Swiss Federal Council is expected to publish final amendments to the ordinance in the first half of 2026, with entry into force not expected before January 2027.

A separate public consultation on proposed legislative amendments to capital requirements related to foreign subsidiaries ended in January 2026. The proposed changes would require the deduction of investments in foreign subsidiaries of SIBs from CET1 capital. The proposal states that the amendments would enter into force in 2028, at the earliest, starting with a 65% deduction requirement in the first year and increasing to 100% by 5-percentage-point increments each year over seven years. The Swiss Federal Council is expected to submit its proposal to the Swiss Parliament in the first half of 2026.

The Swiss Federal Council is also expected to launch consultations on additional legislative measures in the summer of 2026, including incremental requirements for the recovery and resolution plans of SIBs, measures aimed at increasing the potential for obtaining liquidity via the SNB, the introduction of an enhanced accountability framework for senior managers of banks, and the provision of additional powers for FINMA. Following the consultation, these measures are expected to be submitted to the Parliament in the first half of 2027, with entry into force expected in 2028 or 2029. In addition, a public consultation on amendments to the Liquidity Ordinance is expected to be launched in the summer of 2026. The proposals are expected to set minimum requirements for maintaining borrowing capacity for emergency liquidity assistance.

Estimated incremental capital from proposed changes to the capital framework

We currently estimate that UBS AG would be required to hold additional CET1 capital of around USD 22bn if all capital measures were implemented as proposed by the Swiss Federal Council. This estimate includes around USD 20bn related to the full deduction of UBS AG's investments in foreign subsidiaries, of which approximately USD 6bn would be required at the start of the proposed phase-in period, and around USD 3bn from the potential deduction of DTAs on temporary differences, capitalized software and PVAs.

The incremental CET1 capital of USD 22bn at UBS AG would increase UBS Group AG's CET1 capital ratio to around 18.5%, calculated from its target ratio of around 14%. The proposed measures related to DTAs on temporary differences, capitalized software and PVAs would eliminate around USD 11bn of net CET1 capital at UBS Group AG, which, as a result of this elimination, would reduce the estimated CET1 capital ratio for the Group from 18.5% to 16.5%.

This current estimated incremental capital of USD 22bn resulting from the proposed changes in Swiss capital requirements would be on top of the additional capital UBS is required to hold as a result of the acquisition of the Credit Suisse Group. This includes around USD 9bn to remove the regulatory concessions granted to Credit Suisse and around USD 6bn to meet the progressive add-on due to the increased leverage ratio denominator (LRD) and higher market share of the combined business. The phase-in of the capital requirements relating to the increases in LRD and market share commenced on 1 January 2026 and will be completed by 1 January 2030.

Altogether, if the proposed changes by the Swiss Federal Council were adopted as proposed, UBS would be required to hold around USD 37bn in additional CET1 capital.

These estimates have been calculated based on our balance sheet at 31 December 2025, assume that all capital measures are adopted as currently proposed and use an assumed CET1 capital ratio of 12.5% for UBS AG, the lower end of our target range of 12.5–13.0%, and 14.0% for UBS Group overall. The estimates also reflect capital repatriations of USD 3bn from UK subsidiaries planned for 2026.

The estimate of UBS AG's incremental capital requirements at 31 December 2025 is around USD 2bn lower than the estimate of USD 24bn we published on 6 June 2025 in response to the Swiss Federal Council proposal, which was based on our first quarter 2025 balance sheet, (and USD 4bn lower than the estimate of USD 26bn based on UBS AG's target capital ratio of 12.5%). The reduction primarily results from accelerated repatriation of capital from UBS AG subsidiaries enabled by the rapid wind-down of Non-core and Legacy, timely and successful execution of our integration plans, and, in the case of the US, improving profitability expectations and improvements in our most recent Internal Capital Adequacy Assessment Process (ICAAP) and Dodd-Frank Act Stress Test (DFAST) results.

UBS AG's CET1 capital ratio of 14.2% at 31 December 2025 reflects these accelerated capital repatriations. As previously communicated, we expect UBS AG's CET1 capital ratio to remain above our target levels in the near term, mainly due to leverage ratio considerations driven by the weakening of the US dollar.

UBS's position

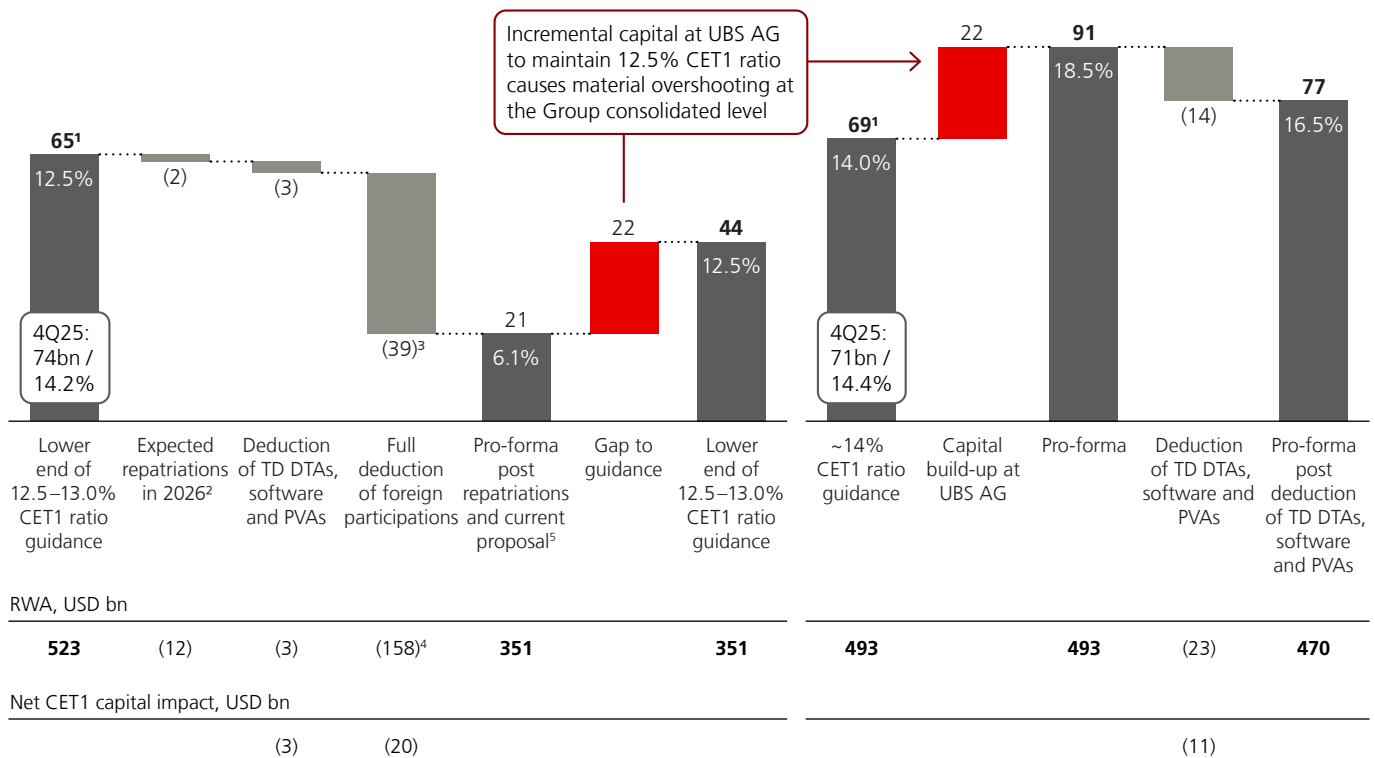
UBS has submitted responses to the consultations on the proposed measures at the ordinance level and on legislative amendments. UBS overall supports the Swiss Federal Council's objective of drawing lessons from the Credit Suisse crisis and strengthening the regulatory framework with targeted, proportionate and internationally aligned measures. However, the proposed full deduction of foreign subsidiaries from CET1 capital clearly does not meet these criteria and is excessive. In addition, UBS has outlined that the proposed regulatory treatment of capitalized software, DTAs on temporary differences and PVAs is a combination of the maximum requirements of various jurisdictions and does not give due consideration to the ultimate impact of the overall package, comparisons to the capital regimes in peer countries or the cost of such extreme measures. Switzerland already has one of the strictest regulatory capital regimes, with substantial progressive capital surcharges and a conservative and early implementation of the final Basel III rules. The Swiss Federal Council's proposals would significantly increase the requirements and would contrast sharply with developments across Europe, and in the US, which have proposed, or are expected to implement, less restrictive capital regimes.

Updated assessment of proposed changes to the Swiss capital framework

CET1, USD bn; % is CET1 capital ratio

UBS AG, standalone 4Q25

UBS Group AG, consolidated 4Q25



Pro-forma figures based on UBS Group AG consolidated and UBS AG standalone CET1 capital ratio guidance and assume proposed measures are fully applied.
1 Implied CET1 capital to operate at CET1 capital ratio guidance levels based on 4Q25 RWA. **2** USD ~3bn of currently expected capital repatriations from UK subsidiaries in 2026, subject to customary regulatory approval, freeing up USD ~1.5bn of CET1 capital at the UBS AG standalone level under the current capital regime, which could be upstreamed to UBS Group AG. **3** Reflects USD 42.4bn of CET1 from foreign participations as of 4Q25, adjusted for USD ~3bn of currently expected repatriations from UK subsidiaries in 2026. **4** Reflects USD 169.6bn of RWA from foreign participations as of 4Q25, adjusted for USD ~3bn of currently expected repatriations from UK subsidiaries in 2026, reducing RWA by USD ~12bn. **5** Excludes USD ~1bn knock-on impact from UBS Switzerland AG due to the deduction of capitalized software and PVAs from CET1 capital, reducing its dividend-paying capacity.

FINMA resolution report on UBS

In September 2025, FINMA published its 2025 resolution report on UBS related to the 2024 fiscal year. FINMA concluded that UBS remains resolvable under UBS's existing preferred resolution strategy, which includes a recapitalization via a bail-in at the Group holding company level.

➤ Refer to "Recovery and resolution" in the "Regulation and supervision" section of this report for more information

Developments related to the implementation of the final Basel III standards

In Switzerland, the amendments to the Capital Adequacy Ordinance (the CAO) that incorporate the final Basel III standards into Swiss law entered into force on 1 January 2025. The adoption of the final Basel III standards led to an USD 8.6bn reduction in the UBS Group's RWA. A USD 6.5bn increase in market risk RWA resulting from the implementation of the Fundamental Review of the Trading Book (the FRTB) framework was more than offset by a USD 9.0bn reduction in operational risk RWA and a USD 6.1bn reduction in credit and counterparty credit risk RWA. The output floor, which is being phased in until 2028, is currently not binding for the UBS Group. The final Basel III implementation in Switzerland had a cumulative net impact on UBS Group of adding around USD 60bn of RWA since UBS started preparing for its adoption with a series of model updates and methodology changes over the last ten years.

In January 2026, the Prudential Regulation Authority (the PRA) published its final policy statements implementing the Basel 3.1 standards in the UK. Implementation remains set for 1 January 2027, with full phase-in by 1 January 2030, except for the implementation of the internal model approach for market risk (the FRTB Internal Model Approach), which has been postponed to 1 January 2028. The FRTB regulation for standardized and advanced standardized approaches will apply from 1 January 2027. The impact of the UK Basel 3.1 regulations on UBS is expected to be immaterial.

In the EU, the final Basel III requirements became applicable as of 1 January 2025, except for the FRTB regulation, the implementation of which has been delayed until 1 January 2027, as confirmed by the European Commission (the EC) in September 2025. In addition, the EC conducted a public consultation, concluded in January 2026, on policy options to temporarily mitigate negative impacts stemming from the absence of a level playing field with regard to the implementation of FRTB rules. UBS Europe SE is subject to Basel III regulations in the EU. The impact on UBS can only be determined once the EC publishes its final decision.

In the US, banking agencies, including the Federal Reserve Board, have been discussing amendments to their original proposals regarding the implementation of the final Basel III standards. We expect that a re-proposal will be issued in the first half of 2026. UBS Americas Holding LLC is subject to the US requirements. The impact on UBS can only be determined once the US publishes its final rules.

US supervisory changes

In August 2025, the Federal Reserve Board reduced the stress capital buffer (the SCB) of UBS Americas Holding LLC, our US-based intermediate holding company, to 5.2%, from 9.3%, applicable from 1 October 2025 under the Federal Reserve Board's SCB rule, resulting in a total CET1 capital requirement of 9.7%. The SCB for UBS Americas Holding LLC is derived from the results of the Federal Reserve Board's 2025 DFAST released in June 2025.

Earlier in 2025, the Federal Reserve Board proposed measures to reduce the volatility of the SCB requirements by averaging the capital stress test results from the past two years, with the aim of making capital planning more predictable for banks. In addition, the Federal Reserve Board proposed moving the effective date for the annual SCB updates from 1 October to 1 January to allow more time to meet the new requirements. We expect the final rules to be published in the first half of 2026.

US federal banking agencies have undertaken several initiatives to reform supervisory standards with the stated objective of prioritizing material financial risks. In October 2025, the Federal Deposit Insurance Corporation (the FDIC) and the Office of the Comptroller of the Currency (the OCC) issued two proposals. The first proposal aims to clarify supervisory standards regarding the circumstances under which a deficiency would rise to the level of a supervisory finding or enforcement action. The second proposal would prohibit examiners from criticizing or taking adverse action on the basis of reputational risk. In November 2025, the Federal Reserve Board released a statement of supervisory operating principles that outlines objectives for supervision, expressing its focus on material financial risks over process-based concerns. The Federal Reserve Board has also finalized a rule to amend its supervisory rating framework for large bank holding companies. Under the rule, which became effective on 16 January 2026, the Federal Reserve Board will take a more holistic approach in determining whether it considers covered companies to be well managed. The impact of these will depend on the implementation by examination staff at these agencies.

In addition, in August 2025, a presidential executive order directed the US federal banking agencies to identify supervised institutions that have previously engaged or are currently engaged in "politicized or unlawful debanking", which the order defined as restrictions on access to financial services based on a customer's political or religious beliefs or lawful business activities. In December 2025, the OCC released preliminary findings from its supervisory review of debanking activities at the nine largest national banks that it supervises. The OCC determined that the banks had policies or practices that limited access to banking services for certain customers and has recommended documentation of individualized, objective, risk-based analyses for any decision to restrict access to banking services. The full impact of this issue will be dependent on the outcome of ongoing debanking reviews of the OCC and other federal banking agencies.

In January 2026, the OCC issued a conditional approval for UBS Bank USA's application to become a national bank.

Developments related to environmental, social and governance matters, and sustainable finance

Developments in the EU to simplify regulations regarding environmental, social and governance matters

In February 2025, the EC published proposals to simplify the requirements of the Corporate Sustainability Reporting Directive (the CSRD), the reporting requirements under the Taxonomy Regulation and the Corporate Sustainability Due Diligence Directive (the CSDDD), with a view to reducing the reporting and regulatory burden, in particular for small and medium-sized enterprises, and to enhancing the EU's competitiveness. In April 2025, EU legislators approved the directive, delaying certain application dates of the CSRD and the CSDDD, with that directive entering into force on 17 April 2025.

In July 2025, the EC adopted amendments to the European Sustainability Reporting Standards (the ESRS) to allow wave one companies subject to CSRD reporting to omit certain of the ESRS disclosures for the 2025 and 2026 financial years. Also in July 2025, the EC adopted final measures to simplify the disclosure requirements under Art. 8 of the EU Taxonomy Regulation.

In July 2025, Germany's Federal Ministry of Justice and Consumer Protection published a new draft bill to implement the CSRD. While legislative steps were taken, full enactment before 31 December 2025, for application to the 2025 financial year, has not taken place. As a result, CSRD reporting was not made mandatory in Germany for the 2025 financial year for large companies that are subject to wave one reporting requirements of the CSRD, which would have included UBS AG (having selected Germany as its EU home member state under the EU Transparency directive).

In December 2025, EU legislators reached a final agreement on proposals to simplify the requirements of the CSRD and the CSDDD. The agreement provides for a significantly reduced scope of application of both the CSRD and the CSDDD, while maintaining their extra-territorial application. Companies within the scope of the CSDDD will be required to take a risk-based approach when conducting due diligence and will no longer have to adopt a transition plan for climate change mitigation. EU Member States will have to transpose the revised CSRD into national law within the 12 months following its entry into force, which is expected in the first quarter of 2026. With regard to the CSDDD, the transposition deadline has been further postponed until July 2028, with compliance to be achieved by July 2029. UBS AG and UBS Europe SE, would remain within the scope of the revised CSRD and become subject to CSRD reporting once Germany has transposed this directive. We are assessing the expected impact of scope changes of the revised CSDDD.

On 1 January 2026, simplification measures to the reporting requirements under Art. 8 of the EU Taxonomy Regulation became effective. Companies have the option of implementing the changes for the 2025 financial year or the 2026 financial year. The measures aim to reduce the burden and costs of taxonomy reporting for companies pending the completion of the comprehensive review of the EU Taxonomy Regulation and related reporting rules in 2026. UBS is applying the changes to the taxonomy reporting of UBS AG standalone and UBS Europe SE consolidated for the 2025 financial year.

› Refer to the “Sustainability statement” section of the UBS AG Annual Report 2025 (for filing in the EU), available under “Annual reporting” at ubs.com/investors, for more information

US climate disclosure requirements

In March 2025, the US Securities and Exchange Commission (the SEC) announced that it would end its legal defense of its 2024 climate disclosure regulation. The implementation of the regulation had previously been suspended by the SEC as a result of legal challenges. Certain US states have adopted or intend to adopt specific state-level climate risk disclosure requirements for companies operating in their respective states. UBS will monitor these developments to assess impact as rules are finalized.

The Swiss Federal Council pauses the revision of the Ordinance on Climate Disclosures

In June 2025, the Swiss Federal Council decided to pause the revision of the Ordinance on Climate Disclosures until the approval of the ongoing revision of the overarching legislation on sustainability reporting in the Swiss Code of Obligations or until 1 January 2027, at the latest.

Changes to the UK senior management function and material risk taker compensation schemes

In October 2025, the Prudential Regulation Authority and Financial Conduct Authority adopted changes to their regulations on the compensation of senior managers and material risk takers. The revised regulations generally reduce the portion of incentive compensation subject to mandatory deferral, reduce the mandatory deferral periods for incentive compensation to a uniform four years, eliminate post-vesting blocked periods and permit awards to accrue interest and dividends. Changes are generally effective immediately and companies may elect to apply certain elements of the revised requirements to awards in the current compensation year, as well as to outstanding deferred incentive compensation plans. UBS is assessing the changes and the related impacts.

Mutual recognition agreement with the UK approved by the Swiss Parliament

In March 2025, the Swiss Parliament approved the Berne Financial Services Agreement (the BFSA) with the UK, which facilitates cross-border financial activities based on a new model for regulatory cooperation and outcomes-based mutual recognition of domestic rules. The BFSA is supplemented by an enhanced and closer supervisory process and additional supervisory arrangements where new market access is granted. Regulations to implement the BFSA in the UK were submitted to UK Parliament in July 2025 and entered into force on 1 January 2026.

Digital assets and artificial intelligence

Developments related to digital assets

In October 2025, the Swiss Federal Council launched a consultation on proposed amendments to the Financial Institutions Act aimed at improving the framework conditions for market development, the attractiveness of the Swiss financial center and the integration of innovative financial technologies into the existing financial system. The proposal introduces two new license categories: a payment instrument institution (PII) license, which would allow the holder to issue a 1:1-backed, single currency regulated stablecoin; and a crypto-institution (CI) license to provide cryptocurrency services, including staking, custody and trading. Under the proposal, banks would need to have a separate PII-licensed entity to issue a regulated stablecoin. However, existing banking licenses would allow banks to conduct CI services. The Swiss Federal Council plans to submit a draft bill to the Swiss Parliament, likely by the end of 2026. Separately, the Swiss Parliament decided in November 2025 to postpone debate on the national implementation of the Crypto Asset Reporting Framework, issued by the Organisation for Economic Co-operation and Development, pushing implementation beyond 2026. In September 2025, FINMA issued guidance on the disclosure of crypto-based assets in the annual financial statements of banks and securities firms.

In the US, the Guiding and Establishing National Innovation for US Stablecoins Act (the GENIUS Act) was signed into law in July 2025, establishing a federal framework for stablecoin issuers. The banking agencies and the US Treasury are now working to implement the law. In January 2025, a presidential executive order (an EO) was issued to promote the growth and use of US digital assets. Federal agencies have taken some actions in response to the EO and the final report issued following the EO, including the SEC rescinding its Staff Accounting Bulletin 121.

The Bank of England (the BoE) published a consultation in November 2025 on a regulatory framework for sterling-denominated systemic stablecoins. The BoE sets out a proposed prudential and supervisory regime for non-bank issuers of stablecoins deemed "systemic". The final rules and supervisory approach are expected in the second half of 2026.

Developments related to artificial intelligence

In February 2025, the Swiss Federal Council decided on its approach to regulating artificial intelligence (AI) in Switzerland, formally clarifying that a general cross-sector AI law will not be adopted. Under this approach, the Council of Europe's Framework Convention on Artificial Intelligence will be incorporated into Swiss law, and adjustments to existing laws should be sector specific. Only key areas relevant to fundamental rights, such as data protection, will be subject to general, cross-sectoral regulation. The government will draft a bill for consultation to implement the Framework Convention on Artificial Intelligence by the end of 2026. Separately, non-legally binding measures will be proposed by the end of 2026.

Risk factors

Certain risks, including those described below, may affect our ability to execute our strategy or our business activities, financial condition, results of operations and prospects. We are inherently exposed to multiple risks, many of which may become apparent only with the benefit of hindsight. As a result, risks that we do not consider to be material, or of which we are not currently aware, could also adversely affect us. Within each category, the risks that we consider to be most material are presented first.

Strategy, management and operational risks

Substantial changes in regulation may adversely affect our businesses and our ability to execute our strategic plans

We are subject to significant regulatory requirements, including capital and liquidity, legal structure requirements, recovery and resolution planning, new and revised market standards and fiduciary duties, as well as new and developing environmental, social and governance (ESG) standards and requirements. In addition, measures adopted or proposed for banking and other regulation differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. Regulatory reviews of the events leading to the failures of US banks and our acquisition of Credit Suisse in 2023, as well as regulatory measures to complete the implementation of the Basel III standards, may increase capital, liquidity and other requirements applicable to banks, including UBS. Swiss regulatory changes with regard to such matters as capital and liquidity have often proceeded more quickly than those in other major jurisdictions, and Switzerland's requirements for major international banks are among the strictest of the major financial centers. Switzerland has implemented the final Basel III requirements effective 1 January 2025, while implementation in other jurisdictions, including the United States, the EU and the UK, remains uncertain.

In June 2025, the Swiss Federal Council published for consultation proposed amendments to the Swiss Capital Adequacy Ordinance. As currently proposed, such amendments would become effective in January 2027. In September 2025, the Swiss Federal Council began a second public consultation on legislative amendments to capital requirements related to foreign subsidiaries, which are intended to become effective in 2028, at the earliest, and are expected to be phased in over a period of six to eight years. The Swiss Federal Council is expected to publish for consultation, in the first half of 2026, the remainder of the legislative changes implementing the recommendations from the review. The capital measures proposed by the Swiss Federal Council, if adopted as proposed, would require significant additional capital at UBS AG and have the effect of requiring a higher capital ratio at the UBS Group. Increased capital or liquidity requirements would put us at a disadvantage when competing with peer financial institutions subject to lower capital or liquidity requirements.

Our implementation of additional regulatory requirements and changes in supervisory standards, as well as our compliance with existing laws and regulations, has entailed significant implementation and ongoing costs and continues to receive heightened scrutiny from supervisors. If we do not meet supervisory expectations in relation to these or other matters, or if additional supervisory or regulatory issues arise, we would likely be subject to further regulatory scrutiny, as well as measures that may constrain our strategic flexibility.

Resolvability and resolution and recovery planning: We have moved significant operations into subsidiaries to improve resolvability and meet other regulatory requirements, and this has resulted in substantial implementation costs, increased our capital and funding costs and reduced operational flexibility. For example, we have transferred all of our US subsidiaries under a US intermediate holding company to meet US regulatory requirements and have transferred substantially all the operations of Personal & Corporate Banking booked in Switzerland to UBS Switzerland AG to improve resolvability.

These changes create operational, capital, liquidity, funding and tax inefficiencies. Our operations in subsidiaries are subject to local capital, liquidity, stable funding, capital planning and stress testing requirements. These requirements have resulted in increased capital and liquidity requirements in affected subsidiaries, which limit our operational flexibility and negatively affect our ability to benefit from synergies between business units and to distribute earnings to the Group.

Under the Swiss too-big-to-fail (TBTF) framework, we are required to put in place a viable emergency plan to preserve the operation of systemically important functions in the event of a failure. Moreover, under this framework and similar regulations in the US, the UK, the EU and other jurisdictions in which we operate, we are required to prepare credible recovery and resolution plans detailing the measures that would be taken to recover in a significant adverse event or in the event of winding down the Group or the operations in a host country through resolution or insolvency proceedings. If a recovery or resolution plan that we produce is determined by the relevant authority to be inadequate or not credible, relevant regulation may permit the authority to place limitations on the scope or size of our business in that jurisdiction, or oblige us to hold higher amounts of capital or liquidity or to change our legal structure or business in order to remove the relevant impediments to resolution.

The authorities in Switzerland and internationally have published lessons learned from the Credit Suisse and the US regional bank failures, which are expected to result in additional requirements regarding recovery and resolution planning as well as early intervention tools for authorities. In September 2025, FINMA published its 2025 resolution report on UBS related to the 2024 fiscal year and FINMA concluded that UBS remains resolvable under UBS's existing preferred resolution strategy. However, given the lessons learned from the Credit Suisse crisis, FINMA also determined that the Swiss emergency plan of UBS – although largely compliant with the current legal requirements – requires further development, in particular better integration into UBS's global resolution plan, to meet the objective of maintaining systemically important functions while also safeguarding financial stability at the international level. Due to the ongoing integration of Credit Suisse into UBS, FINMA has refrained from assessing UBS's recovery plan, which outlines measures that aim to restore financial strength if UBS should come under severe capital or liquidity stress. We expect to make adjustments to our resolution plans to reflect additional guidance from FINMA and may be required to make further adjustments to reflect any changes to law that are enacted.

Increases in capital and changes in liquidity requirements may, in the aggregate require us to maintain significantly higher levels of capital, which may have an effect on our ability to achieve our strategic plans, to meet ambitions for return on capital, and to achieve our ambitions for capital returns to shareholders. Significantly higher capital or liquidity requirements applied to the UBS Group or UBS AG relative to competitors in Switzerland or abroad may affect UBS's ability to compete with firms subject to less stringent capital requirements and increase UBS's costs to serve customers.

Market regulation and fiduciary standards: Our businesses operate in an environment of increasing regulatory scrutiny and changing standards with respect to fiduciary and other standards of care and the focus on mitigating or eliminating conflicts of interest between a manager or advisor and the client, which require effective implementation across the global systems and processes of investment managers and other industry participants. Future changes in the regulation of our duties to customers, including any potential changes to banking examination and oversight practices and standards as a result of interpretations of law, may require us to make further changes to our businesses, which would result in additional expense and may adversely affect our business. We may also become subject to other similar regulations substantively limiting the types of activities in which we may engage or the way we conduct our operations.

In many instances, we provide services on a cross-border basis, and we are therefore sensitive to barriers restricting market access for third-country firms. In particular, efforts in the EU to harmonize the regime for third-country firms to access the European market may have the effect of creating new barriers that adversely affect our ability to conduct business in these jurisdictions from Switzerland. In addition, a number of jurisdictions are increasingly regulating cross-border activities based on determinations of equivalence of home country regulation, substituted compliance or similar principles of comity. A negative determination with respect to Swiss equivalence could limit our access to the market in those jurisdictions and may negatively influence our ability to act as a global firm.

UBS's acquisition of Credit Suisse Group AG exposes UBS to heightened litigation risk and regulatory scrutiny and entails significant additional costs, liabilities and business integration risks

UBS acquired Credit Suisse Group AG under exceptional circumstances and the continued outflows and deteriorating overall financial position of Credit Suisse, in order to avert a failure of Credit Suisse and thus damage to the Swiss financial center and to global financial stability. The acquisition was effected through a merger of Credit Suisse Group AG with and into UBS Group AG, with UBS Group AG succeeding to all assets and all liabilities of Credit Suisse Group AG, becoming the direct or indirect shareholder of the former Credit Suisse Group AG's direct and indirect subsidiaries. Therefore, on a consolidated basis, all assets, risks and liabilities of the Credit Suisse Group became a part of UBS. This includes all ongoing and future litigation, regulatory and similar matters arising out of the business of the Credit Suisse Group, thereby materially increasing UBS's exposure to litigation and regulatory risks. UBS has, and expects to continue to, incur substantial costs to manage and resolve litigation, regulatory and other issues arising from Credit Suisse. In addition to the litigation and regulatory risks inherited from Credit Suisse Group AG, various legal challenges to the acquisition transaction have been brought by former securityholders of Credit Suisse Group AG. Former Credit Suisse shareholders have brought claims challenging the amount of merger consideration received and seeking a valuation under the Swiss Merger Act. Former holders of Credit Suisse additional tier 1 capital instruments have brought claims seeking a determination that FINMA's order directing Credit Suisse Group AG to write down such instruments was unauthorized and unlawful. In a partial ruling, the Swiss Federal Administrative Court has ruled that FINMA's order was unlawful without addressing any potential remedy. This ruling has been appealed by FINMA and by UBS to the Swiss Federal Supreme Court. Although UBS believes these claims are without merit, a final adverse decision in any of these matters could be material to UBS.

UBS has also incurred and expects to continue to incur costs to manage other issues arising from Credit Suisse. This includes substantial resources in connection with our voluntary review of historical records relating to Credit Suisse's World War II-era conduct.

We have incurred and will continue to incur, substantial integration and restructuring costs as we combine the operations of UBS and Credit Suisse. In addition, we may not realize all of the expected cost reductions and other benefits of the transaction. We may not be able to successfully execute our strategic plans or to achieve the expected benefits of the acquisition of the Credit Suisse Group. The success of the transaction, including anticipated benefits and cost savings, will depend, in part, on the ability to successfully complete the integration of the operations of both firms rapidly and effectively, while maintaining stability of operations and high levels of service to customers of the combined franchise.

Our ability to complete the integration of Credit Suisse will depend on a number of factors, some of which are outside of our control, including our ability to:

- combine the operations of the two firms in a manner that preserves client service, simplifies infrastructure and results in operating cost savings, including successful completion of the transfer of clients from legacy Credit Suisse platforms to UBS platforms in Switzerland, our largest booking center;
- maintain deposits and client invested assets in our Global Wealth Management division and in Switzerland, and to attract additional deposits and invested assets to the combined firm;
- achieve cost reductions at the levels and in the timeframe we plan;
- enhance, integrate and, where necessary, remediate risk management and financial control and other systems and frameworks;
- complete the simplification of the legal structure of the combined firm in an expedited manner, including obtaining regulatory approvals and licenses required to implement these changes;
- complete the wind-down of the assets and liabilities in our Non-core and Legacy division and release capital and resources for other purposes;
- decommission the information technology and other legacy Credit Suisse operational infrastructure to simplify our infrastructure, reduce operational complexity and lower our operating expenses; and
- resolve outstanding litigation, regulatory and similar matters, including matters relating to Credit Suisse, on terms that are not significantly adverse to us, as well as to successfully remediate outstanding regulatory and supervisory matters and meet other regulatory commitments.

The level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, the execution of cost reductions and divestment of non-core assets, as well as resulting impairments and write-downs, may impact the operational results, share price and the credit rating of UBS entities. In addition, the financial effects of management decisions and transactions will likely differ between UBS Group and UBS AG as a result of the application of the acquisition method of accounting under the IFRS Accounting Standards by the UBS Group, including valuation adjustments recorded by the UBS Group. The combined Group will be required to devote significant management attention and resources to integrating its business practices and support functions. The diversion of management's attention and any delays or difficulties encountered in connection with the transaction and the coordination of the two companies' operations could have an adverse effect on the business, financial results, financial condition or the share price of the combined Group following the transaction.

Our reputation is critical to our success

Our reputation is critical to the success of our strategic plans, business and prospects. Reputational damage is difficult to reverse, and improvements tend to be slow and difficult to measure. In the past, our reputation has been adversely affected by our losses during the 2008 financial crisis, investigations into our cross-border private banking services, criminal resolutions of London Interbank Offered Rates (LIBOR)-related and foreign exchange matters, as well as other matters. We believe that reputational damage as a result of these events was an important factor in our loss of clients and client assets across our asset-gathering businesses. The Credit Suisse Group was more recently subject to significant litigation and regulatory matters and to financial losses that adversely affected its reputation and the confidence of clients, which played a significant role in the events leading to the acquisition of the Credit Suisse Group in March 2023. These events, or new events that cause reputational damage, could have a material adverse effect on our results of operation and financial condition, as well as our ability to achieve our strategic goals and financial targets.

Operational risks affect our business

Our businesses depend on our ability to process a large number of transactions, many of which are complex, across multiple and diverse markets in different currencies, to comply with requirements of many different legal and regulatory regimes to which we are subject and to prevent, or promptly detect and stop, unauthorized, fictitious or fraudulent transactions. We also rely on access to, and on the functioning of, systems maintained by third parties, including clearing systems, exchanges, information processors and central counterparties. Any failure of our or third-party systems could have an adverse effect on us. These risks may be greater as we deploy newer technologies, such as blockchain, or processes, platforms or products that rely on these technologies. Our operational risk management and control systems and processes are designed to help ensure that the risks associated with our activities – including those arising from process error, failed execution, misconduct, unauthorized trading, fraud, system failures, financial crime, cyberattacks, breaches of information security, inadequate or ineffective access controls and failure of security and physical protection – are appropriately controlled. If our internal controls fail or prove ineffective in identifying and remedying these risks, we could suffer operational failures that might result in material losses. The acquisition of the Credit Suisse Group may elevate these risks, particularly during the first phases of integration, as the firms have historically operated under different procedures, IT systems, risk policies and structures of governance.

We use automation as part of our efforts to improve efficiency, reduce the risk of error and improve our client experience. We intend to expand the use of robotic processing, machine learning and artificial intelligence (AI) to further these goals. Use of these tools presents their own risks, including the need for effective design and testing; the quality of the data used for development and operation of machine learning and AI tools may adversely affect their functioning and result in errors and other operational risks.

Financial services firms have increasingly been subject to breaches of security and to cyber- and other forms of attack, some of which are sophisticated and targeted attacks intended to gain access to confidential information or systems, disrupt service or steal or destroy data, which may result in business disruption or the corruption or loss of data at UBS's locations or those of third parties. Cyberattacks by hackers, terrorists, criminal organizations, nation states and extremists have also increased in frequency and sophistication. Current geopolitical tensions have also led to increased risk of cyberattack from foreign state actors. In particular, the Russia–Ukraine war and the imposition of significant sanctions on Russia by Switzerland, the US, the EU, the UK and others has resulted and may continue to result in an increase in the risk of cyberattacks. Such attacks may occur on our own systems or on the systems that are operated by external service providers, may be attempted through the introduction of ransomware, viruses or malware, phishing and other forms of social engineering, distributed denial of service attacks and other means. These attempts may occur directly or using equipment or security passwords of our employees, third-party service providers or other users. Cybersecurity risks also have increased due to the widespread use of digital technologies, cloud computing and mobile devices to conduct financial business and transactions, as well as due to generative AI, which increases the capabilities of adversaries to mount sophisticated phishing attacks, for example, through the use of deepfake technologies, and presents new challenges to the protection of our systems and networks and the confidentiality and integrity of our data. In addition to external attacks, we have experienced loss of client data from failure by employees and others to follow internal policies and procedures and from misappropriation of our data by employees and others.

We may not be able to anticipate, detect or recognize threats to our systems or data and our preventative measures may not be effective to prevent an attack or a security breach. In the event of a security breach, notwithstanding our preventative measures, we may not immediately detect a particular breach or attack. The acquisition of the Credit Suisse Group may elevate and intensify these risks, as would-be attackers have a larger potential target in the combined bank and differences in systems, policies, and platforms could make threat detection more difficult. In addition, the implementation of the large-scale technological change program that is necessary to integrate the combined bank's systems at pace may also result in increased risks. Once a particular attack is detected, time may be required to investigate and assess the nature and extent of the attack, and to restore and test systems and data. If a successful attack occurs at a service provider, as we have recently experienced, we may be dependent on the service provider's ability to detect the attack, investigate and assess the attack and successfully restore the relevant systems and data. A successful breach or circumvention of security of our or a service provider's systems or data could have significant negative consequences for us, including disruption of our operations, misappropriation of confidential information concerning us or our clients, damage to our systems, financial losses for us or our clients, violations of data privacy and similar laws, litigation exposure, and damage to our reputation. We may be subject to enforcement actions as regulatory focus on cybersecurity increases and regulators have announced new rules, guidance and initiatives on ransomware and other cybersecurity-related issues.

We are subject to complex and frequently changing laws and regulations governing the protection of client and personal data, such as the EU General Data Protection Regulation. Ensuring that we comply with applicable laws and regulations when we collect, use and transfer personal information requires substantial resources and may affect the ways in which we conduct our business. In the event that we fail to comply with applicable laws, we may be exposed to regulatory fines and penalties and other sanctions. We may also incur such penalties if our vendors or other service providers or clients or counterparties fail to comply with these laws or to maintain appropriate controls over protected data. In addition, any loss or exposure of client or other data may adversely damage our reputation and adversely affect our business.

A major focus of US and other countries' governmental policies relating to financial institutions in recent years has been on fighting money laundering and terrorist financing. We are required to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of our clients under the laws of many of the countries in which we operate. We are also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. We have implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. Failure to maintain and implement adequate programs to combat money laundering, terrorist financing or corruption, or any failure of our programs in these areas, could have serious consequences both from legal enforcement action and from damage to our reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals, as exemplified by the breadth and scope of the sanctions imposed in relation to the war in Ukraine, increase our cost of monitoring and complying with sanctions requirements and increase the risk that we will not identify in a timely manner client activity that is subject to a sanction.

As a result of new and changed regulatory requirements and the changes we have made in our legal structure, the volume, frequency and complexity of our regulatory and other reporting has remained elevated. Regulators have also significantly increased expectations regarding our internal reporting and data aggregation, as well as management reporting. We have incurred, and continue to incur, significant costs to implement infrastructure to meet these requirements. Failure to meet external reporting requirements accurately and in a timely manner or failure to meet regulatory expectations of internal reporting, data aggregation and management reporting could result in enforcement action or other adverse consequences for us.

In addition, despite the contingency plans that we have in place, our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our businesses and the communities in which we operate. This may include a disruption due to natural disasters, pandemics, civil unrest, war or terrorism and involve electrical, communications, transportation or other services that we use or that are used by third parties with whom we conduct business.

We depend on our risk management and control processes to avoid or limit potential losses in our businesses

Controlled risk-taking is a major part of the business of a financial services firm. Some losses from risk-taking activities are inevitable, but, to be successful over time, we must balance the risks we take against the returns generated. Therefore, we must diligently identify, assess, manage and control our risks, not only in normal market conditions but also as they might develop under more extreme, stressed conditions, when concentrations of exposures can lead to severe losses.

We have not always been able to prevent serious losses arising from risk management failures and extreme or sudden market events. We recorded substantial losses on fixed-income trading positions in the 2008 financial crisis, in the unauthorized trading incident in 2011 and, more recently, positions resulting from the default of a US prime brokerage client. Credit Suisse has suffered very significant losses from the default of the US prime brokerage client and losses in supply chain finance funds managed by it, as well as other matters.

We regularly revise and strengthen our risk management and control frameworks to seek to address identified shortcomings. Nonetheless, we could suffer further losses in the future if, for example:

- we do not fully identify the risks in our portfolio, in particular risk concentrations and correlated risks;
- our assessment of the risks identified, or our response to negative trends, proves to be untimely, inadequate, insufficient or incorrect;
- our risk models prove insufficient to predict the scale of financial risks the bank faces;
- markets move in ways that we do not expect – in terms of their speed, direction, severity or correlation – and our ability to manage risks in the resulting environment is, therefore, affected;
- third parties to whom we have credit exposure or whose securities we hold are severely affected by events and we suffer defaults and impairments beyond the level implied by our risk assessment; or
- collateral or other security provided by our counterparties and clients proves inadequate to cover their obligations at the time of default.

We also hold legacy risk positions, primarily in Non-core and Legacy, that, in many cases, are illiquid and may deteriorate in value. The acquisition of the Credit Suisse Group has increased, materially, the portfolio of business that is outside of our risk appetite and subject to exit in the Non-core and Legacy segment.

We also manage risk on behalf of our clients. The performance of assets we hold for our clients may be adversely affected by the aforementioned factors. If clients suffer losses or the performance of their assets held with us is not in line with relevant benchmarks against which clients assess investment performance, we may suffer reduced fee income and a decline in assets under management, or withdrawal of mandates.

Investment positions, such as equity investments made as part of strategic initiatives and seed investments made at the inception of funds that we manage, may also be affected by market risk factors. These investments are often not liquid and generally are intended or required to be held beyond a normal trading horizon. Deteriorations in the fair value of these positions would have a negative effect on our earnings.

We may be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees

The financial services industry is characterized by intense competition, continuous innovation, restrictive, detailed and sometimes fragmented regulation and ongoing consolidation. We face competition at the level of local markets and individual business lines and from global financial institutions that are comparable to us in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. We expect these trends to continue and competition to increase. Our competitive strength and market position could be eroded if we are unable to identify market trends and developments, do not respond to such trends and developments by devising and implementing adequate business strategies, do not adequately develop or update our technology, including our digital channels and tools and deployment of artificial intelligence, or are unable to attract or retain the qualified people needed.

The amount and structure of our employee compensation is affected not only by our business results but also by competitive factors and regulatory considerations.

In response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of our staff with other stakeholders, our compensation framework includes deferral periods for stock awards, forfeiture provisions and clawback provisions for certain awards linked to business performance. We also have individual caps on the proportion of fixed to variable pay for the members of the Group Executive Board (GEB), as well as certain other employees. UBS is also required to maintain and enforce provisions requiring UBS to recover from GEB members a portion of performance-based incentive compensation in the event that the UBS Group, or another entity with securities listed on a US national securities exchange, is required to restate its financial statements as a result of a material error.

Constraints on the amount or structure of employee compensation, high levels of deferral, performance conditions and other circumstances triggering the forfeiture of unvested awards may adversely affect our ability to retain and attract key employees, particularly where we compete with companies that are not subject to these constraints. The loss of key staff and the inability to attract qualified replacements could seriously compromise our ability to execute our strategy and to successfully improve our operating and control environment, and could affect our business performance. Swiss law requires that shareholders approve the compensation of the Board of Directors of UBS Group AG (the BoD) and the GEB each year. If our shareholders fail to approve the compensation for the GEB or the BoD, this could have an adverse effect on our ability to retain experienced directors and our senior management.

As UBS Group AG is a holding company, its operating results, financial condition and ability to pay dividends and other distributions and/or to pay its obligations in the future depend on funding, dividends and other distributions received directly or indirectly from its subsidiaries, which may be subject to restrictions

UBS Group AG's ability to pay dividends and other distributions, to repurchase shares and to pay its obligations in the future will depend on the level of funding, dividends and other distributions, if any, received from UBS AG and other subsidiaries. The ability of such subsidiaries to make loans or distributions, directly or indirectly, to UBS Group AG may be restricted as a result of several factors, including restrictions in financing agreements and the requirements of applicable law and regulatory, fiscal or other restrictions. In particular, UBS Group AG's direct and indirect subsidiaries, including UBS AG, UBS Switzerland AG, UBS Americas Holding LLC, UBS Europe SE and Credit Suisse International, are subject to laws and regulations that require the entities to maintain minimum levels of capital and liquidity, that restrict dividend payments, that authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS Group AG or that could affect their ability to repay any loans made to, or other investments in, such subsidiary by UBS Group AG or another member of the Group. Restrictions and regulatory actions could impede access to funds that UBS Group AG may need to meet its obligations, to pay dividends to shareholders or to repurchase our shares. In addition, UBS Group AG's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to all prior claims of the subsidiary's creditors.

Our capital instruments may contractually prevent us from proposing the distribution of dividends to shareholders, other than in the form of shares, and from engaging in repurchases of shares, if we do not pay interest on these instruments.

Furthermore, UBS Group AG may guarantee some of the payment obligations of certain of the Group's subsidiaries from time to time. These guarantees may require UBS Group AG to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS Group AG is in need of liquidity to fund its own obligations.

The credit ratings of UBS Group AG or its subsidiaries used for funding purposes could be lower than the ratings of the Group's operating subsidiaries, which may adversely affect the market value of the securities and other obligations of UBS Group AG or those subsidiaries on a standalone basis.

Market, credit and macroeconomic risks

Performance in the financial services industry is affected by market conditions and the macroeconomic climate

Our businesses are materially affected by market and macroeconomic conditions. A market downturn and weak macroeconomic conditions can be precipitated by a number of factors, including geopolitical events, such as international armed conflicts, war, or acts of terrorism, the imposition of sanctions, global trade or global supply chain disruptions, including energy shortages and food insecurity, changes in monetary or fiscal policy, changes in trade policies or international trade disputes, significant inflationary or deflationary price changes, disruptions in one or more concentrated economic sectors, natural disasters, pandemics or local and regional civil unrest. Such developments can have unpredictable and destabilizing effects.

Adverse changes in interest rates, credit spreads, securities prices, market volatility and liquidity, foreign exchange rates, commodity prices, and other market fluctuations, as well as changes in investor sentiment, can affect our earnings and ultimately our financial and capital positions. As financial markets are global and highly interconnected, local and regional events can have widespread effects well beyond the countries in which they occur. Any of these developments may adversely affect our business or financial results.

In periods of significant market volatility, our businesses may experience a decrease in client activity levels and market volumes, which would adversely affect our ability to generate transaction fees and commissions, particularly in Global Wealth Management and the Investment Bank. A market downturn would likely reduce the volume and valuation of assets that we manage on behalf of clients, which would reduce recurring fee income that is charged based on invested assets, primarily in Global Wealth Management and Asset Management. Such a downturn could also cause a decline in the value of assets that we own and account for as investments or trading positions. In addition, reduced market liquidity or volatility may limit trading opportunities and therefore may reduce transaction-based income and may also impede our ability to manage risks.

Health emergencies, including pandemics and measures taken by governmental authorities to manage them, may have effects such as labor market displacements, supply chain disruptions, and inflationary pressures, and adversely affect global and regional economic conditions, resulting in contraction in the global economy, substantial volatility in the financial markets, crises in markets for goods and services, disruptions in real estate markets, increased unemployment, increased credit and counterparty risk, and operational challenges, as we saw with the COVID-19 pandemic. Such economic or market disruptions, including inflationary pressures, may lead to reduced levels of client activity and demand for our products and services, increased utilization of lending commitments, significantly increased client defaults, continued and increasing credit and valuation losses in our loan portfolios, loan commitments and other assets, and impairments of other financial assets.

Geopolitical events: US – China tensions, conflict in the Middle East, the continuing Russia–Ukraine war, as well as other geopolitical events may have significant impacts on global markets, exacerbate global inflationary pressures and slow global growth. In addition, the ongoing conflicts and other events may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages or significantly higher energy prices and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to armed conflicts, including, with respect to the Russia–Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. If individual countries impose restrictions on cross-border payments or trade, or other exchange or capital controls, or change their currency, we could suffer adverse effects on our business, losses from enforced default by counterparties, be unable to access our own assets or be unable to effectively manage our risks.

We could be materially affected if a crisis develops, regionally or globally, as a result of disruptions in markets due to macroeconomic or political developments, trade restrictions, or the failure of a major market participant. Over time, our strategic plans have become more heavily dependent on our ability to generate growth and revenue in emerging markets, including China, causing us to be more exposed to the risks associated with such markets.

Global Wealth Management derives revenues from all the principal regions but has a greater concentration in Asia than many peers and a substantial presence in the US, unlike many European peers. The Investment Bank's business is more heavily weighted to Europe and Asia than our peers, while its derivatives business is more heavily weighted to structured products for wealth management clients, in particular with European and Asian underlyings. Our performance may therefore be more affected by political, economic and market developments in these regions and businesses than some other financial service providers.

The extent to which ongoing conflicts, current inflationary pressures and related adverse economic conditions affect our businesses, results of operations and financial condition, as well as our regulatory capital and liquidity ratios, will depend on future developments, including the effects of the current conditions on our clients, counterparties, employees and third-party service providers.

Our credit risk exposure to clients, trading counterparties and other financial institutions would increase under adverse or other economic conditions

Credit risk is an integral part of many of our activities, including lending, underwriting and derivatives activities. Adverse economic or market conditions, or the imposition of sanctions or other restrictions on clients, counterparties or financial institutions, may lead to impairments and defaults on these credit exposures. Losses may be exacerbated by declines in the value of collateral securing loans and other exposures. In our prime brokerage, securities finance and Lombard lending businesses, we extend substantial amounts of credit against securities collateral the value or liquidity of which may decline rapidly. Market closures and the imposition of exchange controls, sanctions or other measures may limit our ability to settle existing transactions or to realize on collateral, which may result in unexpected increases in exposures. Our Swiss mortgage and corporate lending portfolios are a large part of our overall lending. We are therefore exposed to the risk of adverse economic developments in Switzerland, including property valuations in the housing market, the strength of the Swiss franc and its effect on Swiss exports, low or negative interest rates applied by the Swiss National Bank, economic conditions within the Eurozone or the EU, and the evolution of agreements between Switzerland and the EU or European Economic Area, which represent Switzerland's largest export market. Although we believe this portfolio is prudently managed, we could nevertheless be exposed to losses if a substantial deterioration in the Swiss real estate market were to occur.

As we experienced in 2020, under the IFRS 9 expected credit loss (ECL) regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect our common equity tier 1 (CET1) capital and regulatory capital ratios.

Interest rate trends and changes could negatively affect our financial results

UBS's businesses are sensitive to changes in interest rate trends. A prolonged period of low or negative interest rates, particularly in Switzerland and the Eurozone, adversely affected the net interest income generated by UBS's Personal & Corporate Banking and Global Wealth Management businesses prior to 2022. The return to a zero policy rate by the Swiss National Bank in 2025 has and, UBS expects, will continue to adversely affect our net interest income. Actions that UBS took in the 2022 period to mitigate adverse effects on income, such as the introduction of selective deposit fees or minimum lending rates, contributed to outflows of customer deposits, net new money outflows and a declining market share in its Swiss lending business.

Higher interest rates generally benefit UBS's net interest income. When interest rates increase substantially, returns on alternatives to deposits, such as returns on money market funds, may increase relative to deposit rates, leading to outflows of customer deposits and shifts of deposits from lower-interest account types to higher interest products, such as savings and certificates of deposit. Customer deposit outflows could require UBS to obtain alternative funding, which would likely be more costly than customer deposits.

Our shareholders' equity and capital are also affected by changes in interest rates.

Currency fluctuation may have an adverse effect on our profits, balance sheet and regulatory capital

We are subject to currency fluctuation risks as a substantial portion of our assets and liabilities are denominated in currencies other than our Group presentation currency, the US dollar. In order to hedge our CET1 capital ratio, our CET1 capital must have foreign currency exposure, which leads to currency sensitivity. As a consequence, it is not possible to simultaneously fully hedge both CET1 capital and the CET1 capital ratio. Accordingly, changes in foreign exchange rates may adversely affect our profits, balance sheet, and capital, leverage and liquidity coverage ratios. During 2025, the US dollar materially depreciated against other major currencies, including the Swiss franc and the euro. This depreciation resulted in an increase of the US dollar value of assets denominated in other currencies reflected on our balance sheet, increasing our leverage ratio denominator.

Regulatory and legal risks

Material legal and regulatory risks arise in the conduct of our business

As a global financial services firm operating in more than 50 countries, we are subject to many different legal, tax and regulatory regimes, including extensive regulatory oversight, and are exposed to significant liability risk. We are subject to a large number of claims, disputes, legal proceedings and government investigations, and we expect that our ongoing business activities will continue to give rise to such matters in the future. In addition, UBS inherited claims against Credit Suisse entities as part of the acquisition, including matters that may be material to the operating results of the combined Group. The extent of our financial exposure to these and other matters is material and could substantially exceed the level of provisions that we have established. We are not able to predict the financial and non-financial consequences these matters may have when resolved.

We may be subject to adverse preliminary determinations or court decisions that may negatively affect public perception and our reputation, result in prudential actions from regulators, and cause us to record additional provisions for such matters even when we believe we have substantial defenses and expect to ultimately achieve a more favorable outcome. This risk is illustrated by the award of aggregate penalties and damages of EUR 4.5bn against UBS by the court of first instance in France. This award was reduced to an aggregate of EUR 1.8bn by the Court of Appeal, and, in a further appeal, the French Supreme Court referred the case back to the Paris Court of Appeal to reconsider the amount after a new trial. Ultimately, the case was resolved in September 2025 and UBS AG agreed to pay a fine of EUR 730m and EUR 105m in civil damages to the French State.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Among other things, a guilty plea to, or conviction of, a crime (including as a result of termination of the Deferred Prosecution Agreement Credit Suisse entered into with the US Department of Justice in 2021 to resolve its Mozambique matter) could have material consequences for UBS.

Resolution of regulatory proceedings has required us to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations, and may permit financial market utilities to limit, suspend or terminate our participation in them. UBS and Credit Suisse have each required waivers or exemptions in order to continue to act as investment manager to pension plans and registered investment companies in the US, among other things; failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations arising from a disqualifying event, could have material adverse consequences for us.

Our settlements with governmental authorities in connection with foreign exchange, LIBOR and other benchmark interest rates starkly illustrate the significantly increased level of financial and reputational risk now associated with regulatory matters in major jurisdictions. In connection with investigations related to LIBOR and other benchmark rates, and to foreign exchange and precious metals, very large fines and disgorgement amounts were assessed against us, and we were required to enter guilty pleas despite our full cooperation with the authorities in the investigations and despite our receipt of conditional leniency or conditional immunity from anti-trust authorities in a number of jurisdictions, including the US and Switzerland.

For a number of years, we have been, and we continue to be, subject to a very high level of regulatory scrutiny. We believe we have remediated the deficiencies that led to significant losses in the past and made substantial changes in our controls and conduct risk frameworks to address the issues highlighted by past regulatory resolutions. We have also undertaken extensive efforts to implement new regulatory requirements and meet heightened supervisory expectations. Prior to its acquisition by UBS, Credit Suisse was also subject to a high level of regulatory scrutiny and had significant regulatory and other remediation programs to address identified issues, including as a result of the Archegos, Mozambique, supply chain finance and cross-border tax matters. As part of the integration of Credit Suisse, UBS is addressing these matters and will likely remain under additional regulatory scrutiny until the integration is substantially completed.

Credit Suisse and UBS have become the target of lawsuits, and may become the target of further litigation, in connection with the merger transaction or the regulatory and other actions taken in connection with the merger transaction, all of which could result in substantial costs. Since the close of the acquisition, various litigation claims have been lodged against UBS under Swiss merger law alleging that Credit Suisse Group AG shareholders received disadvantaged treatment in the acquisition. In addition, numerous cases have been lodged against the Swiss Financial Market Supervisory Authority (FINMA) in respect of the write-down of the Credit Suisse Group's additional tier 1 (AT1) bonds ordered by FINMA. UBS Group AG, as the successor to Credit Suisse Group AG, is a party to the proceedings. The cumulative effects of the litigations to which UBS has succeeded and the claims related to the acquisition and the circumstances surrounding it, may have material adverse consequences for the combined Group.

We continue to be in active dialogue with regulators concerning the actions we are taking to improve our operational risk management, risk control, anti-money-laundering, data management and other frameworks, and otherwise seek to meet supervisory expectations, but there can be no assurance that our efforts will have the desired effects. As a result of this history, our level of risk with respect to regulatory enforcement may be greater than that of some of our peers.

If we experience severe financial difficulties, FINMA has the power to open restructuring or liquidation proceedings or impose protective measures in relation to UBS Group AG, UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on our shareholders and creditors

Under the Swiss Banking Act, FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS Group AG, UBS AG and UBS Switzerland AG, if there is justified concern that an entity is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfills capital adequacy requirements. Such powers include ordering protective measures, instituting restructuring proceedings (and exercising any Swiss resolution powers in connection therewith), and instituting liquidation proceedings, all of which may have a material adverse effect on shareholders and creditors or may prevent UBS Group AG, UBS AG or UBS Switzerland AG from paying dividends or making payments on debt obligations.

UBS would have limited ability to challenge any such protective measures, and creditors and shareholders would also have limited ability under Swiss law or in Swiss courts to reject them, seek their suspension, or challenge their imposition, including measures that require or result in the deferment of payments.

If restructuring proceedings are opened with respect to UBS Group AG, UBS AG or UBS Switzerland AG the resolution powers that FINMA may exercise include the power to: (i) transfer all or some of the assets, debt and other liabilities, and contracts of the entity subject to proceedings to another entity; (ii) stay for a maximum of two business days (a) the termination of, or the exercise of rights to terminate, netting rights, (b) rights to enforce or dispose of certain types of collateral or (c) rights to transfer claims, liabilities or certain collateral, under contracts to which the entity subject to proceedings is a party; and (iii) partially or fully write down the equity capital and regulatory capital instruments, including UBS Group senior debt and additional tier 1 capital instruments, and, if such regulatory capital is fully written down, write down or convert into equity the other debt instruments of the entity subject to proceedings. Shareholders and creditors would have no right to reject, or to seek the suspension of, any restructuring plan pursuant to which such resolution powers are exercised. They would have only limited rights to challenge any decision to exercise resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Upon full or partial write-down of the equity and regulatory capital instruments of the entity subject to restructuring proceedings, the relevant shareholders and creditors would receive no payment in respect of the equity and debt that is written down, the write-down would be permanent, and the investors would likely not, at such time or at any time thereafter, receive any shares or other participation rights, or be entitled to any write-up or any other compensation in the event of a potential subsequent recovery of the debtor. If FINMA orders the conversion of debt of the entity subject to restructuring proceedings into equity, the securities received by the investors may be worth significantly less than the original debt and may have a significantly different risk profile. In addition, creditors receiving equity would be effectively subordinated to all creditors of the restructured entity in the event of a subsequent winding up, liquidation or dissolution of the restructured entity, which would increase the risk that investors would lose all or some of their investment.

FINMA has significant discretion in the exercise of its powers in connection with restructuring proceedings. Furthermore, certain categories of debt obligations, such as certain types of deposits, are subject to preferential treatment. As a result, holders of obligations of an entity subject to a Swiss restructuring proceeding may have their obligations written down or converted into equity even though obligations ranking on par with such obligations are not written down or converted.

Developments in sustainability, climate, environmental and social standards and regulations may affect our business and impact our ability to fully realize our goals

We are subject to separate, and sometimes conflicting, ESG regulations and regulator expectations in the various jurisdictions in which UBS operates. For example, in certain jurisdictions, we are required to set diversity targets or other ESG-related goals that are considered illegal or contrary to regulatory expectations in other jurisdictions. In addition, with respect to decarbonization mandates, there is substantial uncertainty as to the scope of actions that may be required of us, governments and others to achieve the goals we have set, and many of our goals and objectives are only achievable with a combination of government and private action. National and international standards and expectations, industry and scientific practices, regulatory taxonomies, and disclosure obligations addressing these matters are relatively immature and are rapidly evolving. In addition, there are significant limitations in the data available to measure our climate and other goals. Although we have defined and disclosed our goals based on the standards existing at the time of disclosure, there can be no assurance (i) that the various ESG regulatory and disclosure regimes under which we operate will not come into further conflict with one another, (ii) that the current standards will not be interpreted differently than our understanding or change in a manner that substantially increases the cost or effort for us to achieve such goals or (iii) that additional data or methods, whether voluntary or required by regulation, may substantially change our calculation of our goals and ambitions. It is possible that such goals may prove to be considerably more difficult or even impossible to achieve. The evolving standards may also require us to substantially change the stated goals and ambitions. If we are not able to achieve the goals we have set, or can only do so at significant expense to our business, we may fail to meet regulatory expectations, incur damage to our reputation or be exposed to an increased risk of litigation or other adverse action.

While ESG regulatory regimes and international standards are being developed, including to require consideration of ESG risks in investment decisions, some jurisdictions, notably in the US, have developed rules restricting the consideration of ESG factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. Our businesses may be adversely affected if we are considered as discriminating against companies based on ESG considerations, or if further anti-ESG rules are developed or broadened.

Our financial results may be negatively affected by changes to assumptions and valuations, as well as changes to accounting standards

We prepare our consolidated financial statements in accordance with IFRS Accounting Standards. The application of these accounting standards requires the use of judgment based on estimates and assumptions that may involve significant uncertainty at the time they are made. This is the case, for example, with respect to the measurement of fair value of financial instruments, the recognition of deferred tax assets (DTAs), the assessment of the impairment of goodwill, expected credit losses and estimation of provisions for litigation, regulatory and similar matters. Such judgments, including the underlying estimates and assumptions, which encompass historical experience, expectations of the future and other factors, are regularly evaluated to determine their continuing relevance based on current conditions. Using different assumptions could cause the reported results to differ. Changes in assumptions, or failure to make the changes necessary to reflect evolving market conditions, may have a significant effect on the financial statements in the periods when changes occur. Estimates of provisions may be subject to a wide range of potential outcomes and significant uncertainty. For example, the broad range of potential outcomes in our legal proceedings in France and in a number of Credit Suisse's legal proceedings increase the uncertainty associated with assessing the appropriate provision. If the estimates and assumptions in future periods deviate from the current outlook, our financial results may also be negatively affected.

Changes to IFRS Accounting Standards or interpretations thereof may cause future reported results and financial positions to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect our regulatory capital and ratios. For example, the introduction of the ECL regime under IFRS 9 in 2018 fundamentally changed how credit risk arising from loans, loan commitments, guarantees and certain revocable facilities is accounted for. Under the ECL regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2, only gradually diminishing once the economic outlook improves. As we observed in 2020, this effect may be more pronounced in a deteriorating economic environment. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect our CET1 capital and regulatory capital ratios.

We may be unable to maintain our capital strength

Capital strength enables us to grow our businesses and absorb increases in regulatory and capital requirements. Our ability to maintain our capital ratios is subject to numerous risks, including the financial results of our businesses, the effect of changes to capital standards, methodologies and interpretations that may adversely affect the calculation of our capital ratios, the imposition of risk add-ons or capital buffers, and the application of additional capital, liquidity and similar requirements to subsidiaries. Our capital and leverage ratios are driven primarily by RWA, LRD and eligible capital, all of which may fluctuate based on a number of factors, some of which are outside of our control. The results of our businesses may be adversely affected by events arising from other risk factors described herein. In some cases, such as litigation and regulatory risk and operational risk events, losses may be sudden and large. These risks could reduce the amount of capital available for return to shareholders and hinder our ability to achieve our capital returns target of a progressive cash dividend coupled with a share repurchase program.

Our eligible capital may be reduced by losses recognized within net profit or other comprehensive income. Eligible capital may also be reduced for other reasons, including acquisitions that change the level of goodwill, changes in temporary differences related to DTAs included in capital, adverse currency movements affecting the value of equity, prudential adjustments that may be required due to the valuation uncertainty associated with certain types of positions, changes in regulatory interpretations on the inclusion or exclusion of items contributing to our shareholders' equity in regulatory capital, and changes in the value of certain pension fund assets and liabilities or in the interest rate and other assumptions used to calculate the changes in our net defined benefit obligation recognized in other comprehensive income.

RWA are driven by our business activities, by changes in the risk profile of our exposures, by changes in our foreign currency exposures and foreign exchange rates, and by regulation. For instance, substantial market volatility, a widening of credit spreads, adverse currency movements, increased counterparty risk, deterioration in the economic environment or increased operational risk could result in an increase in RWA. Changes in the calculation of RWA, the imposition of additional supplemental RWA charges or multipliers applied to certain exposures and other methodology changes, as well as the finalization of the Basel III framework and Fundamental Review of the Trading Book promulgated by the BCBS, which are expected to affect our RWA.

The leverage ratio is a balance sheet-driven measure and therefore limits balance sheet-intensive activities, such as lending, more than activities that are less balance sheet intensive, and it may constrain our business even if we satisfy other risk-based capital requirements. Our LRD is driven by, among other things, the level of client activity, including deposits and loans, foreign exchange rates, interest rates, other market factors and changes in required liquidity. Many of these factors are wholly or partly outside of our control.

The effect of taxes on our financial results is significantly influenced by changes in tax law, or reinterpretations of existing laws by courts or tax authorities, reassessments of our deferred tax assets and operating losses of certain entities with no associated tax benefit

Our effective tax rate is highly sensitive to our performance, our expectation of future profitability and any potential increases or decreases in statutory tax rates, such as any potential increase or decrease in the US federal corporate tax rate, and changes in the interpretation of tax law. Furthermore, based on prior years' tax losses and deductible temporary differences, we have recognized DTAs reflecting the probable recoverable level based on future taxable profit as informed by our business plans. If our performance is expected to produce diminished taxable profit in future years, particularly in the US, we may be required to write down all or a portion of the currently recognized DTAs through the income statement in excess of anticipated amortization. This would have the effect of increasing our effective tax rate in the year in which any write-downs are taken. Conversely, if we expect the performance of entities in which we have unrecognized tax losses to improve, particularly in the US or the UK, we could potentially recognize additional DTAs. The effect of doing so would be to reduce our effective tax rate in years in which additional DTAs are recognized and to increase our effective tax rate in future years. Our effective tax rate is also sensitive to any future reductions in statutory tax rates, particularly in the US, which would cause the expected future tax benefit from items such as tax loss carry-forwards in the affected locations to diminish in value. This, in turn, would cause a write-down of the associated DTAs. Conversely, an increase in US corporate tax rates would result in an increase in the Group's recognized DTAs.

Changes in tax law may materially affect our effective tax rate and, in some cases, may substantially affect the profitability of certain activities. In addition, statutory and regulatory changes, as well as changes to the way in which courts and tax authorities interpret tax laws, including assertions that we are required to pay taxes in a jurisdiction as a result of activities connected to that jurisdiction constituting a permanent establishment or similar theory, and changes in our assessment of uncertain tax positions, could cause the amount of taxes we ultimately pay to materially differ from the amount accrued.

We may incur material future tax liabilities in connection with the acquisition of the Credit Suisse Group

In the past, the Credit Suisse Group has recorded significant impairments of the tax value of its participations in subsidiaries below their tax acquisition costs. As a result of the acquisition of the Credit Suisse Group, tax acquisition costs of participations held by Credit Suisse Group AG and its subsidiaries have been transferred to the UBS Group. UBS Group AG and its subsidiaries may become subject to additional Swiss tax on future reversals of such impairments for Swiss tax purposes. Reversals of prior impairments may occur to the extent that the net asset value of the previously impaired subsidiary increases, e.g. as a result of an increase in retained earnings. Although it is difficult to quantify this additional future tax exposure, as various potential mitigants (e.g. transfers of assets and liabilities, business activities, subsidiary investments, as well as other restructuring measures within the combined Group in the course of the integration) exist, it may be material.

Liquidity and funding risk

Liquidity and funding management are critical to UBS's ongoing performance

The viability of our business depends on the availability of funding sources, and our success depends on our ability to obtain funding at times, in amounts, for tenors and at rates that enable us to efficiently support our asset base in all market conditions. Our funding sources have generally been stable, but could change in the future because of, among other things, general market disruptions or widening credit spreads, which could also influence the cost of funding. A substantial part of our liquidity and funding requirements are met using short-term unsecured funding sources, including retail and wholesale deposits and the regular issuance of money market securities. A change in the availability of short-term funding could occur quickly.

Reductions in our credit ratings may adversely affect the market value of the securities and other obligations and increase our funding costs, in particular with regard to funding from wholesale unsecured sources, and could affect the availability of certain kinds of funding. In addition, as experienced in connection with the Moody's Investors Service Ltd. downgrade of UBS AG's long-term debt rating in June 2012, rating downgrades can require us to post additional collateral or make additional cash payments under trading agreements. Our credit ratings, together with our capital strength and reputation, also contribute to maintaining client and counterparty confidence, and it is possible that rating changes could influence the performance of some of our businesses. The acquisition of the Credit Suisse Group has elevated these risks and may cause these risks to intensify. Upon the close of the acquisition in June 2023, Fitch Ratings Ireland Limited downgraded the Long-Term Issuer Default Ratings (IDRs) of UBS Group AG to "A" from "A+" and of UBS AG to "A+" from "AA-". Fitch Ratings Ltd. also upgraded Credit Suisse AG's Long-Term IDR to "A+" from "BBB+".

The requirement to maintain a liquidity coverage ratio of high-quality liquid assets to estimated stressed short-term net cash outflows, and other similar liquidity and funding requirements, oblige us to maintain high levels of overall liquidity, limit our ability to optimize interest income and expense, make certain lines of business less attractive and reduce our overall ability to generate profits. The liquidity coverage ratio and net stable funding ratio requirements are intended to ensure that we are not overly reliant on short-term funding and that we have sufficient long-term funding for illiquid assets. The relevant calculations make assumptions about the relative likelihood and amount of outflows of funding and available sources of additional funding in market-wide and firm-specific stress situations. In an actual stress situation, however, our funding outflows could exceed the assumed amounts.

Financial and operating performance

Management report

Accounting and financial reporting

Critical accounting estimates and judgments

In preparing our financial statements in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB), we apply judgment and make estimates and assumptions that may involve significant uncertainty at the time they are made. We regularly reassess those estimates and assumptions, which encompass historical experience, expectations of the future and other pertinent factors, to determine their continuing relevance based on current conditions, and update them as necessary. Changes in estimates and assumptions may have significant effects on the financial statements. Furthermore, actual results may differ significantly from our estimates, which could result in significant losses to the Group, beyond what we expected or provided for.

Key areas involving a high degree of judgment and areas where estimates and assumptions are significant to the consolidated financial statements include the following (the Notes referred to below are in “Notes to the UBS Group AG consolidated financial statements” in the “Consolidated financial statements” section of this report):

- expected credit loss measurement (refer to “Note 1 Summary of material accounting policies, item 2g Allowances and provisions for expected credit losses” and “Note 19 Expected credit loss measurement”);
- fair value measurement (refer to “Note 1 Summary of material accounting policies, item 2f Fair value of financial instruments” and “Note 20 Fair value measurement”);
- income taxes (refer to “Note 1 Summary of material accounting policies, item 6 Income taxes” and “Note 8 Income taxes”);
- provisions and contingent liabilities (refer to “Note 1 Summary of material accounting policies, item 10 Provisions and contingent liabilities” and “Note 17 Provisions and contingent liabilities”); and
- goodwill (refer to “Note 1 Summary of material accounting policies, item 9 Goodwill and other separately identifiable intangible assets” and “Note 12 Goodwill and intangible assets”).

› Refer to the “Risk factors” section of this report for more information

Accounting and financial reporting changes in 2025

Disclosures about Uncertainties in the Financial statements

In November 2025, the IASB issued illustrative examples *Disclosures about Uncertainties in the Financial Statements*, using climate-related examples to illustrate how requirements in IFRS Accounting Standards are applied to report the effects of uncertainties in the financial statements. The guidance provided through these examples is consistent with the manner in which UBS prepares its financial statements.

Accounting and financial reporting changes after 2025

IFRS 18, *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued a new standard, IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements* and is effective from 1 January 2027. The main changes introduced by IFRS 18 relate to the structure of income statements, new disclosure requirements for management performance measures and enhanced guidance on aggregation and disaggregation of information. UBS is assessing the impact of the new requirements on its reporting but expects it to be limited.

Amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7* (the Amendments). The Amendments relate to classification of financial assets and derecognition of financial instruments, including introduction of an accounting policy election to derecognize financial liabilities settled through electronic transfer systems before the settlement date, if certain conditions are met. The Amendments also introduce new disclosure requirements for financial instruments with contractual terms that could change the timing or amount of contractual cash flows. The Amendments are effective from 1 January 2026 and will have limited impact on UBS’s financial statements.

Group performance

Income statement

	For the year ended			% change from
USD m	31.12.25	31.12.24	31.12.23	31.12.24
Net interest income	7,747	7,108	7,297	9
Other net income from financial instruments measured at fair value through profit or loss	14,011	14,690	11,583	(5)
Net fee and commission income	27,912	26,138	21,570	7
Other income	(96)	675	384	
Total revenues	49,573	48,611	40,834	2
Negative goodwill			27,264	
Credit loss expense / (release)	524	551	1,037	(5)
Personnel expenses	27,861	27,318	24,899	2
General and administrative expenses	8,807	10,124	10,156	(13)
Depreciation, amortization and impairment of non-financial assets	3,529	3,798	3,750	(7)
Operating expenses	40,197	41,239	38,806	(3)
Operating profit / (loss) before tax	8,853	6,821	28,255	30
Tax expense / (benefit)	1,056	1,675	873	(37)
Net profit / (loss)	7,797	5,146	27,382	52
Net profit / (loss) attributable to non-controlling interests	30	60	16	(50)
Net profit / (loss) attributable to shareholders	7,767	5,085	27,366	53
Comprehensive income				
Total comprehensive income	12,045	3,401	28,374	254
Total comprehensive income attributable to non-controlling interests	48	13	22	260
Total comprehensive income attributable to shareholders	11,998	3,388	28,352	254

Selected financial information of our business divisions and Group Items

USD m	For the year ended 31.12.25						Total
	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	
Total revenues as reported	25,960	9,154	3,156	12,340	154	(1,190)	49,573
of which: PPA effects and other integration items ¹	624	1,016		570 ²	4	(323) ³	1,892
of which: loss related to an investment in an associate	(62)	(168)					(230)
of which: items related to the Swisscard transactions ⁴		64					64
Total revenues (underlying)	25,398	8,242	3,156	11,769	150	(867)	47,848
Credit loss expense / (release)	48	339	1	133	(1)	2	524
Operating expenses as reported	20,705	6,318	2,436	9,387	1,353	(2)	40,197
of which: integration-related expenses and PPA effects ⁵	1,675	1,093	256	463	882	53	4,422
of which: items related to the Swisscard transactions ⁶		180					180
Operating expenses (underlying)	19,030	5,045	2,179	8,924	472	(56)	35,595
Operating profit / (loss) before tax as reported	5,207	2,497	719	2,819	(1,199)	(1,190)	8,853
Operating profit / (loss) before tax (underlying)	6,320	2,857	975	2,712	(321)	(813)	11,729

USD m	For the year ended 31.12.24						Total
	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	
Total revenues as reported	24,516	9,334	3,182	10,948	1,605	(975)	48,611
of which: PPA effects and other integration items ¹	891	1,038		989		(41)	2,877
of which: loss related to an investment in an associate	(21)	(59)					(80)
Total revenues (underlying)	23,646	8,355	3,182	9,958	1,605	(933)	45,814
Credit loss expense / (release)	(16)	404	(1)	97	69	(2)	551
Operating expenses as reported	20,608	5,741	2,663	8,934	3,512	(220)	41,239
of which: integration-related expenses and PPA effects ⁵	1,807	749	351	717	1,154	(12)	4,766
of which: items related to the Swisscard transactions ⁷		41					41
Operating expenses (underlying)	18,802	4,951	2,312	8,217	2,359	(208)	36,432
Operating profit / (loss) before tax as reported	3,924	3,189	520	1,917	(1,976)	(752)	6,821
Operating profit / (loss) before tax (underlying)	4,860	3,000	871	1,644	(822)	(723)	8,831

¹ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ² Includes a USD 128m gain from the sale of a stake in a subsidiary, Credit Suisse Securities (China) Limited. ³ Includes a USD 457m net loss from the repurchase of legacy Credit Suisse debt instruments, as the repurchase price exceeded the amortized-cost carrying value (the net loss reflects a loss of USD 885m before PPA adjustments, partly offset by a USD 427m gain from the release of PPA adjustments). ⁴ Represents the gain related to UBS's share of the income recorded by Swisscard for the sale of the Credit Suisse card portfolios to UBS. ⁵ Includes temporary, incremental operating expenses directly related to the integration, as well as amortization of intangibles resulting from the acquisition of the Credit Suisse Group. ⁶ Represents the expense related to the payment to Swisscard for the sale of the Credit Suisse card portfolios to UBS. ⁷ Represents the termination fee paid to American Express related to the sale of our 50% holding in Swisscard.

Net integration-related expenses, by business division and Group Items

USD m	For the year ended	
	31.12.25	31.12.24
Global Wealth Management	1,665	1,845
Personal & Corporate Banking	988	654
Asset Management	256	351
Investment Bank	336 ¹	717
Non-core and Legacy	877	1,154
Group Items	890 ²	36
Net integration-related expenses	5,013	4,757
of which: total revenues	705 ^{1,2}	104
of which: operating expenses	4,308	4,653
of which: personnel expenses	2,467	2,541
of which: general and administrative expenses	1,498	1,681
of which: depreciation, amortization and impairment of non-financial assets	343	430

¹ Includes a USD 128m gain from the sale of a stake in a subsidiary, Credit Suisse Securities (China) Limited. ² Includes an USD 885m loss from the repurchase of legacy Credit Suisse debt instruments, excluding a partly offsetting gain of USD 427m from the release of PPA adjustments (a net loss of USD 457m was recognized on retirement of these instruments in 2025).

Underlying results

In addition to reporting our results in accordance with IFRS Accounting Standards, we report underlying results that exclude items of profit or loss that management believes are not representative of the underlying performance.

In 2025, underlying revenues excluded purchase price allocation (PPA) effects and other integration items of USD 1,892m, which included a USD 457m net loss from the repurchase of legacy Credit Suisse debt instruments and a USD 128m gain from the sale of a stake in Credit Suisse Securities (China) Limited (CSS). PPA effects mainly consist of PPA adjustments on financial instruments measured at amortized cost, including off-balance sheet positions, arising from the acquisition of the Credit Suisse Group. Accretion of PPA adjustments on financial instruments is accelerated when the related financial instrument is derecognized before its contractual maturity. No adjustment is made for accretion of PPA on financial instruments within Non-core and Legacy, due to the nature of its business model. Underlying revenues also excluded a net loss of USD 230m related to an investment in an associate and a USD 64m gain related to the Swisscard transactions.

In 2025, underlying expenses excluded integration-related expenses and PPA effects of USD 4,422m. Integration-related expenses are temporary, incremental and directly related to the integration of Credit Suisse into UBS, including costs of internal staff and contractors substantially dedicated to integration activities, retention awards, redundancy costs, incremental expenses from the shortening of useful lives of property, equipment and software, and impairment charges relating to these assets. Classification as integration-related expenses does not affect the timing of recognition and measurement of those expenses or the presentation thereof in the income statement. Underlying operating expenses also excluded a USD 180m expense related to the Swisscard transactions.

Results 2025 vs 2024

In 2025, reported net profit attributable to shareholders increased by USD 2,682m to USD 7,767m. There was a net tax expense of USD 1,056m in 2025.

Operating profit before tax increased by USD 2,032m to USD 8,853m, reflecting a decrease in operating expenses and an increase in total revenues, as well as lower net credit loss expenses. Total revenues increased by USD 962m, or 2%, to USD 49,573m and included an increase from foreign currency effects and a decrease of USD 985m in PPA effects and other integration items. The increase in total revenues was driven by an increase of USD 1,774m in net fee and commission income, partly offset by a decrease of USD 771m in other income, mainly reflecting a net loss of USD 457m from the repurchase of legacy Credit Suisse debt instruments, and USD 40m lower combined net interest income and other net income from financial instruments measured at fair value through profit or loss. Operating expenses decreased by USD 1,042m, or 3%, to USD 40,197m, which included an increase from foreign currency effects and a USD 344m decrease in integration-related expenses and PPA effects. The overall decrease in operating expenses reflected USD 1,317m lower general and administrative expenses, mainly reflecting an USD 821m increase in net releases of provisions and acquisition-related contingent liabilities resulting from litigation, regulatory and similar matters, and a USD 269m decrease in expenses for depreciation, amortization and impairment of non-financial assets, partly offset by a USD 543m increase in personnel expenses. Net credit loss expenses were USD 524m, compared with USD 551m in 2024.

Underlying results 2025 vs 2024

On an underlying basis, profit before tax increased by USD 2,898m to USD 11,729m, reflecting a USD 2,034m increase in underlying total revenues and an USD 837m decrease in underlying operating expenses, as well as a USD 27m decrease in net credit loss expenses.

Total revenues

Net interest income and other net income from financial instruments measured at fair value through profit or loss

Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss decreased by USD 40m to USD 21,758m and included a decrease of USD 341m in accretion impacts resulting from PPA adjustments on financial instruments and other PPA effects.

The year-on-year variance was primarily driven by Non-core and Legacy, which reported negative revenues of USD 24m, compared with positive USD 1,163m in 2024, mainly due to lower net gains from position exits and lower net interest income from securitized product and credit portfolios, partly offset by lower liquidity and funding costs. In Personal & Corporate Banking, revenues decreased by USD 301m to USD 6,178m, reflecting a decrease of USD 328m in net interest income, primarily due to the impact of lower central bank interest rates on deposit revenues, partly offset by deposit pricing measures, positive foreign currency effects and lower liquidity and funding costs. Global Wealth Management revenues decreased by USD 177m to USD 8,854m, mainly reflecting USD 340m lower net interest income, primarily due to a USD 331m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. This was partly offset by an increase of USD 163m in transaction-based income from foreign exchange and other intermediary activity, mainly reflecting higher client activity.

The aforementioned decreases were largely offset by a USD 1,372m increase in the Investment Bank's revenues to USD 7,536m, mainly driven by Global Markets. The increase was mostly due to higher volatility and increased levels of client activity in Derivatives & Solutions, as well as higher client balances in Prime Brokerage within Financing. Additionally, revenues in Group Items were negative USD 771m, compared with negative USD 1,054m in 2024, mainly driven by lower mark-to-market losses from Group hedging and own debt, including hedge accounting ineffectiveness.

- › Refer to "Note 3 Net interest income and other net income from financial instruments measured at fair value through profit or loss" in the "Consolidated financial statements" section of this report for more information
- › Refer to the relevant business division and Group Items commentary in this section for more information about the specific revenues of each of the business divisions and Group Items

Net interest income and other net income from financial instruments measured at fair value through profit or loss

USD m	For the year ended			% change from 31.12.24
	31.12.25	31.12.24	31.12.23	
Net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	1,404	47	3,527	
Net interest income from financial instruments measured at fair value through profit or loss and other	6,343	7,061	3,770	(10)
Other net income from financial instruments measured at fair value through profit or loss	14,011	14,690	11,583	(5)
Total	21,758	21,798	18,880	0
Global Wealth Management	8,854	9,031	8,484	(2)
of which: net interest income	7,018	7,358	7,082	(5)
of which: transaction-based income from foreign exchange and other intermediary activity ¹	1,836	1,673	1,402	10
Personal & Corporate Banking	6,178	6,479	5,539	(5)
of which: net interest income	5,322	5,650	4,878	(6)
of which: transaction-based income from foreign exchange and other intermediary activity ¹	856	829	661	3
Asset Management	(16)	16	(5)	
Investment Bank	7,536	6,164	5,055	22
Non-core and Legacy	(24)	1,163	321	
Group Items	(771)	(1,054)	(513)	(27)

¹ Mainly includes spread-related income in connection with client-driven transactions, foreign currency translation effects and income and expenses from precious metals, which are included in the income statement line Other net income from financial instruments measured at fair value through profit or loss. The amounts reported on this line are one component of Transaction-based income in the management discussion and analysis in the "Global Wealth Management" and "Personal & Corporate Banking" sections of this report.

Net fee and commission income

Net fee and commission income increased by USD 1,774m to USD 27,912m and included a decrease of USD 470m in accretion of PPA adjustments on financial instruments and other PPA effects, predominantly in Global Banking in the Investment Bank.

Fees for portfolio management, investment funds and related services increased by USD 1,470m to USD 19,560m. The increase was mostly driven by Global Wealth Management, largely resulting from higher average levels of fee-generating assets, primarily from mandates, reflecting positive market performance and net new fee-generating asset inflows in 2025. These fees also increased in Asset Management, mainly driven by higher average levels of invested assets, primarily resulting from positive market performance and foreign currency effects, partly offset by ongoing margin compression.

Net brokerage fees increased by USD 870m to USD 5,094m, driven by increased volumes in Cash Equities in Execution Services in the Investment Bank and higher levels of client activity in Global Wealth Management, across all regions in both of the aforementioned business divisions.

- › Refer to "Note 4 Net fee and commission income" in the "Consolidated financial statements" section of this report for more information
- › Refer to the relevant business division commentary in this section for further information about how components of fee and commission income are presented within the business division results

Other income

Other income was negative USD 96m compared with positive USD 675m in 2024. Included in 2025 were net losses of USD 574m related to repurchases of UBS's own debt instruments, mainly reflecting a net loss of USD 457m from the repurchase of legacy Credit Suisse debt instruments, and a net loss of USD 230m related to an investment in an associate, compared with a loss of USD 80m in 2024. These losses were partly offset by gains of USD 128m from the sale of a stake in CSS, USD 97m from the sale of Select Portfolio Servicing and USD 64m from the Swisscard transactions. There was also a release of USD 42m related to other financial liabilities in Global Wealth Management and a gain of USD 33m from the sale of our wealth management business in India. Included in 2024 were a USD 135m gain related to the sale of our investment in an associate and USD 113m net gains from the sale of non-strategic businesses in Asset Management.

- › Refer to "Note 5 Other income" in the "Consolidated financial statements" section of this report for more information
- › Refer to "Note 28 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of this report for more information about disposals of subsidiaries and businesses

Credit loss expense / release

Total net credit loss expenses in 2025 were USD 524m, reflecting net credit loss expenses of USD 6m related to performing positions and net expenses of USD 518m on credit-impaired positions. Net credit loss expenses were USD 551m in 2024.

- › Refer to “Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement” and “Note 19 Expected credit loss measurement” in the “Consolidated financial statements” section of this report for more information about credit loss expenses / releases
- › Refer to the “Risk factors” section of this report for more information

Credit loss expense / (release)

	Performing positions	Credit-impaired positions		
USD m	Stages 1 and 2	Stage 3	Purchased	Total
For the year ended 31.12.25				
Global Wealth Management	(12)	60	0	48
Personal & Corporate Banking	1	338	1	339
Asset Management	0	1	0	1
Investment Bank	17	116	0	133
Non-core and Legacy	(2)	0	2	(1)
Group Items	2	0	0	2
Total	6	516	2	524
For the year ended 31.12.24				
Global Wealth Management	(60)	41	3	(16)
Personal & Corporate Banking	(63)	487	(21)	404
Asset Management	(1)	0	0	(1)
Investment Bank	56	42	0	97
Non-core and Legacy	(30)	42	57	69
Group Items	(2)	0	0	(2)
Total	(99)	612	39	551
For the year ended 31.12.23				
Global Wealth Management	127	27	13	166
Personal & Corporate Banking	271	183	27	482
Asset Management	1	(1)	0	0
Investment Bank	110	78	2	190
Non-core and Legacy	78	91	25	193
Group Items	5	0	0	6
Total	593	378	67	1,037

Operating expenses

Personnel expenses

Personnel expenses increased by USD 543m to USD 27,861m, mainly driven by a USD 564m increase in variable compensation, primarily due to higher accruals for performance awards, reflecting business performance, and an increase in financial advisor compensation, resulting from higher compensable revenues. Additionally, there was an increase in expenses for post-employment benefit plans, resulting from a one-time pre-tax loss of USD 190m due to the integration of the Credit Suisse Swiss 1e plan into the Credit Suisse Swiss pension plan as of 1 January 2027, with an offsetting gain in other comprehensive income. Salary expenses decreased by USD 274m, primarily reflecting the impact of a smaller workforce, partly offset by increases due to foreign currency effects.

- › Refer to the “Compensation” section of this report for more information
- › Refer to “Note 6 Personnel expenses”, “Note 25 Post-employment benefit plans” and “Note 26 Employee benefits: variable compensation” in the “Consolidated financial statements” section of this report for more information

General and administrative expenses

General and administrative expenses decreased by USD 1,317m to USD 8,807m, largely due to an USD 821m increase in net releases of provisions and acquisition-related contingent liabilities resulting from litigation, regulatory and similar matters, primarily due to the completion of obligations under Credit Suisse’s residential mortgage-backed securities settlement with the US Department of Justice and the resolution of a legacy matter concerning cross-border business activities in France. Consulting, legal and audit fees decreased by USD 335m, predominantly due to a decrease in integration-related expenses. There were also decreases of USD 222m in outsourcing costs and USD 139m in real estate and logistics costs. These decreases were partly offset by a USD 161m increase in technology costs, largely driven by the recognition of provisions for onerous contracts. In addition, 2025 included a USD 180m expense related to the Swisscard transactions, compared with an expense of USD 41m in 2024.

- › Refer to “Note 7 General and administrative expenses” and “Note 17 Provisions and contingent liabilities” in the “Consolidated financial statements” section of this report for more information

Depreciation, amortization and impairment of non-financial assets

Depreciation, amortization and impairment of non-financial assets decreased by USD 269m to USD 3,529m, primarily reflecting a USD 204m decrease in depreciation of leased real estate as a result of higher levels of accelerated depreciation in 2024, driven by integration activities. In addition, there was a USD 35m decrease in the depreciation of IT and communication equipment, mainly driven by internally generated capitalized software, reflecting a lower cost base of software assets.

Operating expenses

USD m	For the year ended			% change from
	31.12.25	31.12.24	31.12.23	31.12.24
Personnel expenses	27,861	27,318	24,899	2
of which: salaries	11,904	12,178	10,997	(2)
of which: variable compensation	11,434	10,870	9,845	5
of which: performance awards	4,912	4,456	3,986	10
of which: financial advisors ¹	5,654	5,293	4,549	7
of which: other	867	1,121	1,310	(23)
of which: other personnel expenses ²	4,523	4,270	4,058	6
General and administrative expenses	8,807	10,124	10,156	(13)
of which: net expenses / (releases) for litigation, regulatory and similar matters	(949)	(128)	809	641
Depreciation, amortization and impairment of non-financial assets	3,529	3,798	3,750	(7)
Total operating expenses	40,197	41,239	38,806	(3)

¹ Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. ² Consists of expenses related to contractors, social security, post-employment benefit plans, and other personnel expenses. Refer to "Note 6 Personnel expenses" in the "Consolidated financial statements" section of this report for more information.

Tax

Income tax expenses of USD 1,056m were recognized for the Group in 2025, representing an effective tax rate of 11.9%, compared with USD 1,675m for 2024, which represented an effective tax rate of 24.6%.

The income tax expenses for 2025 included a Swiss tax expense of USD 920m, which included current tax expenses of USD 597m in respect of taxable profits of UBS Switzerland AG and other Swiss entities and deferred tax expenses of USD 323m that primarily related to the amortization of deferred tax assets (DTAs) previously recognized in relation to deductible temporary differences.

Income tax expenses also included a net non-Swiss tax expense of USD 136m, which reflected current tax expenses of USD 841m that included USD 145m relating to US corporate alternative minimum tax, with an equivalent deferred tax benefit for DTAs recognized in respect of tax credits carried forward, and USD 696m in respect of other taxable profits of non-Swiss subsidiaries and branches. These were partly offset by a net deferred tax benefit of USD 705m, which included USD 145m related to the aforementioned deferred tax benefit, USD 747m in respect of a net upward revaluation of DTAs and USD 215m in respect of an increase in DTAs that resulted from an increase in the expected value of future tax deductions for deferred compensation awards due to an increase in the Group's share price during the year. These benefits were partly offset by an expense of USD 402m that primarily related to the amortization of DTAs previously recognized in relation to tax losses carried forward and deductible temporary differences.

For the full year 2026, we expect a tax rate of around 23%, excluding any potential effects from the remeasurement of DTAs in connection with the business planning process for 2026 and any material jurisdictional statutory tax rate and other tax law changes that could be enacted.

- › Refer to "Note 8 Income taxes" in the "Consolidated financial statements" section of this report for more information
- › Refer to the "Risk factors" section of this report for more information

Total comprehensive income attributable to shareholders

In 2025, total comprehensive income attributable to shareholders was USD 11,998m, reflecting net profit of USD 7,767m and other comprehensive income (OCI), net of tax, of USD 4,231m.

Foreign currency translation OCI was USD 3,333m, mainly due to the weakening of the US dollar against the Swiss franc and the euro.

OCI related to cash flow hedges was USD 1,295m, mainly reflecting net losses on hedging instruments that were reclassified from OCI to the income statement and net unrealized gains on US dollar hedging derivatives resulting from decreases in the relevant US dollar long-term interest rates.

OCI related to own credit on financial liabilities designated at fair value was negative USD 499m, primarily due to a tightening of our own credit spreads.

- › Refer to "Statement of comprehensive income" in the "Consolidated financial statements" section of this report for more information
- › Refer to "Note 20 Fair value measurement" in the "Consolidated financial statements" section of this report for more information about own credit on financial liabilities designated at fair value
- › Refer to "Note 24 Hedge accounting" in the "Consolidated financial statements" section of this report for more information about cash flow hedges of forecast transactions

Sensitivity to interest rate movements

As of 31 December 2025, it is estimated that a parallel shift in yield curves by +100 basis points could lead to a combined increase in annual net interest income from our banking book of approximately USD 1.4bn in the first year after such a shift. Of this increase, approximately USD 1.1bn, USD 0.2bn and USD 0.1bn would result from changes in Swiss franc, US dollar and euro interest rates, respectively.

A parallel shift in yield curves by –100 basis points could lead to a combined increase in annual net interest income of approximately USD 0.9bn. Of this increase, approximately USD 1.2bn would result from changes in Swiss franc interest rates, driven by both contractual and assumed flooring benefits under negative interest rates. US dollar and euro interest rates would lead to an offsetting decrease of USD 0.2bn and USD 0.1bn, respectively.

These estimates do not represent net interest income forecasts, as they are based on a hypothetical scenario of an immediate change in interest rates, equal across all currencies and relative to implied forward rates as of 31 December 2025 applied to our banking book. These estimates further assume no change to balance sheet size and product mix, stable foreign exchange rates, and no specific management action.

Seasonal characteristics

Our revenues may show seasonal patterns, notably in the Investment Bank and transaction-based revenues for Global Wealth Management, and typically reflect the highest client activity levels in the first quarter, with lower levels throughout the rest of the year, especially during the summer months and the end-of-year holiday season.

Key figures

Below we provide an overview of selected key figures of the Group. For further information about key figures related to capital management, refer to the “Capital management” section of this report.

Cost / income ratio

The cost / income ratio was 81.1%, compared with 84.8%, and on an underlying basis the cost / income ratio was 74.4%, compared with 79.5%. Both of these decreases were as a result of higher total revenues and lower operating expenses.

Return on common equity tier 1 capital

The return on common equity tier 1 (CET1) capital was 10.8%, compared with 6.7%. On an underlying basis, the return on CET1 capital was 13.7%, compared with 8.7%. These increases were driven by an increase in net profit attributable to shareholders and a decrease in average CET1 capital.

CET1 capital

CET1 capital decreased by USD 0.1bn to USD 71.3bn as of 31 December 2025, mainly as operating profit before tax of USD 8.9bn and foreign currency translation gains of USD 3.1bn were more than offset by dividend accruals of USD 3.4bn, share repurchases of USD 3.0bn under our 2024 and 2025 share repurchase programs, the recognition of a new capital reserve of USD 3.0bn for expected future share repurchases in 2026, current tax expenses of USD 1.4bn, and negative effects from compensation- and own-share-related capital components of USD 0.7bn and other items of USD 0.5bn.

Risk-weighted assets

During 2025, RWA decreased by USD 5.1bn to USD 493.4bn, driven by a USD 16.3bn decrease resulting from asset size and other movements, an USD 8.6bn decrease as a result of the implementation of the final Basel III standards and a decrease of USD 4.2bn resulting from model updates and other methodology changes. These decreases were partly offset by a USD 24.0bn increase from currency effects.

CET1 capital ratio

Our CET1 capital ratio increased to 14.4% from 14.3%, predominantly due to a USD 5.1bn decrease in RWA.

Leverage ratio denominator

During 2025, the LRD increased by USD 103.0bn to USD 1,622.4bn, mainly driven by a USD 110.2bn increase from currency effects and a USD 28.8bn increase as a result of the implementation of the final Basel III standards, partly offset by a USD 36.1bn decrease from asset size and other movements.

CET1 leverage ratio

Our CET1 leverage ratio decreased to 4.4% from 4.7%, due to the USD 103.0bn increase in the LRD and the aforementioned decrease in CET1 capital.

Personnel

The number of internal and external personnel employed was approximately 119,589 (based on full-time equivalents for internal personnel and workforce count for external personnel) as of 31 December 2025, a net decrease of 9,394 compared with 31 December 2024. The number of internal personnel employed as of 31 December 2025 was 103,177 (full-time equivalents), a net decrease of 5,471 compared with 31 December 2024. The number of external staff was approximately 16,412 (workforce count), a net decrease of 3,923 compared with 31 December 2024.

Equity, CET1 capital and returns

USD m, except where indicated	As of or for the year ended		
	31.12.25	31.12.24	31.12.23
Net profit			
Net profit attributable to shareholders	7,767	5,085	27,366
Equity			
Equity attributable to shareholders	90,213	85,079	85,624
less: goodwill and intangible assets	6,948	6,887	7,515
Tangible equity attributable to shareholders	83,265	78,192	78,109
less: other CET1 deductions	12,003	6,825	107
CET1 capital	71,262	71,367	78,002
Return on equity			
Return on equity (%)	8.8	6.0	36.9
Return on tangible equity (%)	9.5	6.5	40.8
Underlying return on tangible equity (%)	12.1	8.5	4.1
Return on CET1 capital (%)	10.8	6.7	41.8
Underlying return on CET1 capital (%)	13.7	8.7	4.2

Global Wealth Management

Global Wealth Management

	As of or for the year ended		% change from
USD m, except where indicated	31.12.25	31.12.24	31.12.24
Results			
Net interest income	7,018	7,358	(5)
Recurring net fee income	13,671	12,625	8
Transaction-based income ^{1,2}	5,208	4,503	16
Other revenues ^{1,3}	62	31	101
Total revenues	25,960	24,516	6
Credit loss expense / (release)	48	(16)	
Operating expenses	20,705	20,608	0
Business division operating profit / (loss) before tax	5,207	3,924	33

Underlying results

Total revenues as reported	25,960	24,516	6
of which: PPA effects and other integration items ⁴	624	891	(30)
of which: PPA effects recognized in net interest income	579	910	(36)
of which: PPA effects and other integration items recognized in transaction-based income	45	(19)	
of which: loss related to an investment in an associate	(62)	(21)	200
Total revenues (underlying)¹	25,398	23,646	7
Credit loss expense / (release)	48	(16)	
Operating expenses as reported	20,705	20,608	0
of which: integration-related expenses and PPA effects ^{1,5}	1,675	1,807	(7)
Operating expenses (underlying)¹	19,030	18,802	1
of which: net expenses / (releases) for litigation, regulatory and similar matters	(173)	147	
Business division operating profit / (loss) before tax as reported	5,207	3,924	33
Business division operating profit / (loss) before tax (underlying)¹	6,320	4,860	30

Performance measures and other information

Pre-tax profit growth (year-on-year, %) ¹	32.7	13.9	
Cost / income ratio (%) ¹	79.8	84.1	
Average attributed equity (USD bn) ⁶	34.2	33.3	3
Return on attributed equity (%) ^{1,6}	15.2	11.8	
Financial advisor compensation ⁷	5,654	5,292	7
Net new fee-generating assets (USD bn) ¹	52.2	61.7	
Fee-generating assets (USD bn) ¹	2,108	1,816	16
Net new money (USD bn) ¹	7.9	5.5	
Net new assets (USD bn) ¹	100.8	96.7	
Net new assets growth rate (%) ¹	2.4	2.5	
Invested assets (USD bn) ¹	4,753	4,182	14
Net new loan volumes (USD bn) ^{1,8}	13.6	(11.8)	
Loan volumes (USD bn) ^{1,9}	327.2	300.5	9
Net new deposit volumes (USD bn) ^{1,10}	(9.2)	0.9	
Customer deposit volumes (USD bn) ^{1,11}	479.1	470.1	2
Credit-impaired loan portfolio as a percentage of total loan portfolio, gross (%) ^{1,12}	0.5	0.4	
Advisors (full-time equivalents)	9,420	9,803	(4)

Underlying performance measures

Pre-tax profit growth (year-on-year, %) ¹	30.0	30.3	
Cost / income ratio (%) ¹	74.9	79.5	
Return on attributed equity (%) ^{1,6}	18.5	14.6	

¹ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. For more information about underlying results, refer to the "Group performance" section of this report. ² Is composed of USD 3,399m (2024: USD 2,841m) of net fee and commission income, USD 1,803m (2024: USD 1,673m) of other net income from financial instruments measured at fair value through profit or loss and USD 6m (2024: negative USD 11m) of other income as reflected in the Group financial statements. Income related to certain financial instruments not directly linked to client activity and measured at fair value that was previously presented as transaction-based income is presented as other revenues from the fourth quarter of 2025 onward. This change has been applied prospectively. ³ Are composed of USD 33m (2024: USD 0m) of other net income from financial instruments measured at fair value through profit or loss and USD 29m (2024: USD 31m) of other income as reflected in the Group financial statements. Income related to certain financial instruments not directly linked to client activity and measured at fair value that was previously presented as transaction-based income is presented as other revenues from the fourth quarter of 2025 onward. This change has been applied prospectively. The line was renamed "Other revenues" (previously "Other income") in the fourth quarter of 2025. ⁴ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ⁵ Includes temporary, incremental operating expenses directly related to the integration, as well as amortization of intangibles resulting from the acquisition of the Credit Suisse Group. ⁶ Refer to the "Capital management" section of this report for more information about the equity attribution framework. ⁷ Relates to licensed professionals with the ability to provide investment advice to clients in the Americas. Consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. Also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. Recruitment loans to financial advisors were USD 1,493m as of 31 December 2025. ⁸ Is composed of USD 13.4bn (2024: negative USD 11.5bn) classified as Loans and advances to customers and USD 0.2bn (2024: negative USD 0.3bn) classified as Brokerage receivables in the Group financial statements. ⁹ Presented gross of expected credit losses. Is composed of USD 322.4bn (31 December 2024: USD 295.9bn) classified as Loans and advances to customers and USD 4.8bn (2024: USD 4.6bn) classified as Brokerage receivables in the Group financial statements. ¹⁰ Is composed of negative USD 8.6bn (2024: negative USD 0.4bn) classified as Customer deposits and negative USD 0.6bn (2024: USD 1.3bn) classified as Brokerage payables in the Group financial statements. ¹¹ Is composed of USD 473.8bn (31 December 2024: USD 464.2bn) classified as Customer deposits and USD 5.3bn (2024: USD 5.9bn) classified as Brokerage payables in the Group financial statements. ¹² Refer to the "Risk management and control" section of this report for more information about credit-impaired exposures. Excludes loans to financial advisors.

2025 compared with 2024

Results

Profit before tax increased by USD 1,283m, or 33%, to USD 5,207m, mainly due to higher total revenues and broadly stable operating expenses. Underlying profit before tax was USD 6,320m, an increase of 30%, after excluding from operating expenses USD 1,675m of integration-related expenses and purchase price allocation (PPA) effects and excluding from total revenues USD 624m of PPA effects and other integration items and a USD 62m loss related to an investment in an associate.

Total revenues

Total revenues increased by USD 1,444m, or 6%, to USD 25,960m, largely driven by higher recurring net fee income and transaction-based income, partly offset by lower net interest income, and included a USD 267m decrease in PPA effects and other integration items. Excluding USD 624m of PPA effects and other integration items and a USD 62m loss related to an investment in an associate, underlying total revenues were USD 25,398m, an increase of 7%.

Net interest income decreased by USD 340m, or 5%, to USD 7,018m and included a USD 331m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. Excluding PPA effects of USD 579m, underlying net interest income was broadly stable at USD 6,439m. Net interest income was impacted by lower central bank interest rates on deposit revenues, by lower loan revenues, which reflected lower margins, and also by higher liquidity and funding costs. These drivers were almost entirely offset by balance sheet optimization measures, the effects of favorable changes in deposit mix and positive foreign currency effects.

Recurring net fee income increased by USD 1,046m, or 8%, to USD 13,671m, mainly driven by higher average levels of fee-generating assets, primarily from mandates, reflecting positive market performance and net new fee-generating asset inflows in 2025.

Transaction-based income increased by USD 705m, or 16%, to USD 5,208m. Excluding PPA effects and other integration items of USD 45m, underlying transaction-based income was USD 5,163m, an increase of 14%, mainly driven by higher levels of client activity across all regions and also driven by contributions from Structured Solutions, Cash Equities, Investment Funds and Wealth Planning revenues.

Other revenues increased by USD 31m to USD 62m and included a release of USD 42m related to other financial liabilities, a USD 34m fair value gain from a strategic partnership and a USD 33m gain from the sale of our wealth management business in India, partly offset by a net loss of USD 62m related to an investment in an associate. Other revenues in 2024 included a loss of USD 21m related to an investment in an associate. Excluding the aforementioned net loss of USD 62m, underlying other revenues were USD 125m.

Credit loss expense / release

Net credit loss expenses were USD 48m, reflecting net expenses on credit-impaired positions and net releases related to performing positions. Net credit loss releases were USD 16m in 2024.

Operating expenses

Operating expenses were broadly stable at USD 20,705m and included a USD 132m decrease in integration-related expenses. Excluding USD 1,675m of integration-related expenses and PPA effects, underlying operating expenses were USD 19,030m, an increase of 1%, mainly driven by an increase in financial advisor compensation as a result of higher compensable revenues, partly offset by USD 173m of net releases in provisions for litigation, regulatory and similar matters, primarily reflecting USD 284m of releases related to the resolution of a legacy matter concerning cross-border business activities in France.

› Refer to “Note 17 Provisions and contingent liabilities” in the “Consolidated financial statements” section of this report for more information about litigation, regulatory and similar matters

Cost / income ratio

The cost / income ratio decreased to 79.8% from 84.1%, mainly reflecting an increase in total revenues, while operating expenses were broadly stable. The underlying cost / income ratio decreased to 74.9% from 79.5%, as an increase in underlying total revenues more than offset an increase in underlying operating expenses.

Invested assets

Invested assets increased by USD 571bn to USD 4,753bn, mainly driven by positive market performance of USD 376.7bn, positive foreign currency effects of USD 125.8bn and net new asset inflows of USD 100.8bn, partly offset by effects of USD 27.5bn as a result of UBS's strategic decisions to exit certain markets or cease offering certain services.

Loan volumes

Loan volumes increased by USD 26.7bn to USD 327.2bn, mainly driven by positive foreign currency effects and positive net new loan volumes of USD 13.6bn.

› Refer to the “Risk management and control” section of this report for more information

Customer deposit volumes

Customer deposit volumes increased by USD 9.0bn to USD 479.1bn, mainly driven by positive foreign currency effects, partly offset by net new deposit volume outflows of USD 9.2bn.

Regional breakdown of performance measures

<i>As of or for the year ended 31.12.25</i> <i>USD m, except where indicated</i>	Americas ¹	Asia Pacific	EMEA	Switzerland	Divisional items ²	Global Wealth Management
Net interest income	2,087	1,325	1,532	1,489	585	7,018
Recurring net fee income	8,373	1,151	2,268	1,831	48	13,671
Transaction-based income ^{3,4}	1,773	1,531	1,056	881	(34)	5,208
Other revenues ^{3,4}	10	(18)	(2)	(1)	73	62
Total revenues	12,243	3,988	4,855	4,201	673	25,960
Credit loss expense / (release)	50	5	21	(29)	0	48
Operating expenses	10,639	2,447	3,213	2,689	1,715	20,705
Operating profit / (loss) before tax	1,554	1,535	1,621	1,540	(1,043)	5,207
<i>of which: PPA effects, integration-related items and other items⁵</i>					(1,113)	(1,113)
Cost / income ratio (%) ³	86.9	61.4	66.2	64.0		79.8
Net new fee-generating assets (USD bn) ³	11.7	14.5	20.7	5.7	(0.4)	52.2
Fee-generating assets (USD bn) ³	1,175	206	458	268	1	2,108
Net new money (USD bn) ³	(57.7)	46.2	16.5	5.2	(2.3)	7.9
Net new assets (USD bn) ³	(5.9)	62.5	28.4	18.1	(2.3)	100.8
Net new assets growth rate (%) ³	(0.3)	9.4	4.3	2.4		2.4
Invested assets (USD bn) ³	2,283	795	778	891	6	4,753
Net new loan volumes (USD bn) ³	5.9	3.0	2.7	2.2	(0.2)	13.6
Loan volumes (USD bn) ³	103.6 ⁶	46.4	63.3	113.2	0.8	327.2
Net new deposit volumes (USD bn) ³	3.0	(7.5)	(0.5)	(3.3)	(0.9)	(9.2)
Customer deposit volumes (USD bn) ³	119.6 ⁶	117.0	114.0	124.7	3.8	479.1
Advisors (full-time equivalents)	5,772	910	1,438	1,207	94	9,420

¹ Includes the Wealth Management US (which covers the USA and Canada) and Wealth Management LatAm (which covers Latin America) business units. ² Includes impacts from accretion of purchase price allocation adjustments on financial instruments and other PPA effects, integration-related expenses, certain gains and losses from investments in associates and minor functions, that are not included in the four regions individually presented in this table. ³ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. For more information about underlying results, refer to the "Group performance" section of this report. ⁴ From the fourth quarter of 2025 onward, income related to certain financial instruments not directly linked to client activity and measured at fair value that was previously presented as transaction-based income is now presented as other revenues. This change has been applied prospectively. The line has been renamed "Other revenues" (previously "Other income"). ⁵ Items of profit or loss that management believes are not representative of the underlying performance, namely impacts from accretion of purchase price allocation adjustments on financial instruments and other PPA effects, integration-related expenses, amortization of intangibles resulting from the acquisition of the Credit Suisse Group, and certain gains and losses from investments in associates. ⁶ Loan volumes and Customer deposit volumes in this table include customer brokerage receivables and payables, respectively, which are presented in separate reporting lines on the balance sheet.

Regional comments: 2025 compared with 2024

Americas

Profit before tax increased by USD 510m to USD 1,554m. Total revenues increased by USD 980m, or 9%, to USD 12,243m, mainly driven by increases of USD 661m in recurring net fee income, USD 191m in transaction-based income and USD 153m in net interest income. Operating expenses increased by USD 447m, or 4%, to USD 10,639m. The cost / income ratio decreased to 86.9% from 90.5%. Loan volumes increased by 6% compared with 2024, to USD 103.6bn, mainly driven by positive net new loan volumes of USD 5.9bn. Customer deposit volumes increased by 3% compared with 2024, to USD 119.6bn, with net new deposit volume inflows of USD 3.0bn. Net new asset outflows were USD 5.9bn.

Asia Pacific

Profit before tax increased by USD 353m to USD 1,535m. Total revenues increased by USD 376m, or 10%, to USD 3,988m, mainly driven by increases of USD 311m in transaction-based income and USD 96m in recurring net fee income. Operating expenses were broadly stable at USD 2,447m. The cost / income ratio decreased to 61.4% from 67.5%. Loan volumes increased by 12% compared with 2024, to USD 46.4bn, mainly driven by positive net new loan volumes of USD 3.0bn. Customer deposit volumes decreased by 7% compared with 2024, to USD 117.0bn, with net new deposit volume outflows of USD 7.5bn. Net new asset inflows were USD 62.5bn.

EMEA

Profit before tax increased by USD 387m to USD 1,621m and included USD 150m of net releases in provisions for litigation, regulatory and similar matters, primarily reflecting USD 213m of releases related to the resolution of a legacy matter concerning cross-border business activities in France. Total revenues increased by USD 178m, or 4%, to USD 4,855m, mainly driven by increases of USD 164m in recurring net fee income and USD 124m in transaction-based income, partly offset by a USD 111m decrease in net interest income. Operating expenses decreased by USD 247m, or 7%, to USD 3,213m and included the aforementioned release in litigation provisions. The cost / income ratio decreased to 66.2% from 74.0%. Loan volumes increased by 10% compared with 2024, to USD 63.3bn, mainly driven by positive foreign currency effects and positive net new loan volumes of USD 2.7bn. Customer deposit volumes increased by 3% compared with 2024, to USD 114.0bn, mainly driven by positive foreign currency effects, partly offset by net new deposit volume outflows of USD 0.5bn. Net new asset inflows were USD 28.4bn.

Switzerland

Profit before tax increased by USD 98m to USD 1,540m and included USD 62m of net releases in provisions for litigation, regulatory and similar matters, primarily reflecting USD 71m of releases related to the resolution of a legacy matter concerning cross-border business activities in France. Total revenues increased by USD 118m, or 3%, to USD 4,201m, with an increase of USD 127m in recurring net fee income and USD 60m in transaction-based income, partly offset by a decrease of USD 76m in net interest income. Operating expenses increased by USD 27m, or 1%, to USD 2,689m and included the aforementioned release in litigation provisions. The cost / income ratio decreased to 64.0% from 65.2%. Loan volumes increased by 10% compared with 2024, to USD 113.2bn, mainly driven by positive foreign currency effects and positive net new loan volumes of USD 2.2bn. Customer deposit volumes increased by 8% compared with 2024, to USD 124.7bn, mainly driven by positive foreign currency effects, partly offset by net new deposit volume outflows of USD 3.3bn. Net new asset inflows were USD 18.1bn.

Divisional items

Operating loss before tax was USD 1,043m and mainly included USD 1,675m of integration-related expenses and PPA effects, impacts from agreements with certain clients, and a loss of USD 62m related to an investment in an associate, partly offset by the aforementioned USD 624m related to PPA effects and other integration items, USD 42m related to other financial liabilities, a USD 34m fair value gain driven from a strategic partnership, and a USD 33m gain from the sale of our wealth management business in India.

Personal & Corporate Banking

Personal & Corporate Banking – in Swiss francs

	As of or for the year ended		% change from
CHF m, except where indicated	31.12.25	31.12.24	31.12.24

Results

Net interest income	4,403	4,987	(12)
Recurring net fee income ^{1,2}	1,405	1,425	(1)
Transaction-based income ^{1,3}	1,825	1,821	0
Other revenues ^{1,4}	(50)	7	
Total revenues	7,583	8,241	(8)
Credit loss expense / (release)	277	357	(22)
Operating expenses	5,235	5,070	3
Business division operating profit / (loss) before tax	2,071	2,814	(26)

Underlying results

Total revenues as reported	7,583	8,241	(8)
of which: PPA effects and other integration items ⁵	841	915	(8)
of which: PPA effects recognized in net interest income	757	841	(10)
of which: PPA effects and other integration items recognized in transaction-based income	84	74	13
of which: loss related to an investment in an associate	(133)	(54)	148
of which: items related to the Swisscard transactions ⁶	58		
Total revenues (underlying)¹	6,817	7,379	(8)
Credit loss expense / (release)	277	357	(22)
Operating expenses as reported	5,235	5,070	3
of which: integration-related expenses and PPA effects ^{1,7}	897	662	36
of which: items related to the Swisscard transactions	164 ⁸	37 ⁹	341
Operating expenses (underlying)¹	4,175	4,371	(4)
of which: net expenses / (releases) for litigation, regulatory and similar matters	(30)	1	
Business division operating profit / (loss) before tax as reported	2,071	2,814	(26)
Business division operating profit / (loss) before tax (underlying)¹	2,365	2,651	(11)

Performance measures and other information

Pre-tax profit growth (year-on-year, %) ¹	(26.4)	11.3	
Cost / income ratio (%) ¹	69.0	61.5	
Average attributed equity (CHF bn) ¹⁰	17.8	19.0	(6)
Return on attributed equity (%) ^{1,10}	11.6	14.8	
Net interest margin (bps) ¹	178	201	
Loans, gross (CHF bn)	246.0	242.3	1
Customer deposits (CHF bn)	248.6	254.1	(2)
Credit-impaired loan portfolio as a percentage of total loan portfolio, gross (%) ^{1,11}	1.2	1.3	

Underlying performance measures

Pre-tax profit growth (year-on-year, %) ¹	(10.8)	8.1	
Cost / income ratio (%) ¹	61.2	59.2	
Return on attributed equity (%) ^{1,10}	13.3	13.9	

¹ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. For more information about underlying results, refer to the "Group performance" section of this report. ² Is composed of net fee and commission income and other income as reflected in the Group financial statements. For reconciliation information in US dollar amounts, refer to the corresponding footnote in the table below. ³ Is composed of net fee and commission income, other net income from financial instruments measured at fair value through profit or loss and other income as reflected in the Group financial statements. For reconciliation information in US dollar amounts, refer to the corresponding footnote in the table below. Income related to certain financial instruments not directly linked to client activity and measured at fair value that was previously presented as transaction-based income is presented as other revenues from the fourth quarter of 2025 onward. This change has been applied prospectively. ⁴ Are composed of other net income from financial instruments measured at fair value through profit or loss and other income as reflected in the Group financial statements. For reconciliation information in US dollar amounts, refer to the corresponding footnote in the table below. Income related to certain financial instruments not directly linked to client activity and measured at fair value that was previously presented as transaction-based income is presented as other revenues from the fourth quarter of 2025 onward. This change has been applied prospectively. The line was renamed "Other revenues" (previously "Other income") in the fourth quarter of 2025. ⁵ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ⁶ Represents the gain related to UBS's share of the income recorded by Swisscard for the sale of the Credit Suisse card portfolios to UBS. ⁷ Includes temporary, incremental operating expenses directly related to the integration, as well as amortization of intangibles resulting from the acquisition of the Credit Suisse Group. ⁸ Represents the expense related to the payment to Swisscard for the sale of the Credit Suisse card portfolios to UBS. ⁹ Represents the termination fee paid to American Express related to the sale of our 50% holding in Swisscard. ¹⁰ Refer to the "Capital management" section of this report for more information about the equity attribution framework. ¹¹ Refer to the "Risk management and control" section of this report for more information about credit-impaired exposures.

2025 compared with 2024

Results

Profit before tax decreased by CHF 743m, or 26%, to CHF 2,071m, reflecting lower total revenues and higher operating expenses, partly offset by lower net credit loss expenses. Underlying profit before tax was CHF 2,365m, a decrease of 11%, predominantly driven by lower net interest income, resulting from lower market interest rates. This underlying profit excludes from total revenues CHF 841m of purchase price allocation (PPA) effects and other integration items, a net loss of CHF 133m related to an investment in an associate, and a gain of CHF 58m related to the Swisscard transactions; it also excludes from operating expenses CHF 897m of integration-related expenses and PPA effects and a CHF 164m expense related to the Swisscard transactions.

Total revenues

Total revenues decreased by CHF 658m, or 8%, to CHF 7,583m, predominantly due to lower net interest income, and included a CHF 74m decrease in PPA effects and other integration items. Total revenues in 2025 also included a gain of CHF 58m related to the Swisscard transactions and a net loss of CHF 133m related to an investment in an associate. Excluding CHF 841m of PPA effects and other integration items and the aforementioned gain and a net loss, underlying total revenues were CHF 6,817m, a decrease of 8%.

Net interest income decreased by CHF 584m, or 12%, to CHF 4,403m, mainly reflecting the impact of lower central bank interest rates on deposit revenues. This decrease was partly offset by deposit pricing measures and lower liquidity and funding costs. Net interest income also included an CHF 84m decrease in accretion of PPA adjustments on financial instruments and other PPA effects. Excluding PPA effects of CHF 757m, underlying net interest income was CHF 3,647m, a decrease of 12%.

Recurring net fee income decreased by CHF 20m, or 1%, to CHF 1,405m, as the impact from a reclassification of recurring net fee income to transaction-based income as a result of aligning Credit Suisse presentation to that of UBS in the second half of 2024, as well as lower revenues related to our share of Swisscard profit, was partly offset by higher custody fees, mainly reflecting net new inflows and positive market performance.

Transaction-based income was broadly stable at CHF 1,825m, as the positive impact from the aforementioned reclassification and a CHF 10m increase in accretion of PPA adjustments on financial instruments and other PPA effects were offset by lower corporate client revenues. Excluding CHF 84m of PPA effects and other integration items, underlying transaction-based income was broadly stable at CHF 1,741m.

Other revenues were negative CHF 50m, compared with positive CHF 7m, and included a net loss of CHF 133m related to an investment in an associate, partly offset by a gain of CHF 58m related to the Swisscard transactions. Other revenues in 2024 included a loss of CHF 54m related to an investment in an associate. Excluding the aforementioned net loss of CHF 133m and the gain of CHF 58m, underlying other revenues were positive CHF 25m.

Credit loss expense / release

Net credit loss expenses were CHF 277m, mainly reflecting net expenses on credit-impaired positions, compared with net credit loss expenses of CHF 357m in 2024.

Operating expenses

Operating expenses increased by CHF 165m, or 3%, to CHF 5,235m and included a CHF 164m expense related to the Swisscard transactions and a CHF 240m increase in integration-related expenses. Excluding CHF 897m of integration-related expenses and PPA effects and the aforementioned expense of CHF 164m, underlying operating expenses were CHF 4,175m, a decrease of 4%, mainly driven by lower personnel expenses, including lower variable compensation, and by CHF 29m of net releases in provisions for litigation, regulatory and similar matters related to the resolution of a legacy matter concerning cross-border business activities in France.

› Refer to “Note 17 Provisions and contingent liabilities” in the “Consolidated financial statements” section of this report for more information about litigation, regulatory and similar matters

Return on attributed equity

Return on attributed equity was 11.6%, compared with 14.8% in 2024. The underlying return on attributed equity was 13.3%, compared with 13.9% in 2024.

Cost / income ratio

The cost / income ratio increased to 69.0% from 61.5%, due to a decrease in total revenues and an increase in operating expenses. The underlying cost / income ratio increased to 61.2% from 59.2%, as a decrease in underlying total revenues more than offset a decrease in underlying operating expenses.

Personal & Corporate Banking – in US dollars

	As of or for the year ended		% change from
USD m, except where indicated	31.12.25	31.12.24	31.12.24
Results			
Net interest income	5,322	5,650	(6)
Recurring net fee income ^{1,2}	1,698	1,614	5
Transaction-based income ^{1,3}	2,207	2,061	7
Other revenues ^{1,4}	(73)	10	
Total revenues	9,154	9,334	(2)
Credit loss expense / (release)	339	404	(16)
Operating expenses	6,318	5,741	10
Business division operating profit / (loss) before tax	2,497	3,189	(22)

Underlying results

Total revenues as reported	9,154	9,334	(2)
of which: PPA effects and other integration items ⁵	1,016	1,038	(2)
of which: PPA effects recognized in net interest income	915	954	(4)
of which: PPA effects and other integration items recognized in transaction-based income	101	84	21
of which: loss related to an investment in an associate	(168)	(59)	184
of which: items related to the Swisscard transactions ⁶	64		
Total revenues (underlying)¹	8,242	8,355	(1)
Credit loss expense / (release)	339	404	(16)
Operating expenses as reported	6,318	5,741	10
of which: integration-related expenses and PPA effects ^{1,7}	1,093	749	46
of which: items related to the Swisscard transactions	180 ⁸	41 ⁹	340
Operating expenses (underlying)¹	5,045	4,951	2
of which: net expenses / (releases) for litigation, regulatory and similar matters	(37)	1	
Business division operating profit / (loss) before tax as reported	2,497	3,189	(22)
Business division operating profit / (loss) before tax (underlying)¹	2,857	3,000	(5)

Performance measures and other information

Pre-tax profit growth (year-on-year, %) ¹	(21.7)	13.4	
Cost / income ratio (%) ¹	69.0	61.5	
Average attributed equity (USD bn) ¹⁰	21.4	21.6	(1)
Return on attributed equity (%) ^{1,10}	11.7	14.8	
Net interest margin (bps) ¹	178	200	
Loans, gross (USD bn)	310.2	266.9	16
Customer deposits (USD bn)	313.5	279.9	12
Credit-impaired loan portfolio as a percentage of total loan portfolio, gross (%) ^{1,11}	1.2	1.3	

Underlying performance measures

Pre-tax profit growth (year-on-year, %) ¹	(4.8)	9.3	
Cost / income ratio (%) ¹	61.2	59.3	
Return on attributed equity (%) ^{1,10}	13.4	13.9	

¹ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. For more information about underlying results, refer to the "Group performance" section of this report. ² Is composed of USD 1,669m (2024: USD 1,541m) of net fee and commission income and USD 29m (2024: USD 73m) of other income as reflected in the Group financial statements. ³ Is composed of USD 1,303m (2024: USD 1,182m) of net fee and commission income, USD 896m (2024: USD 843m) of other net income from financial instruments measured at fair value through profit or loss and USD 8m (2024: USD 36m) of other income as reflected in the Group financial statements. Income related to certain financial instruments not directly linked to client activity and measured at fair value that was previously presented as transaction-based income is presented as other revenues from the fourth quarter of 2025 onward. This change has been applied prospectively. ⁴ Are composed of negative USD 40m (2024: negative USD 14m) of other net income from financial instruments measured at fair value through profit or loss and negative USD 33m (2024: USD 24m) of other income as reflected in the Group financial statements. Income related to certain financial instruments not directly linked to client activity and measured at fair value that was previously presented as transaction-based income is presented as other revenues from the fourth quarter of 2025 onward. This change has been applied prospectively. The line was renamed "Other revenues" (previously "Other income") in the fourth quarter of 2025. ⁵ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ⁶ Represents the gain related to UBS's share of the income recorded by Swisscard for the sale of the Credit Suisse card portfolios to UBS. ⁷ Includes temporary, incremental operating expenses directly related to the integration, as well as amortization of intangibles resulting from the acquisition of the Credit Suisse Group. ⁸ Represents the expense related to the payment to Swisscard for the sale of the Credit Suisse card portfolios to UBS. ⁹ Represents the termination fee paid to American Express related to the sale of our 50% holding in Swisscard. ¹⁰ Refer to the "Capital management" section of this report for more information about the equity attribution framework. ¹¹ Refer to the "Risk management and control" section of this report for more information about credit-impaired exposures.

Asset Management

Asset Management

	As of or for the year ended		% change from
<i>USD m, except where indicated</i>	31.12.25	31.12.24	31.12.24
Results			
Net management fees ^{1,2}	2,991	2,921	2
Performance fees	195	149	31
Net gain / (loss) from disposal	(30)	113	
Total revenues	3,156	3,182	(1)
Credit loss expense / (release)	1	(1)	
Operating expenses	2,436	2,663	(9)
Business division operating profit / (loss) before tax	719	520	38
Underlying results			
Total revenues as reported	3,156	3,182	(1)
Total revenues (underlying) ¹	3,156	3,182	(1)
Credit loss expense / (release)	1	(1)	
Operating expenses as reported	2,436	2,663	(9)
<i>of which: integration-related expenses¹</i>	<i>256</i>	<i>351</i>	<i>(27)</i>
Operating expenses (underlying)¹	2,179	2,312	(6)
<i>of which: net expenses / (releases) for litigation, regulatory and similar matters</i>	<i>0</i>	<i>7</i>	
Business division operating profit / (loss) before tax as reported	719	520	38
Business division operating profit / (loss) before tax (underlying)¹	975	871	12
Performance measures and other information			
Pre-tax profit growth (year-on-year, %) ¹	38.3	56.3	
Cost / income ratio (%) ¹	77.2	83.7	
Average attributed equity (USD bn) ³	2.5	2.7	(9)
Return on attributed equity (%) ^{1,3}	29.2	19.2	
Gross margin on invested assets (bps) ¹	16	18	
Underlying performance measures			
Pre-tax profit growth (year-on-year, %) ¹	12.0	62.2	
Cost / income ratio (%) ¹	69.1	72.7	
Return on attributed equity (%) ^{1,3}	39.6	32.1	
Information by business line / asset class			
Net new money (USD bn)¹			
Equities ⁴	3.0	20.7	
Fixed Income ⁴	22.7	18.0	
<i>of which: money market</i>	<i>12.7</i>	<i>18.5</i>	
Multi-asset & Solutions ⁴	1.7	(1.5)	
Hedge Fund Businesses	1.8	(3.5)	
Real Estate & Private Markets	0.9	0.1	
Total net new money excluding associates	30.1	33.8	
<i>of which: net new money excluding money market</i>	<i>17.5</i>	<i>15.4</i>	
Associates ⁵	0.3	10.8	
Total net new money	30.4	44.6	
Invested assets (USD bn)¹			
Equities ⁴	904	755	20
Fixed Income ⁴	506	464	9
<i>of which: money market</i>	<i>176</i>	<i>157</i>	<i>12</i>
Multi-asset & Solutions ⁴	372	268	39
Hedge Fund Businesses	62	58	7
Real Estate & Private Markets	160	143	12
Total invested assets excluding associates	2,005	1,689	19
<i>of which: passive strategies</i>	<i>1,040</i>	<i>807</i>	<i>29</i>
Associates ⁵	93	84	11
Total invested assets	2,098	1,773	18

Asset Management (continued)

	As of or for the year ended		% change from
USD m, except where indicated	31.12.25	31.12.24	31.12.24
Information by region			
Invested assets (USD bn)¹			
Americas	489	443	10
Asia Pacific ⁶	256	224	14
EMEA (excluding Switzerland)	540	435	24
Switzerland	813	670	21
Total invested assets	2,098	1,773	18
Information by channel			
Invested assets (USD bn)¹			
Third-party institutional	1,193	1,008	18
Third-party wholesale	212	169	25
UBS's wealth management businesses	601	512	17
Associates ⁵	93	84	11
Total invested assets	2,098	1,773	18

¹ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. For more information about underlying results, refer to the "Group performance" section of this report. ² Net management fees include transaction fees, fund administration revenues (including net interest and trading income from lending activities and foreign-exchange hedging as part of the fund services offering), distribution fees, incremental fund-related expenses, gains or losses from seed money and co-investments, funding costs, the negative pass-through impact of third-party performance fees, and other items that are not Asset Management's performance fees. Net management fees are composed of USD 69m (2024: USD 63m) of interest expense, USD 2,800m (2024: USD 2,710m) of recurring net fee and commission income, USD 79m (2024: USD 77m) of transaction-based net fee and commission income, USD 53m (2024: USD 80m) of other net income from financial instruments measured at fair value through profit or loss, and USD 128m (2024: USD 117m) of other income as reflected in the Group financial statements. ³ Refer to the "Capital management" section of this report for more information about the equity attribution framework. ⁴ In the third quarter of 2025, certain portfolios were reclassified from Equities and Fixed Income to Multi-asset & Solutions, as a result of aligning Credit Suisse presentation to that of UBS. These changes were applied prospectively. ⁵ The invested assets and net new money amounts reported for associates are prepared in accordance with their local regulatory requirements and practices. ⁶ Includes invested assets from associates.

2025 compared with 2024

Results

Profit before tax increased by USD 199m, or 38%, to USD 719m, reflecting lower operating expenses, partly offset by lower total revenues, which included a net loss of USD 30m from disposals in 2025, predominantly reflecting a net loss of USD 29m related to the sale of our O'Connor business to Cantor Fitzgerald. Profit before tax in 2024 included a net gain of USD 113m from the sale of non-strategic businesses. Underlying profit before tax was USD 975m, an increase of 12%, after excluding integration-related expenses of USD 256m.

Total revenues

Total revenues decreased by USD 26m, or 1%, to USD 3,156m, primarily due to the effects from the aforementioned sales. The gross margin was 16 basis points.

Net management fees increased by USD 70m, or 2%, to USD 2,991m, mainly driven by higher average levels of invested assets, primarily from positive market performance and foreign currency effects, and by an increase reflecting our share of the net profit of associates, partly offset by the ongoing margin compression. Net management fees were also impacted by a reduction in revenues related to Hedge Fund Businesses (linked to the increase in performance fees mentioned below), while 2024 included a revaluation of a real estate fund co-investment.

Performance fees increased by USD 46m, or 31%, to USD 195m, mainly due to a USD 57m increase in Hedge Fund Businesses, partly offset by decreases in the Real Estate business and Fixed Income.

Operating expenses

Operating expenses decreased by USD 227m, or 9%, to USD 2,436m and included a USD 95m decrease in integration-related expenses. Excluding integration-related expenses of USD 256m, underlying operating expenses were USD 2,179m, a decrease of 6%, reflecting decreases in non-personnel and personnel expenses.

Cost / income ratio

The cost / income ratio decreased to 77.2% from 83.7%, with a decrease on an underlying basis to 69.1% from 72.7%, as decreases in operating expenses and underlying operating expenses more than offset a decrease in total revenues.

Invested assets

Invested assets increased by USD 325bn, or 18%, to USD 2,098bn, reflecting positive market performance of USD 171bn, positive foreign currency effects of USD 131bn and net new money of USD 30bn, partly offset by a reduction of USD 7bn, which included USD 4bn related to the first stage of the transfer of our O'Connor business. Excluding money market flows and associates, net new money was USD 17bn.

Investment performance

As of the end of 2025, Morningstar assigned a four- or five-star rating to 62% of our traditional retail and institutional funds assets under management (AuM) (both actively managed and passive), on an AuM-weighted basis. In addition, 62% of our actively managed traditional open-ended retail and institutional funds AuM are ranked, on an AuM-weighted basis over a three-year investment period, above their respective peer median.

Investment performance as of 31 December 2025

In %	Total traditional investments	Equities	Fixed Income	Multi-asset
Percentage of UBS Asset Management fund assets rated as 4- or 5-star ^{1,2}	62	76	42	22
Percentage of UBS Asset Management fund assets above peer median over a 3-year investment period ^{1,3}	62	64	72	46

¹ Morningstar® Essentials Quantitative Star Rating & Rankings; © Morningstar 2026, extract date 13 January 2026. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and / or its content providers; (2) may not be copied or distributed; (3) is not warranted to be accurate, complete or timely; and (4) does not constitute advice of any kind, whether investment, tax, legal or otherwise. User is solely responsible for ensuring that it complies with all laws, regulations and restrictions applicable to it. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past performance is no guarantee of future results. Refer to "The Morningstar Rating for Funds", available at [morningstar.com/business/insights/research/methodology-documents](https://www.morningstar.com/business/insights/research/methodology-documents), for more detailed information about the Morningstar Rating, including the methodology thereof. ² Percentage of AuM to which Morningstar has assigned a four- or five-star rating. AuM reflect the AuM of Asset Management's retail and institutional funds (both actively managed and passive) across all domiciles for which Asset Management owns the investment performance, i.e. Asset Management is either the sole portfolio manager or co-portfolio manager. Universe is approximately 36% of all active and passive traditional assets of Asset Management (Equities, Fixed Income excluding money market, and Multi-asset) as of 31 December 2025. ³ Percentage of AuM above peer median over a three-year investment period. AuM reflect the AuM of Asset Management's actively managed open-ended retail and institutional funds across all domiciles for which Asset Management owns the investment performance, i.e. Asset Management is either the sole portfolio manager or co-portfolio manager. Universe is approximately 27% of all active traditional assets of Asset Management (Equities, Fixed Income excluding money market, and Multi-asset) as of 31 December 2025.

Investment Bank

Investment Bank

	As of or for the year ended		% change from
USD m, except where indicated	31.12.25	31.12.24	31.12.24
Results			
Advisory	1,003	907	11
Capital Markets	2,195	2,547	(14)
Global Banking	3,198	3,454	(7)
Execution Services	2,186	1,719	27
Derivatives & Solutions	4,256	3,478	22
Financing	2,700	2,297	18
Global Markets	9,141	7,494	22
of which: Equities	6,647	5,588	19
of which: Foreign Exchange, Rates and Credit	2,494	1,906	31
Total revenues	12,340	10,948	13
Credit loss expense / (release)	133	97	38
Operating expenses	9,387	8,934	5
Business division operating profit / (loss) before tax	2,819	1,917	47
Underlying results			
Total revenues as reported	12,340	10,948	13
of which: PPA effects and other integration items ¹	570	989	(42)
of which: PPA effects	443	989	(55)
of which: PPA effects recognized in the Global Banking revenue line	468	972	(52)
of which: other integration items	128 ²		
Total revenues (underlying) ³	11,769	9,958	18
Credit loss expense / (release)	133	97	38
Operating expenses as reported	9,387	8,934	5
of which: integration-related expenses ³	463	717	(35)
Operating expenses (underlying) ³	8,924	8,217	9
of which: net expenses / (releases) for litigation, regulatory and similar matters	20	9	129
Business division operating profit / (loss) before tax as reported	2,819	1,917	47
Business division operating profit / (loss) before tax (underlying) ³	2,712	1,644	65
Performance measures and other information			
Pre-tax profit growth (year-on-year, %) ³	47.1	n.m.	
Cost / income ratio (%) ³	76.1	81.6	
Average attributed equity (USD bn) ⁴	18.4	17.1	8
Return on attributed equity (%) ^{3,4}	15.3	11.2	
Underlying performance measures			
Pre-tax profit growth (year-on-year, %) ³	64.9	n.m.	
Cost / income ratio (%) ³	75.8	82.5	
Return on attributed equity (%) ^{3,4}	14.8	9.6	

¹ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ² Represents the gain from the sale of a stake in a subsidiary, Credit Suisse Securities (China) Limited. ³ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. For more information about underlying results, refer to the "Group performance" section of this report. ⁴ Refer to the "Capital management" section of this report for more information about the equity attribution framework.

2025 compared with 2024

Results

Profit before tax increased by USD 902m, or 47%, to USD 2,819m, due to higher total revenues, partly offset by higher operating expenses and net credit loss expenses. Underlying profit before tax was USD 2,712m, an increase of 65%, after excluding from total revenues USD 570m of purchase price allocation (PPA) effects and other integration items (including a gain from the sale of a stake in a subsidiary, Credit Suisse Securities (China) Limited (CSS)) and excluding from operating expenses USD 463m of integration-related expenses.

Total revenues

Total revenues increased by USD 1,392m, or 13%, to USD 12,340m, mainly due to higher revenues in Global Markets and a USD 128m gain from the sale of a stake in CSS, partly offset by a USD 546m decrease in PPA accretion effects. Excluding this gain and such accretion effects, underlying total revenues were USD 11,769m, an increase of 18%.

Global Banking

Global Banking revenues decreased by USD 256m, or 7%, to USD 3,198m, mostly driven by a USD 504m decrease in PPA accretion effects on financial instruments and other PPA effects, partly offset by the aforementioned gain from the sale of a stake in CSS. Excluding this gain and such accretion and other effects, underlying Global Banking revenues were USD 2,615m, an increase of USD 133m, or 5%, driven by higher revenues in Advisory and Capital Markets.

Advisory revenues increased by USD 96m, or 11%, to USD 1,003m, largely driven by an increase in merger and acquisition transaction revenues.

Capital Markets revenues decreased by USD 352m, or 14%, to USD 2,195m, mostly driven by a USD 504m decrease in PPA accretion effects on financial instruments and other PPA effects, partly offset by the aforementioned gain from the sale of a stake in CSS. Excluding this gain and such accretion and other effects, underlying Capital Markets revenues increased by USD 37m, or 2%.

Global Markets

Global Markets revenues increased by USD 1,647m, or 22%, to USD 9,141m, driven by higher Derivatives & Solutions, Execution Services and Financing revenues, and included a gain of USD 102m on a strategic investment, which was split equally across product verticals.

Execution Services revenues increased by USD 467m, or 27%, to USD 2,186m, mainly driven by higher Cash Equities revenues across all regions, reflecting higher volumes.

Derivatives & Solutions revenues increased by USD 778m, or 22%, to USD 4,256m, driven by higher volatility and higher levels of client activity.

Financing revenues increased by USD 403m, or 18%, to USD 2,700m, led by Prime Brokerage revenues, supported by higher client balances. Included in 2024 was a gain of USD 67m on the sale of our investment in an associate.

Equities

Global Markets Equities revenues increased by USD 1,059m, or 19%, to USD 6,647m, mainly driven by higher revenues in Prime Brokerage, Cash Equities and Equity Derivatives. Included in 2024 was a gain of USD 67m on the sale of our investment in an associate.

Foreign Exchange, Rates and Credit

Global Markets Foreign Exchange, Rates and Credit revenues increased by USD 588m, or 31%, to USD 2,494m, mainly driven by increases in Foreign Exchange revenues and included a gain of USD 102m on a strategic investment.

Credit loss expense / release

Net credit loss expenses were USD 133m, mainly reflecting net expenses on credit-impaired positions, compared with net credit loss expenses of USD 97m in 2024.

Operating expenses

Operating expenses increased by USD 453m, or 5%, to USD 9,387m and included a USD 254m decrease in integration-related expenses. Excluding integration-related expenses of USD 463m, underlying operating expenses were USD 8,924m, an increase of 9%, mainly due to higher personnel expenses and adverse foreign exchange effects.

Return on attributed equity

Return on attributed equity was 15.3%, compared with 11.2% in 2024. The underlying return on attributed equity was 14.8%, compared with 9.6% in 2024.

Cost / income ratio

The cost / income ratio decreased to 76.1% from 81.6%, with a decrease on an underlying basis to 75.8% from 82.5%, as increases in total revenues and underlying total revenues, respectively, more than offset increases in operating expenses and underlying operating expenses.

Non-core and Legacy

Non-core and Legacy

	As of or for the year ended		% change from
<i>USD m, except where indicated</i>	31.12.25	31.12.24	31.12.24
Results			
Total revenues	154	1,605	(90)
Credit loss expense / (release)	(1)	69	
Operating expenses	1,353	3,512	(61)
Operating profit / (loss) before tax	(1,199)	(1,976)	(39)
Underlying results			
Total revenues as reported	154	1,605	(90)
<i>of which: other integration items¹</i>	4		
Total revenues (underlying) ²	150	1,605	(91)
Credit loss expense / (release)	(1)	69	
Operating expenses as reported	1,353	3,512	(61)
<i>of which: integration-related expenses²</i>	882	1,154	(24)
Operating expenses (underlying) ²	472	2,359	(80)
<i>of which: net expenses / (releases) for litigation, regulatory and similar matters</i>	(833)	(300)	178
Operating profit / (loss) before tax as reported	(1,199)	(1,976)	(39)
Operating profit / (loss) before tax (underlying) ²	(321)	(822)	(61)
Performance measures and other information			
Average attributed equity (USD bn) ³	5.4	9.5	(43)
Risk-weighted assets (USD bn)	28.8	41.4	(30)
Leverage ratio denominator (USD bn)	19.1	53.5	(64)

¹ Includes temporary and incremental items directly related to the integration. ² Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. For more information about underlying results, refer to the "Group performance" section of this report. ³ Refer to the "Capital management" section of this report for more information about the equity attribution framework.

Composition of Non-core and Legacy

	Total assets		RWA		LRD	
	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24
Exposure category						
Equities	0.8	2.6	0.3	0.9	0.3	2.0
Macro	9.2	26.3	1.9	4.4	3.7	10.2
Loans	0.7	3.2	0.8	2.8	0.7	4.0
Securitized products	2.8	7.4	1.5	5.2	2.9	8.8
Credit	0.2	0.2	0.1	0.3	0.1	0.2
High-quality liquid assets	10.6	27.2			10.6	27.2
Operational risk			24.0	27.1		
Other	1.1	1.4	0.4	0.7	0.9	1.1
Total	25.4	68.3	28.8	41.4	19.1	53.5

2025 compared with 2024

Results

Loss before tax was USD 1,199m, compared with a loss before tax of USD 1,976m. Underlying loss before tax was USD 321m, after excluding from operating expenses USD 882m of integration-related expenses and excluding from total revenues USD 4m of other integration items, compared with an underlying loss before tax of USD 822m.

Total revenues

Total revenues were USD 154m, a decrease of USD 1,451m, or 90%, mainly reflecting lower net gains from position exits and lower net interest income from securitized product and credit portfolios, partly offset by lower liquidity and funding costs, as a result of the smaller portfolio. Total revenues in 2025 included a gain of USD 97m from the sale of Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse. Total revenues in 2024 included a USD 67m gain from the sale of our investment in an associate, as well as a net gain of USD 272m, after accounting for the purchase price allocation adjustments recorded at the closing of the acquisition of the Credit Suisse Group, from the sale of assets from the former Credit Suisse securitized products group to Apollo Management Holdings and certain other entities.

Credit loss expense / release

Net credit loss releases were USD 1m, compared with net credit loss expenses of USD 69m in 2024.

Operating expenses

Operating expenses were USD 1,353m, a decrease of USD 2,159m, or 61%, and included USD 833m of net releases in provisions and acquisition-related contingent liabilities resulting from litigation, regulatory and similar matters, primarily due to USD 673m of net releases in the third quarter of 2025 related to the completion of obligations under Credit Suisse's residential mortgage-backed securities settlement with the US Department of Justice and a USD 427m net release recorded in the second quarter of 2025 related to the resolution of a legacy Credit Suisse cross-border matter, partly offset by expenses related to increases in other litigation provisions. The decrease also reflected lower technology costs, premises and facilities costs, personnel expenses, and risk management costs and included a USD 272m decrease in integration-related expenses. Excluding integration-related expenses of USD 882m, underlying operating expenses were USD 472m, a decrease of 80%.

› Refer to "Note 17 Provisions and contingent liabilities" in the "Consolidated financial statements" section of this report for more information about litigation, regulatory and similar matters

Risk-weighted assets and leverage ratio denominator

Risk-weighted assets (RWA) decreased by USD 12.6bn to USD 28.8bn, and the leverage ratio denominator (the LRD) decreased by USD 34.4bn to USD 19.1bn. The active unwinding of Non-core and Legacy assets resulted in a decrease in RWA, mainly related to the securitized product, macro and loan portfolios, and a decrease in the LRD, mainly driven by reductions in high-quality liquid assets, which decreased by USD 16.6bn, primarily as a result of a reduction in the overall Non-core and Legacy balance sheet, as well as reductions in the macro, securitized product and loan portfolios.

Group Items

Group Items

	As of or for the year ended		% change from
USD m	31.12.25	31.12.24	31.12.24
Results			
Total revenues	(1,190)	(975)	22
Credit loss expense / (release)	2	(2)	
Operating expenses	(2)	(220)	(99)
Operating profit / (loss) before tax	(1,190)	(752)	58
Underlying results			
Total revenues as reported	(1,190)	(975)	22
of which: PPA effects and other integration items ¹	(323) ²	(41)	681
Total revenues (underlying) ³	(867)	(933)	(7)
Credit loss expense / (release)	2	(2)	
Operating expenses as reported	(2)	(220)	(99)
of which: integration-related expenses ³	53	(12)	
Operating expenses (underlying) ³	(56)	(208)	(73)
of which: net expenses / (releases) for litigation, regulatory and similar matters	75	9	704
Operating profit / (loss) before tax as reported	(1,190)	(752)	58
Operating profit / (loss) before tax (underlying) ³	(813)	(723)	13

¹ Includes accretion of PPA adjustments on financial instruments and other PPA effects, as well as temporary and incremental items directly related to the integration. ² Includes a USD 457m net loss from the repurchase of legacy Credit Suisse debt instruments, as the repurchase price exceeded the amortized-cost carrying value (the net loss reflects a loss of USD 885m before PPA adjustments, partly offset by a USD 427m gain from the release of PPA adjustments). ³ Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. Each alternative performance measure (APM) that qualifies as a non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations is designated as such in the table of APMs in the appendix to this report. For more information about underlying results, refer to the "Group performance" section of this report.

2025 compared with 2024

Results

Loss before tax was USD 1,190m, mainly driven by a net loss of USD 457m from the repurchase of legacy Credit Suisse debt instruments (which included the release of purchase price allocation (PPA) adjustments of USD 427m), deferred tax asset funding costs, mark-to-market losses from Group hedging and own debt, including hedge accounting ineffectiveness, and an increase in provisions for litigation, regulatory and similar matters. The USD 438m increase in loss before tax between the periods was largely due to the aforementioned drivers, except for deferred tax asset funding costs, which were broadly stable.

Underlying loss before tax was USD 813m, after excluding from total revenues negative USD 323m of PPA effects and other integration items, which included the aforementioned net loss of USD 457m, and also excluding from operating expenses USD 53m of integration-related expenses. This compared with an underlying loss before tax of USD 723m in 2024.

Income from Group hedging and own debt, including hedge accounting ineffectiveness, was net negative USD 101m, compared with net negative income of USD 175m in 2024. The losses in 2025 were driven by mark-to-market effects on own credit and portfolio-level economic hedges.

Risk, capital, liquidity and funding, and balance sheet

Management report

Audited information according to IFRS 7 and IAS 1

Risk and capital disclosures provided in line with the requirements of IFRS 7, *Financial Instruments: Disclosures*, and IAS 1, *Presentation of Financial Statements*, form part of the financial statements included in the "Consolidated financial statements" section of this report and are audited by the independent registered public accounting firm Ernst & Young Ltd, Basel. This information is marked as "Audited" within this section of the report.

Signposts

The **Audited** signpost that is displayed at the beginning of a section, table or chart indicates that those items have been audited. A triangle symbol – ▲ – indicates the end of the audited section, table or chart.

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Risk management and control

In the initial phases of the integration of Credit Suisse, the risk management focus was on the alignment of governance structures and frameworks, including the harmonization of Credit Suisse policies with UBS standards. In 2025, with the exposure reductions in Non-core and Legacy and the significant achievements made with respect to client account migrations (as part of the overall integration), we have substantially reduced the proportion of risks managed on legacy Credit Suisse platforms. We also transitioned to a single model risk management framework.

Top and emerging risks

An overview of our top and emerging risks, from a risk management perspective, is disclosed below. Investors should also carefully review all information set out in the “Risk factors” section of this report, where we discuss these and other material risks that could have an effect on our ability to execute our strategy and may affect our business activities, financial condition, results of operations and business prospects.

Top and emerging risk	Description
Geopolitical uncertainty	We remain watchful of a broad range of geopolitical developments and political changes in a number of countries, including intensifying rivalries among major powers, the re-emergence of regional spheres of influence and continued stress on multi-lateral economic and security institutions. Global trade relations remain fragile, as tariff-related policies persist. In addition, structural challenges in the US–China relationship remain significant. In parallel, the reshaping of international trade relationships is driving significant changes in global supply chains, adding further uncertainty and potential disruption to cross-border trade flows.
Macroeconomic risks	We are exposed to a number of macroeconomic risks, as well as general market conditions. As noted in “Market, credit and macroeconomic risks” in the “Risk factors” section of this report, these external pressures may have a significant adverse effect on our business activities and related financial results, primarily through reduced margins and revenues, asset impairments and other valuation adjustments. Accordingly, these macroeconomic factors are considered in the development of stress-testing scenarios for our ongoing risk management activities. Inflation has remained broadly stable in major Western economies, though there are still concerns that inflation could return, including upward pressure on interest rates. Central banks’ monetary policies therefore continue to be a key driver of financial market conditions. In parallel, concerns around developed market sovereign debt sustainability have heightened, with fiscal deterioration in several advanced economies contributing to volatility in long-term bond yields. We are closely monitoring foreign exchange volatility and currency valuations, including the weakening of the US dollar and the appreciation of the Swiss franc against other major currencies. Elevated valuations across various assets classes, alongside accelerated capital flows into artificial intelligence (AI)- and technology-related equities, present the risk of a potential bubble, particularly if adoption trends in these areas slow or macroeconomic conditions weaken.
Non-bank financial institutions and private markets	Non-bank financial institutions (NBFIs) and private markets, in particular, have come further into focus in 2025, expanding their role in credit provision, liquidity transformation and risk transfer across the financial system. We remain watchful of the growing systemic and economic relevance of this sector, especially as its interconnectedness with the financial sector has further deepened through funding relationships, derivatives exposures and the collateral channel, heightening the potential for spillovers under stress. Limited transparency around leverage, asset valuations and liquidity profiles may further obscure underlying risk dynamics and complicate a comprehensive assessment of sector-wide vulnerabilities. These developments reinforce the importance of disciplined monitoring and proactive risk management of exposures and concentrations, and the channels through which stress in NBFIs or private markets could transmit to the broader financial system.
Regulatory and legal risks	We are exposed to substantial changes in the regulation of our businesses that could have a material adverse effect on our business, as discussed in the “Regulatory and legal developments” section of this report and in “Regulatory and legal risks” in the “Risk factors” section of this report. As a global financial services firm, we are subject to many different legal, tax and regulatory regimes and extensive regulatory oversight. We are exposed to the risk that regulatory requirements across different jurisdictions impose inconsistent or conflicting requirements, or may do so in the future. We are also exposed to significant liability risk, and we are subject to various claims, disputes, legal proceedings and government investigations, as noted in “Regulatory and legal risks” in the “Risk factors” section of this report. Information about litigation, regulatory and similar matters we consider significant is disclosed in “Note 17 Provisions and contingent liabilities” in the “Consolidated financial statements” section of this report.
Cyber risks, third-party risks and operational resilience	Global geopolitical trends increase the likelihood of external state-driven cyber activity. Combined with a broader shift toward more sophisticated forms of ransomware and other cyber threats, there is a risk of operational disruption to business activities at our locations and those of third-party suppliers, including potential corruption or loss of data. At the same time, the dynamic and material nature of recent geopolitical and environmental events, combined with the operational complexity of all our businesses, leads to the risk of disruption through operational resilience scenarios, such as system failures or loss of third-party services. ➤ Refer to “Non-financial risk” and “Cybersecurity and information security” in this section for more information

Top and emerging risk	Description
Conduct risks	Conduct risks are inherent in our businesses. Achieving fair outcomes for our clients, upholding market integrity and cultivating the highest standards of employee conduct are of critical importance to us. Management of conduct risks is an integral part of our risk management framework. › Refer to “Non-financial risk” in this section and “Strategy, management and operational risks” in the “Risk factors” section of this report for more information
Financial crime risks	Financial crime (including money laundering, terrorist financing, sanctions violations, fraud, bribery, and corruption) presents significant risk and is subject to heightened regulatory expectations and attention. Emerging technologies and changing geopolitical risks further increase the complexity of identifying and preventing financial crime, in particular managing the continuously evolving sanctions environment, and require investment in people, systems and technology. › Refer to “Non-financial risk” in this section for more information
Sustainability and climate risks	Sustainability and climate risks continue to be in focus for UBS, for regulators and for stakeholders. To address these emerging risks, UBS has further enhanced its transition and physical risk methodologies, integrated climate-related financial risks into key risk frameworks and updated its sustainability and climate risk policy to align with the requirements of FINMA Circular 2026/1 “Nature-related financial risks”. › Refer to “Sustainability and climate risk” in this section for more information › Refer to “Appendix 1 – Governance” to the UBS Group Sustainability Report 2025, available under “Annual reporting” at ubs.com/investors, for a full description of our sustainability and climate risk policy framework Regulatory requirements and industry guidelines are emerging simultaneously in various jurisdictions, leading to an increased risk of divergence, which in turn increases the risk that UBS may not comply with all relevant regulations.
New technologies	New risks related to client demand for distributed ledger technology, blockchain-based assets and virtual currencies continue to emerge. Our exposure to these risks is still relatively limited, and relevant control frameworks are continuously being enhanced and implemented. Technological developments in the areas of AI and digitalization will have a significant impact in 2026 and create not only opportunities but also heightened operational risks. With the ongoing digitalization and the adoption of new technologies, we continue to emphasize the responsible use of AI and ethical data practices, in line with evolving regulatory requirements and client expectations. With rapidly advancing technology and changing communication preferences, there is heightened focus on electronic communications, including the use of approved channels and appropriate recordkeeping. › Refer to “Non-financial risk” in this section for more information

Risk identification

Risk identification at UBS is the process of systematically identifying, assessing and cataloging risks across all business activities and risk categories. It is a fundamental component of our risk management approach, helping to ensure that the firm maintains a comprehensive understanding of its risk exposure. Our structured risk identification framework integrates both bottom-up and top-down risk identification approaches and enhances our ability to capture, measure, monitor and control risks, in alignment with global regulatory expectations. The process involves subject matter experts from both the first and second lines of defense, including senior management across the organization, and is conducted periodically, complementing day-to-day risk identification and risk management frameworks. By anchoring to a common risk taxonomy and risk materiality approach, we aim to ensure consistent categorization and prioritization of risks across business divisions and significant Group entities. Additionally, documenting root-cause drivers and early-warning signs strengthens our ability to monitor emerging risks.

Various review and approval steps are embedded throughout the risk identification process to maximize risk transparency, including presentation to senior governance bodies for each business division, applicable significant Group entities and at the Group level. The output of the process helps ensure that UBS stress-testing exercises take into account the firm’s key vulnerabilities, while also supporting broader risk management activity.

Risk categories

We categorize our risk exposures as outlined in the table below. Our risk appetite framework is designed to capture all risk categories.

› Refer to “Risk appetite framework” in this section for more information

	Risk managed by	Independent oversight by
Financial risks		
Audited Credit risk: the risk of loss resulting from the failure of a client or counterparty (including an issuer) to meet its contractual obligations toward UBS. This includes loan underwriting risk and settlement risk. Loan underwriting risk: the risk of loss arising during the holding period of financing transactions that are intended for further distribution. Settlement risk: the short-term form of credit risk arising when UBS delivers its side of an agreed-upon transaction but does not receive an expected value in return from the counterparty. ▲ › Refer to “Credit risk” in this section for more information	Business divisions	Risk Control
Audited Market risk: the risk of loss resulting from adverse movements in market variables. Market risks are actively taken as part of trading activities but can also arise from non-trading activities. Market variables include observable factors, such as interest rates, foreign exchange rates, equity prices, credit spreads and commodity (including precious metal) prices, as well as variables that may be unobservable or only indirectly observable, such as volatilities and correlations. Market risk also includes issuer risk. Issuer risk: the risk of loss that would occur if an issuer to which we are exposed through tradable securities or derivatives referencing the issuer was subject to a credit-related event. ▲ › Refer to “Market risk” in this section for more information	Business divisions and Group Treasury	Risk Control
Investment risk: The risk of losses relative to the expected return on any particular investment (i.e. achieving lower actual returns compared with expected returns). › Refer to “Market risk” in this section for more information	Business divisions and Group Treasury	Risk Control
Treasury risk: the risks associated with asset and liability management and our liquidity and funding positions, as well as structural exposures. Audited Liquidity risk: the risk that UBS is unable to meet business-as-usual or stress cash / collateral flows. ▲ Audited Funding risk: the risk that UBS is unable to borrow funds to support its current business and desired strategy. ▲ › Refer to the “Liquidity and funding management” section of this report for more information Interest rate risk in the banking book: the risk to the firm’s capital and earnings arising from the adverse effects of interest rate movements on the firm’s banking book positions. The risk is transferred from the originating business divisions, i.e. Global Wealth Management and Personal & Corporate Banking, to Group Treasury to risk-manage this centrally and benefit from Group-wide netting, while leaving the business divisions with margin management. › Refer to “Market risk” in this section for more information Structural foreign exchange risk: the risk of decreases in our capital or capital ratios due to adverse impacts from changes in foreign exchange rates.	Group Treasury	Risk Control
Pension risk: the risk of a negative impact on our capital as a result of deteriorating funded status from decreases in the fair value of assets held in defined benefit pension funds and / or changes in the value of defined benefit pension obligations due to changes in actuarial assumptions (e.g. discount rate, life expectancy and rate of pension increase) and / or changes to plan designs. › Refer to “Market risk” in this section for more information	Group Treasury and Human Resources	Risk Control and Finance
Country risk: the risk of loss resulting from country-specific events. This includes the risk of sovereign default and also transfer risk, which involves a country’s authorities preventing or restricting the payment of an obligation, as well as systemic risk events arising from country-specific political or macroeconomic developments. › Refer to “Country risk” in this section for more information	Business divisions	Risk Control
Sustainability and climate risk: the risk that UBS negatively impacts, or is impacted by, climate change, nature, human rights and other relevant environmental and social matters. Sustainability and climate risks may materialize as credit, market, liquidity, business or non-financial risks for UBS, potentially leading to adverse financial, liability or reputational impacts. These risks extend to the value of investments and may also affect the value of collateral (e.g. real estate). Sustainability and climate risk includes transition risk and physical risk. Transition risk: climate-driven transition risks arise from the transition to a sustainable economy, in particular its decarbonization, for example due to changes in policy, case law, technology or in the behavior of market participants. This may contribute to a structural change across economies and consequently affect banks and the stability of the wider financial sector. Physical risk: climate-driven physical risks arise from acute hazards, which are increasing in severity and frequency, and chronic risks that arise from an incrementally changing climate. Climate-driven physical risks may contribute to structural changes across economies and consequently affect banks and the stability of the wider financial sector. › Refer to “Sustainability and climate risk” in this section for more information	Business divisions	Risk Control

	Risk managed by	Independent oversight by
Financial risks (continued)		
Capital risk: the risk that UBS does not maintain adequate capital to support its activities and maintain the minimum capital requirements. › Refer to the “Capital management” section of this report for more information	Group Treasury	Risk Control and Finance
Business risk: the potential negative impact on earnings from lower-than-expected business volumes and / or margins, to the extent they are not offset by a decrease in expenses. For example, changes in the competitive landscape, client behavior or market conditions can have a negative impact.	Business divisions	Risk Control and Finance
Strategic risk: the idiosyncratic risk arising from the impact of strategic decisions on UBS, which can be driven by exogenous factors, such as changes in the industry or regulatory environments, or by endogenous factors, such as constraints related to or execution of strategic decisions. › Refer to “Strategy, management and operational risks” in the “Risk factors” section of this report for more information	Business divisions and Group functions	Finance, Chief Strategy Office and Risk Control
Non-financial risks		
Compliance risk: the risk of failure to comply with laws, rules and regulations, internal policies and procedures, and the firm’s Code of Conduct and Ethics. › Refer to “Non-financial risk” in this section for more information Employment risk: the risks arising from acts inconsistent with laws, rules and regulations or the firm’s policies governing employment practices, health and well-being, discrimination, performance and compensation, and employee-related taxes and benefits. Also includes risks arising from loss of key staff, excessive turnover, inadequate resourcing and failure to implement comprehensive succession plans for key positions, as well as those arising from failure to perform an appropriate vetting process including stringent due diligence and background checks, in order to ensure on-boarded staff are fit and proper. Conduct risk: the risk that the conduct of the firm or its individuals unfairly impacts clients or counterparties, undermines the integrity of the financial system or impairs effective competition to the detriment of consumers. Market conduct risk: the risk of failure to maintain appropriate standards to ensure fair and effective markets and meet legal / regulatory requirements and expectations governing activities undertaken on or through a market or in pricing- / transaction-related bilateral interactions between counterparties. Client suitability risk: the risk that clients are provided with products or services that do not match their investor profile, including their investment objectives, financial situation, time horizon, risk tolerance, and knowledge and experience, resulting in the client receiving a product or service that is not suitable for their individual circumstances.	Business divisions	GCORC Human Resources GCORC GCORC GCORC
Financial crime risk: the risk of failure to prevent financial crime (including money laundering, terrorist financing, sanctions or embargo violations, internal and external fraud, bribery, and corruption). › Refer to “Non-financial risk” in this section for more information	Business divisions	GCORC
Operational risk: the risk resulting from inadequate or failed internal processes, people or systems, or from external causes (deliberate, accidental or natural). › Refer to “Non-financial risk” in this section for more information Cybersecurity and information-security risk: the risk that a malicious internal or external act, a failure of technology, or human error materially compromises the confidentiality, integrity or availability of UBS’s data, systems or services. › Refer to “Non-financial risk” in this section for more information Third-party risk: the risk arising from consuming goods or services from third parties (from a Group or legal entity perspective) and their subcontractors, including inadequate oversight or non-compliance with policy or regulatory requirements that may lead to operational disruption, data compromise or reputational harm. › Refer to “Non-financial risk” in this section for more information Model risk: the risk of adverse consequences (e.g. financial loss, due to legal matters, operational loss, biased business decisions, or reputational damage) resulting from decisions based on incorrect, inadequate or misused model outputs and reports. › Refer to “Model risk” in this section for more information	Business divisions Business divisions and Group Technology Business divisions and Group functions Business divisions and Group functions	GCORC GCORC GCORC Risk Control
Legal risk: the risk of: (i) being held liable for a breach of applicable laws, rules or regulations; (ii) being held liable for a breach of contractual or other legal obligations; (iii) an inability or failure to enforce or protect contractual rights or non-contractual rights sufficiently to protect UBS’s interests; and (iv) being party to a claim or investigated by a regulator or public authority in respect of any of the above (and the risk of loss of attorney–client privilege in the context of any such claim).	Business divisions	Legal
Reputational risk: the risk of an unfavorable perception of UBS or a decline in the firm’s reputation from the point of view of clients, shareholders, regulators, employees or society, which may lead to potential financial loss and / or loss of market share. › Refer to “Non-financial risk” in this section for more information	All business divisions and Group functions	All control functions

Overview of risks arising from our business activities

Key risks by business division and Group functions

Business divisions and Group functions	Key financial risks arising from business activities
Global Wealth Management	Credit risk from collateralized lending primarily against securities, residential and commercial real estate, other real assets (such as ships and aircraft), private market and hedge fund interest, and investors' uncalled capital commitments, as well as from collateralized clients' derivatives trading. Also includes unsecured lending, i.e. recourse-based lending and cash-flow-based corporate lending to entities owned and controlled by our Global Wealth Management clients. Limited contribution to market risk from municipal securities and taxable fixed-income securities. Interest rate risk in the banking book related to Global Wealth Management is transferred to and managed by Group Treasury.
Personal & Corporate Banking	Credit risk from mortgages (owner-occupied and income-producing), secured and unsecured corporate lending, commodity trade finance, trade and export finance, consumer finance, and lending to banks and other regulated clients, as well as a small amount of derivatives trading activity. Minimal contribution to market risk . Interest rate risk in the banking book related to Personal & Corporate Banking is transferred to and managed by Group Treasury.
Asset Management	Limited exposure to credit risk and market risk from on-balance sheet positions such as seed capital and co-investments in funds managed by Asset Management. Indirect exposure to credit risk and market risk from client assets invested in Asset Management funds, which can adversely impact management and performance fees and cause heightened fund outflows and liquidity risk.
Investment Bank	Credit risk from lending (take-and-hold, as well as temporary loan underwriting activities) and counterparty credit risk from derivatives trading and securities financing. Market risk from secondary trading and primary underwriting activities.
Non-core and Legacy	Credit risk arising from a residual portfolio of less-liquid structured financing transactions, including some with residential and commercial real estate collateral and a small number of trades remaining from a corporate loan portfolio. Market risk is limited and results from a largely hedged portfolio of both complex and simple credit, interest rate and equity derivative transactions.
Group functions	Credit risk, market risk and treasury risk arising from Group Treasury's management of the Group's balance sheet (asset and liability management), capital, profit or loss, and liquidity and funding.

All the business divisions and Group functions are exposed to **country risk, sustainability and climate risk** and **non-financial risk**. Non-financial risk is an inevitable consequence of being an operating firm and can arise as a result of our past and current business activities.

Risk oversight

Risk governance

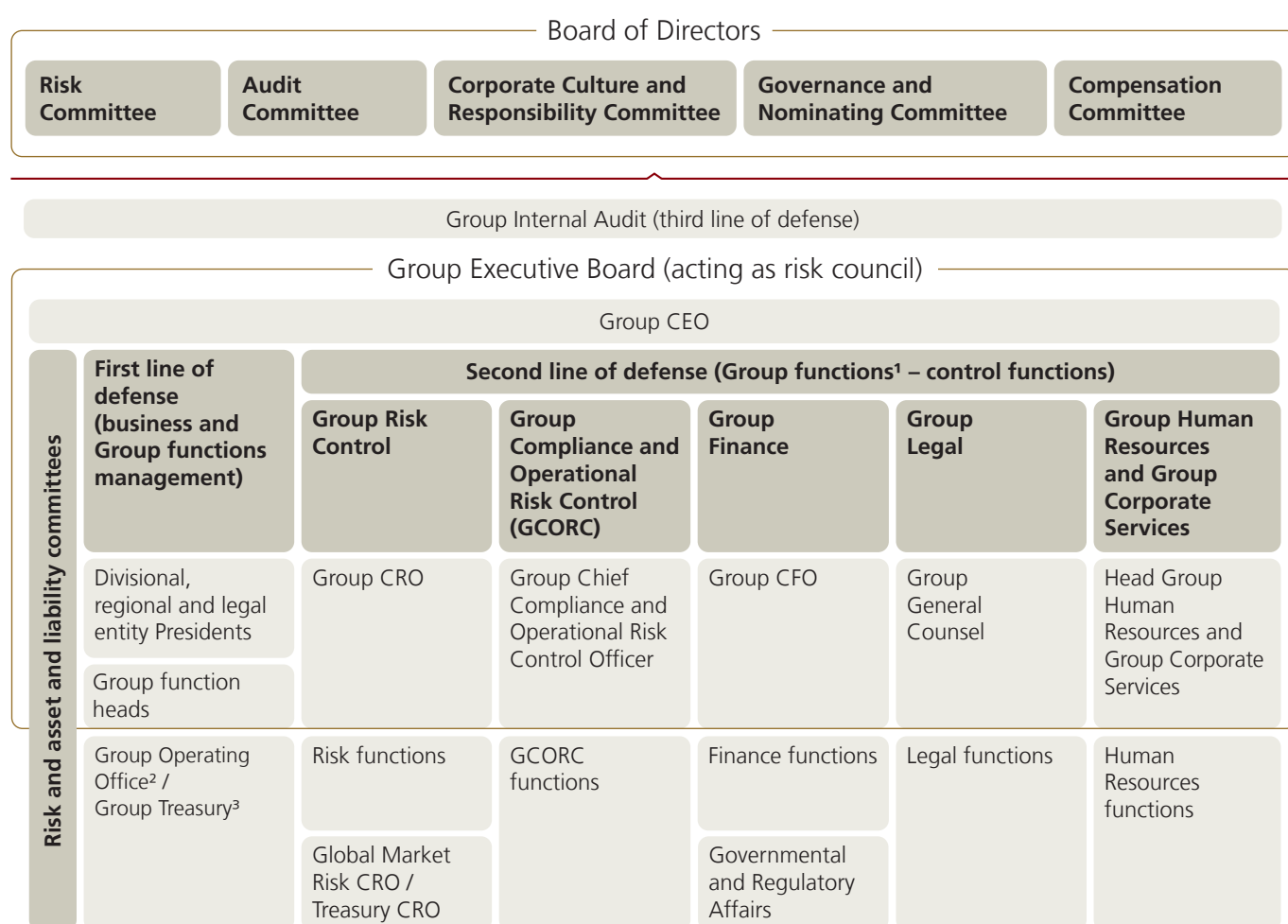
Our risk governance framework operates along three lines of defense.

Our first line of defense, business and Group functions management, owns its risks and is accountable for maintaining effective processes and systems to manage them in compliance with applicable laws, rules and regulations, as well as internal standards, including identifying control weaknesses and inadequate processes.

Our second line of defense, control functions, is separate from the business and reports directly to the Group Chief Executive Officer (the Group CEO). Control functions provide independent oversight, challenge financial and non-financial risks arising from the firm's business activities, and establish independent frameworks for risk assessment, measurement, aggregation, control and reporting, protecting against non-compliance with applicable laws, rules and regulations.

Our third line of defense, Group Internal Audit, reports to the Chairman and to the Audit Committee. This function assesses the design and operating effectiveness and sustainability of processes to define risk appetite, governance, risk management, internal controls, remediation activities and processes to comply with legal and regulatory requirements and internal governance standards.

The key roles and responsibilities for risk management and control are shown in the chart below and described further below.



¹ Our Group functions are support and control functions that provide services for the business divisions and include the following key offices or functions: the Group Operating Office, Group Compliance and Operational Risk Control, Group Risk Control, Group Finance, Group Treasury, Group Legal, Group Human Resources and Corporate Services, and the Chief Strategy Office. ² Including Group Technology, the Artificial Intelligence Office, the Group Chief Information Security Office, Group Operations, the Integration Office, Change Management, and Group Sustainability and Impact. ³ Group Treasury reports to the Group CFO. ▲

Audited | The Board of Directors (the BoD) approves the risk management and control framework of the Group, including the Group and business division overall risk appetite. The BoD is supported by its Risk Committee, which monitors and oversees the Group's risk profile and the implementation of the risk framework approved by the BoD and approves the Group's risk appetite methodology.

› Refer to the "Corporate governance" section of this report for more information about the responsibilities of the Risk Committee and other BoD committees

The Group Executive Board (the GEB) has overall responsibility for establishing and implementing a risk management and control framework in the Group, managing the risk profile of the Group as a whole.

The Group CEO has responsibility and accountability for the management and performance of the Group, has risk authority over transactions, positions and exposures, and allocates risk authority delegated by the BoD to the business divisions and Group functions.

The business division Presidents and Group function heads are responsible for the operation and management of their business divisions and Group functions, including controlling the risk appetite of the business divisions.

The regional Presidents ensure cross-divisional collaboration in their regions and are mandated to inform the GEB about any regional activities and issues that may give rise to actual or potentially material regulatory or reputational concerns.

The Group Chief Risk Officer (the Group CRO) is responsible for developing the Group's risk management and control framework (including risk principles and risk appetite) for credit, market, country, treasury, model and sustainability and climate risks. This includes risk measurement and aggregation, portfolio controls, risk reporting, and taking decisions on transactions, positions, exposures, portfolio limits and allowances in accordance with the risk control authorities delegated to the Group CRO.

The Group Chief Compliance and Operational Risk Control Officer is responsible for developing the Group's risk management and control framework (including taxonomies and risk appetite) for non-financial risks. This includes implementing independent control frameworks for compliance and conduct, financial crime, and operational risks. The Group Chief Compliance and Operational Risk Control Officer is also responsible for managing the Group's new business governance process and governing the Group's internal and external investigations portfolio.

The Group Chief Financial Officer (the Group CFO) is responsible for transparency in assessing the financial performance of the Group and the business divisions and for managing the Group's financial accounting, controlling, forecasting, planning and reporting. The Group CFO also ensures asset and liability management by balancing consumption of the Group's financial resources. The Group CFO is, in addition, responsible for developing the Group's governmental policy and regulatory approach, coordinating external governmental and regulatory relations, and overseeing important regulatory matters.

The Group Chief Operating Officer (the Group COO) develops and coordinates the Group-wide operational integration and alignment of the business divisions in support of the implementation of the Group's strategy and is responsible for driving digitalization, delivering technology services, infrastructure and operations, including cybersecurity and information security, and providing Group-wide data governance. The Group COO is also responsible for coordinating and supporting the Group's efforts to deliver on its Group-wide sustainability and impact ambitions.

The Group General Counsel manages the Group's legal affairs, including effective and timely assessment of legal matters impacting the Group or its businesses, and managing and reporting all litigation matters.

The Head Group Human Resources and Corporate Services defines and executes a human resources strategy aligned to UBS's objectives, supplies real estate infrastructure and controls supply and demand management activities.

Some of these roles and responsibilities are replicated on the level of the business divisions, regions and / or significant entities of the Group. Designated entity risk officers oversee and control financial and non-financial risks for significant entities of UBS as part of the entity control framework, which complements the Group's risk management and control framework. ▲

Internal risk reporting

Comprehensive and transparent reporting of risks is central to our risk governance framework's control and oversight responsibilities and required by our risk management and control principles. Accordingly, risks are reported at a frequency and level of detail commensurate with the extent and variability of the risk and the needs of the various governance bodies, regulators and risk authority holders. Data used to produce risk reports is generally aligned with that used by both the business divisions and control functions for managing and monitoring risks. This alignment ensures consistency in risk assessment and decision-making across the organization.

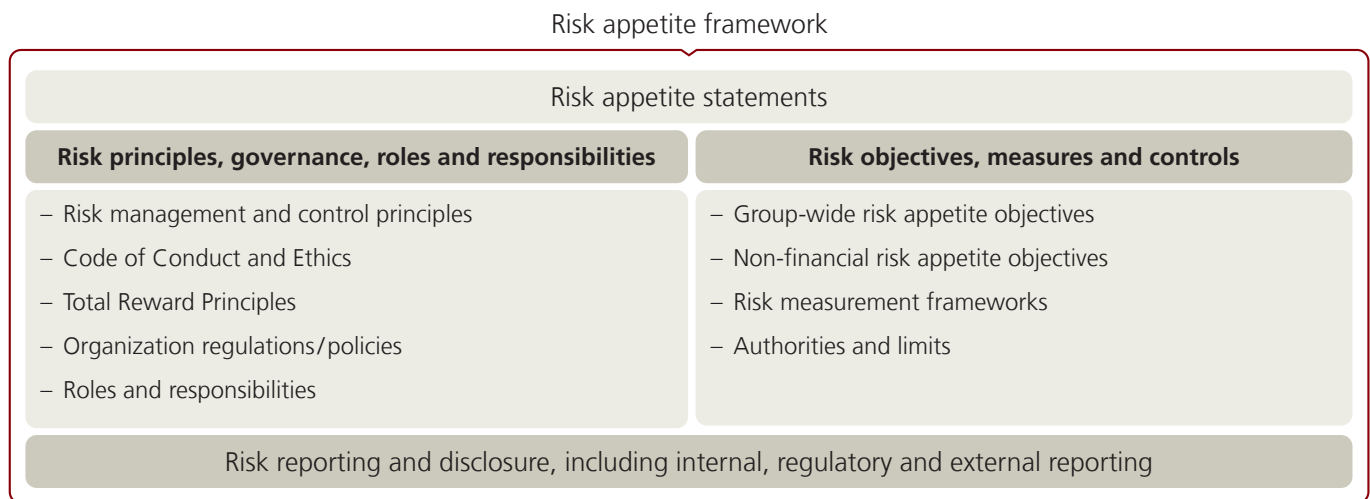
The Group Risk Report provides a detailed qualitative and quantitative monthly overview of developments in financial and non-financial risks at the firm-wide level, including the status of our risk appetite objectives and the results of firm-wide stress testing. The Group Risk Report is distributed internally to the BoD, the GEB and senior members of Risk Control, Group Internal Audit, Finance and Legal. Risk reports are also produced covering significant Group entities and branches (i.e. entities and branches subject to enhanced standards of corporate governance).

Monthly business division and Group Items risk reports are supplemented with daily or weekly reports, at various levels of granularity, covering market, credit and treasury risks to enable risk officers and senior management to monitor and control the Group's risk profile.

Our internal risk reporting covers financial and non-financial risks and is supported by risk data and measurement systems that are used for risk management and monitoring purposes and also for external disclosure and regulatory reporting. Dedicated units within Risk Control assume responsibility for measurement, analysis and reporting of risk and for overseeing the quality and integrity of risk-related data. Our risk data and measurement systems are subject to periodic review by Group Internal Audit, which applies a risk-based audit approach.

Risk appetite framework

Our risk appetite is defined at the aggregate Group level and reflects the risk that we are willing to accept or wish to avoid. It is set via complementary qualitative and quantitative risk appetite statements defined at a Group-wide level and is embedded throughout our business divisions and legal entities by Group, business division and legal entity policies, limits and authorities. Our risk appetite is reviewed and recalibrated annually, with the aim of ensuring that risk-taking at every level of the organization is in line with our strategic priorities, our capital and liquidity plans, our *Pillars, Principles and Behaviors*, and minimum regulatory requirements. It is governed by a single overarching policy and conforms to the Financial Stability Board's Principles for an Effective Risk Appetite Framework. The "Risk appetite framework" chart below shows the key elements of the framework, which is described in detail in this section.



Risk principles and risk culture

Qualitative risk appetite statements aim to ensure we maintain the desired risk culture. Maintaining a strong risk culture is a prerequisite for success in today's highly complex operating environment and a source of sustainable competitive advantage.

Our risk appetite framework combines all the important elements of our risk culture, expressed in our *Pillars, Principles and Behaviors*, our risk management and control principles, our Code of Conduct and Ethics, and our Total Reward Principles. They help to create a solid foundation for promoting risk awareness, leading to appropriate risk-taking and the establishing of robust risk management and control processes.

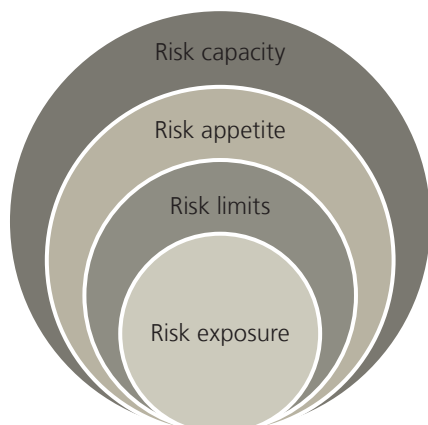
- › Refer to "Employees" in the "Our stakeholders" section of this report for more information about our Pillars, Principles and Behaviors
- › Refer to the Code of Conduct and Ethics of UBS, available at ubs.com/code, for more information

Risk management and control principles

Protection of financial strength	Protecting our financial strength by controlling our risk exposure and avoiding potential risk concentrations at individual exposure levels, at specific portfolio levels and at an aggregate firm-wide level across all risk types.
Protection of reputation	Protecting our reputation through a sound risk culture characterized by a holistic and integrated view of risk, performance and reward, and through full compliance with our standards and principles, particularly our Code of Conduct and Ethics.
Business management accountability	Maintaining management accountability, whereby business management owns all risks assumed throughout the Group and is responsible for the continuous and active management of all risk exposures to provide for balanced risk and return.
Independent controls	Independent control functions that monitor the effectiveness of the businesses' risk management and oversee risk-taking activities.
Risk disclosure	Disclosure of risks to senior management, the BoD, investors, regulators, credit rating agencies and other stakeholders with an appropriate level of comprehensiveness and transparency.

Quantitative risk appetite objectives

Risk appetite objective framework



Our quantitative **risk appetite** objectives aim to ensure that our aggregate **risk exposure** remains within the desired **risk capacity**, based on capital and business plans. The specific definition of risk capacity for each objective is aimed at ensuring we have sufficient capital, earnings, funding and liquidity to protect our businesses and exceed minimum regulatory requirements under a severe stress event. The risk appetite objectives are evaluated during the annual business planning process and approved by the Board of Directors. The quantitative risk appetite objectives are supported by a comprehensive suite of **risk limits**.

We use both scenario-based stress tests and economic capital risk measurement techniques to stress test our business activities. The quantitative risk appetite objectives are supported by a comprehensive suite of risk limits set at a portfolio level to monitor specific portfolios and to identify potential risk concentrations. The portfolio limits and associated approval authorities are subject to periodic reviews and changes, particularly in the context of our annual business planning process. The status of our quantitative risk appetite objectives and portfolio limits is evaluated each month and reported to the BoD and the GEB.

› Refer to “Risk measurement” in this section for more information about stress testing and our economic capital measures

Quantitative risk appetite objectives

Minimum capital objectives	CET1 capital is sufficient to meet minimum RWA-based capital requirements even if a severe stress event were to occur.
Minimum leverage ratio objectives	CET1 capital is sufficient to meet minimum leverage-ratio-based capital requirements even if a severe stress event were to occur.
Solvency objectives	CET1 capital plus contingent capital is sufficient to ensure that the probability of loss for the firm’s debt holders is consistent with the firm’s target credit rating.
Earnings objectives	Losses do not exceed average historical earnings even if a severe stress event were to occur.
Liquidity objectives	Ensure that the firm has sufficient liquidity to survive a severe three-month idiosyncratic and market-wide liquidity stress event without government support, allowing for discrete management actions.
Funding objectives	Ensure that the firm has sufficient long-term funding to maintain franchise assets at a constant level under stressed market conditions for up to one year without government support, allowing for discrete management actions.

These objectives are complemented by a standardized set of quantitative non-financial risk appetite objectives, expressed as percentages of the monetary impacts from non-financial risk events relative to total revenue and operational risk regulatory capital, respectively. If these percentages are exceeded, a review of key loss drivers and required mitigation measures is triggered.

Risk appetite statements at the business-division level are derived from the firm-wide risk appetite. They may also include business-division-specific strategic goals related to that business division’s activities and risks. Risk appetite statements are also set for certain legal entities, which must be consistent with the firm-wide risk appetite framework and approved in accordance with Group and legal entity regulations. Differences may exist that reflect the specific nature, size, complexity and regulations applicable to the relevant legal entity.

Portfolio and position limits

We maintain a comprehensive set of risk limits across our major risk portfolios. These portfolio limits are set based on our risk appetite and periodically reviewed and adjusted as part of the business planning process.

Firm-wide stress and statistical metrics are complemented by more granular portfolio and position limits, triggers and indicators. Combining these measures provides a comprehensive framework for control of the key risks of our business divisions, as well as significant legal entities.

We apply limits to a variety of exposures at the portfolio level, using statistical and stress-based measures, such as value-at-risk, liquidity-adjusted stress, loan underwriting limits, economic value sensitivity and portfolio default simulations for loan books. These are complemented with a set of controls for net interest income sensitivity, mark-to-market losses on available-for-sale portfolios, and the effect of foreign exchange movements on capital and capital ratios.

Portfolio measures are supplemented with counterparty- and position-level controls. Risk measures for position controls are based on market risk sensitivities and counterparty-level credit risk exposures. Market risk sensitivities include sensitivities to changes in general market risk factors (e.g. equity indices, foreign exchange rates and interest rates) and sensitivities to issuer-specific factors (e.g. changes in an issuer’s credit spread or default risk). We monitor numerous market and treasury risk controls on a daily basis. Counterparty measures capture the current and potential future exposure to an individual counterparty, considering collateral and legally enforceable netting agreements.

› Refer to “Credit risk” in this section for more information about counterparty limits

Risk measurement

Audited I We apply a variety of methodologies and measurements to quantify the risks of our portfolios and potential risk concentrations. Risks that are not fully reflected within standard measures are subject to additional controls, which may include preapproval of specific transactions and the application of specific restrictions. Models to quantify risk are generally developed by dedicated units within control functions and are subject to independent validation. ▲

› Refer to “Credit risk”, “Market risk” and “Non-financial risk” in this section for more information about model confirmation procedures

Stress testing

We perform stress testing to estimate losses that could result from extreme yet plausible macroeconomic and geopolitical stress events to identify, better understand and manage our potential vulnerabilities and risk concentrations. Stress testing has a key role in our limits framework at the firm-wide, business division, legal entity and portfolio levels. Stress test results are regularly reported to the BoD and the GEB. We also provide detailed stress loss analyses to the Swiss Financial Market Supervisory Authority (FINMA) and regulators of our legal entities in accordance with their requirements. As described in “Risk appetite framework”, stress testing, along with economic capital measures, has a central role in our risk appetite and business planning processes.

Our stress-testing framework has three pillars: (i) combined stress tests; (ii) an extensive set of portfolio- and risk-type-specific stress tests; and (iii) reverse stress testing.

The combined stress-testing (CST) framework is scenario based and aims to quantify overall firm-wide impacts that could result from various potential global systemic events. The framework captures all material risks, as covered in “Risk categories”, to the extent the risk is consistent with the narrative and main assumptions of the framework.

Scenarios are forward looking and encompass macroeconomic and geopolitical stress events calibrated to different levels of severity. In each scenario, we assume changes in a wide range of macroeconomic and market variables to stress the key risk drivers of our portfolios. We also capture the business risk resulting from lower fee, interest and trading income net of lower expenses. These effects are measured for all businesses and material risk types to calculate the aggregate estimated effect of the given scenario on profit or loss, other comprehensive income, risk-weighted assets, the leverage ratio denominator and, ultimately, capital and leverage ratios. The assumed changes in macroeconomic and market variables are updated periodically to account for changes in the current and possible future market environment.

At least once a year, the Risk Committee approves the most relevant scenario, known as the binding scenario, for use as the main scenario for regular CST reporting and for monitoring risk exposure against our minimum capital, earnings and leverage ratio objectives in our risk appetite framework. In 2025, the binding scenario for CST was the internal *global crisis scenario*. This scenario assumes a fall in global trade, which particularly hits China and leads to a hard landing. Combined with political, solvency and liquidity concerns, this results in a sharp sell-off of emerging markets sovereign debt and some emerging markets default. The macroeconomic and market impacts amplify concerns about peripheral European sovereign debt, causing Greece and Cyprus to default.

As part of the CST framework, we routinely monitored the following three additional stress scenarios throughout 2025.

- The *stagflationary geopolitical crisis scenario* assumes that a geopolitical event leads to economic regionalization and fears of prolonged stagflation. Central banks signal a firm commitment to price stability and continue to tighten monetary policy, triggering a broad rise in interest rates and impacting economic activity and asset values.
- The *global depression scenario* explores a global risk-off market with a combination of political, solvency and liquidity concerns around emerging markets sovereign debt, causing several large emerging markets to default. Several European economies also default, and some leave the Eurozone. A negative feedback loop between collapsing demand, declining asset values and commodity prices, and disruption in the banking system leads to a deep and prolonged recession across the globe.
- The *US monetary crisis scenario* explores a loss of confidence in the US, which leads to a sell-off of US dollar-denominated assets, sparking an abrupt and substantial depreciation of the US dollar. The US economy is hit hard, financial markets enter a period of high volatility and other industrialized countries replicate the cyclical pattern of the US. Regional inflation trends diverge as the US experiences significant inflationary pressures while other developed markets experience deflation.

From the beginning of 2026 the binding scenario for CST has changed to the global trade war scenario. This scenario assumes heightened geopolitical tensions and explores tail risks concerning US protectionist policies and retaliation by the US's trading partners. US policies solidify Switzerland as a safe-haven country and the US dollar depreciates against the Swiss franc. The scenario assumes that disruptions in global trade contribute to rising inflation and a large economic contraction. Despite rising inflation, the Federal Reserve makes measured interest rate cuts, and other major central banks in advanced economies follow the same course.

Portfolio-specific stress tests are measures tailored to the risks of specific portfolios. Our portfolio stress loss measures are derived from data on past events, but also include forward-looking elements (e.g. we derive the expected market movements in our liquidity-adjusted stress metric using a combination of historical market behavior, based on an analysis of historical events, and forward-looking analysis, including consideration of defined scenarios that have never occurred). Results of portfolio-specific stress tests may be subject to limits to explicitly control risk-taking or may be monitored without limits to identify vulnerabilities.

Reverse stress testing starts from a defined stress outcome (e.g. a specified loss amount, reputational damage, a liquidity shortfall or a breach of minimum capital ratios) and works backward to identify macroeconomic scenarios and / or idiosyncratic events that could result in such an outcome. As such, reverse stress testing is intended to complement scenario-based stress tests by assuming “what if” outcomes that could extend beyond the range normally considered, and thereby potentially challenge assumptions regarding severity and plausibility.

With regard to treasury risk, we routinely analyze the effect of movements in interest rates and changes in the structure of yield curves. We also perform stress testing to determine the optimal asset and liability structure, enabling us to maintain an appropriately balanced liquidity and funding position under various scenarios. These scenarios differ from those outlined above, because they focus on specific situations that could generate liquidity and funding stress, as opposed to the scenarios used in the CST framework, which focus on the effect on profit or loss and capital.

- › Refer to “Credit risk” and “Market risk” in this section for more information about stress loss measures
- › Refer to the “Capital management” and “Liquidity and funding management” sections of this report for more information about stress testing
- › Refer to “Note 19 Expected credit loss measurement” in the “Consolidated financial statements” section of this report for more information about scenarios used for expected credit loss measurement

Economic capital measures

We complement the scenario-based CST measures with economic capital stress measures to calculate and aggregate risks using statistical techniques to derive stress events at chosen confidence levels.

This economic capital framework is used to derive a loss distribution, considering effects on both income and expenses, based on the simulation of financial and economic risk factors in combination with the firm’s actual earnings and relevant risk exposures. From the scenario-consistent loss distribution, we determine earnings-at-risk (EaR), measuring the potential shortfall in earnings (i.e. the deviation from forecast earnings) at a 95% confidence level and evaluated over a one-year horizon. EaR is used for the assessment of the earnings objectives in our risk appetite framework.

We extend the EaR measure, incorporating the effects of gains and losses recognized through other comprehensive income, to derive a distribution of potential effects of stress events on common equity tier 1 capital. From this distribution, we derive our capital-at-risk (CaR) buffer measure at a 95% confidence level to assess our capital and leverage ratio risk appetite objectives, and we derive our CaR solvency measure at a 99.9% confidence level to assess our solvency risk appetite objective.

We use the CaR solvency measure as a basis for deriving the contributions of the business divisions to risk-based capital (RBC). RBC measures the potential capital impairment from an extreme stress event at a 99.9% confidence level.

Risk concentrations

Audited I Risk concentrations may exist where one or several positions within or across different risk categories could result in significant losses relative to UBS’s financial strength. Identifying such risk concentrations and assessing their potential impact is a critical component of our risk management and control process.

For financial risks, we consider a number of elements, such as shared characteristics of positions, the size of the portfolio and the sensitivity of positions to changes in the underlying risk factors. We take into account direct exposure from credit and issuer risk, as well as indirect exposures, such as reliance on collateral. Also important in our assessment is the liquidity of the markets where the positions are traded, as well as the availability and effectiveness of hedges or other potential risk-mitigating factors. Particular attention is given to identification of wrong-way risk and risk on risk. Wrong-way risk is defined as a positive correlation between the size of the exposure and the likelihood of a loss. Risk on risk refers to a situation where a position and its risk mitigation can be impacted by the same event.

For non-financial risks, risk concentrations may result from, for example, a single non-financial risk issue that is large on its own (i.e. it has the potential to produce a single high-impact loss or a number of losses that together are high impact) or related non-financial risk issues that may link together to create a high impact. For example, we consider the level of risk arising from concentration to a single counterparty, subcontractor or country in connection with the management of third-party risk.

Risk concentrations are subject to increased oversight by Group Risk Control and Group Compliance and Operational Risk Control, and assessed to determine whether they should be reduced or mitigated, depending on the available means to do so. It is possible that material losses could occur on financial or non-financial risks, particularly if the correlations that emerge in a stressed environment differ markedly from those envisaged by risk models. ▲

- › Refer to “Credit risk” and “Market risk” in this section for more information about the composition of our portfolios and how risk concentrations are monitored and mitigated
- › Refer to the “Risk factors” section of this report for more information

Credit risk

Audited | Main sources of credit risk

- In Global Wealth Management, credit risk arises from collateralized lending, primarily against securities, residential and commercial real estate, other real assets (such as ships and aircraft), private market and hedge fund interest, and investors' uncalled capital commitments, as well as from collateralized clients' derivatives trading. In addition, credit risk also arises from unsecured lending, i.e. recourse-based lending and cash-flow-based corporate lending to entities owned and controlled by our Global Wealth Management clients.
- A substantial portion of our credit risk arises from Personal & Corporate Banking's lending exposure, including mortgage loans, secured mainly by owner-occupied properties and income-producing real estate, as well as corporate loans, that depends on the performance of the Swiss economy and real estate market.
- The Investment Bank's credit risk arises mainly from lending, derivatives trading and securities financing. Derivatives trading and securities financing are mainly investment grade. Loan underwriting activity can be lower rated and gives rise to temporary concentrated exposure.
- Credit risk in Non-core and Legacy relates to a residual portfolio of less-liquid structured financing transactions, including some with residential and commercial real estate collateral and a small number of trades remaining from a corporate loan portfolio. ▲

Audited | Overview of measurement, monitoring and management techniques

- Credit risk from transactions with individual counterparties is based on our estimates of probability of default (PD), exposure at default (EAD) and loss given default (LGD). Limits are established for individual counterparties and groups of related counterparties covering banking and traded products, and for settlement amounts. Risk authorities are approved by the Board of Directors and are delegated to the Group CEO, the Group Chief Risk Officer (the Group CRO) and divisional CROs, based on risk exposure amounts, internal credit rating and potential for losses.
- Limits apply not only to the current outstanding amount but also to contingent commitments and the potential future exposure of traded products.
- The Investment Bank monitoring, measurement and limit framework distinguishes between exposures intended to be held to maturity (take-and-hold exposures) and those intended for distribution or risk transfer (temporary exposures).
- We use models to derive portfolio credit risk measures of expected loss, statistical loss and stress loss at Group-wide and business division levels, and to establish portfolio limits.
- Credit risk concentrations can arise if clients are engaged in similar activities, located in the same geographical region or have comparable economic characteristics, e.g. if their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. To avoid credit risk concentrations, we establish limits and operational controls that constrain risk concentrations at portfolio, sub-portfolio or counterparty levels for sector exposure, country risk exposure and specific product exposures. ▲

Credit risk profile of the Group

Internally, we classify credit risk exposures into two broad categories: banking products and traded products. Banking products include drawn loans, guarantees and loan commitments, amounts due from banks, balances at central banks, and other financial assets at amortized cost. Traded products include over-the-counter (OTC) derivatives, exchange-traded derivatives (ETD) and securities financing transactions (SFTs), which consist of securities borrowing and lending, and repurchase and reverse repurchase agreements.

The exposures detailed in this section are based on management's view of credit risk, which differs in certain respects from the requirements of IFRS Accounting Standards.

- › Refer to "Note 1 Summary of material accounting policies" in the "Consolidated financial statements" section of this report for more information about our accounting policy for allowances and provisions for ECL
- › Refer to "Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement" and "Note 19 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information about ECL measurement requirements under IFRS Accounting Standards
- › Refer to "Note 13 Other assets" in the "Consolidated financial statements" section of this report for more information about other assets at amortized cost
- › Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of this report for more information about our traded products exposure

Banking products

Banking products exposure in our business divisions and Group Items

31.12.25							
USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
Banking products exposure, gross ^{1,2}	480,229	462,237	2,060	108,659	8,908	24,207	1,086,300
of which: loans and advances to customers (on-balance sheet)	322,441	310,207	7	21,158	601	1,921	656,336
of which: guarantees and irrevocable loan commitments (off-balance sheet)	20,400	48,469	2	35,901	674	23,777	129,223
Committed unconditionally revocable credit lines ³	69,537	49,495	0	528	4	115	119,679
Total credit-impaired exposure, gross ¹	1,748	4,112	0	641	863	0	7,363
of which: stage 3	1,715	3,786	0	604	72	0	6,176
of which: PCI	33	326	0	36	791	0	1,187
Total allowances and provisions for expected credit losses	301	1,969	1	479	299	9	3,058
of which: stage 1	105	346	0	115	1	9	576
of which: stage 2	53	245	1	129	0	0	428
of which: stage 3	135	1,326	0	232	62	0	1,756
of which: PCI	9	51	0	2	236	0	298
31.12.24							
USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
Banking products exposure, gross ^{1,2}	452,053	424,994	1,530	72,964	33,150	17,478	1,002,169
of which: loans and advances to customers (on-balance sheet)	295,856	266,869	9	17,497	1,163	551	581,944
of which: guarantees and irrevocable loan commitments (off-balance sheet)	18,978	46,986	5	34,516	2,211	17,164	119,859
Committed unconditionally revocable credit lines ³	79,460	65,749	0	452	4	0	145,665
Total credit-impaired exposure, gross ¹	1,397	3,714	0	595	930	0	6,637
of which: stage 3	1,324	3,358	0	549	69	0	5,300
of which: PCI	73	356	0	46	861	0	1,337
Total allowances and provisions for expected credit losses	292	1,512	0	379	318	6	2,507
of which: stage 1	97	269	0	110	4	6	487
of which: stage 2	68	247	0	142	2	0	459
of which: stage 3	121	960	0	124	48	0	1,253
of which: PCI	7	36	0	2	264	0	309

¹ IFRS 9 gross exposure for banking products includes the following financial instruments in scope of expected credit loss requirements: balances at central banks, amounts due from banks, loans and advances to customers, other financial assets at amortized cost, guarantees and irrevocable loan commitments. ² Internal management view of credit risk, which differs in certain respects from IFRS Accounting Standards.

³ Commitments that can be canceled by UBS at any time but expose UBS to credit risk if the client has the ability to draw the facility before UBS can take action. These commitments are subject to expected credit loss requirements.

Global Wealth Management, Personal & Corporate Banking, and Investment Bank: banking products exposure, by internal UBS ratings^{1,2}

31.12.25						31.12.24				
Business divisions	Investment grade / Rating		Sub-investment grade		Banking products exposure, gross	Investment grade / Rating		Sub-investment grade		Banking products exposure, gross
	1–5	6–9	10–13	Defaulted / Credit-impaired		1–5	6–9	10–13	Defaulted / Credit-impaired	
Global Wealth Management	293,036	54,613	4,463	1,748	353,860	277,091	46,664	2,154	1,397	327,307
Personal & Corporate Banking	228,621	122,897	12,082	4,112	367,712	227,099	84,197	8,547	3,714	323,556
Investment Bank	29,624	19,034	16,442	641	65,742	26,347	16,692	15,582	595	59,216

¹ Excluding balances at central banks and Group Treasury reallocations. ² The ratings of the major credit rating agencies, and their mapping to our internal rating scale, are shown in the "Internal UBS rating scale and mapping of external ratings" table in this section.

Global Wealth Management

Gross banking products exposure increased by USD 28bn to USD 480bn as of 31 December 2025, predominantly due to the weakening of the US dollar against other major currencies and also due to net new loans. Our Global Wealth Management loan portfolio is mainly secured by a diversified portfolio of securities (standard Lombard loans) and by residential real estate.

As of 31 December 2025, 94% of our USD 184bn of standard Lombard loans, including traded products collateralized by securities, were rated as investment grade based on our internal ratings. Moreover, standard Lombard loans are typically uncommitted, short-term in nature and can be canceled immediately if the collateral quality deteriorates and margin calls are not met. Lending values in the Lombard book are derived by applying discounts (haircuts) to the pledged collateral's market value in line with a possible adverse change in market value over a given close-out period and confidence level. Less-liquid or more volatile collateral will typically have larger haircuts. In 2025, the standard Lombard book, including traded products, grew by approximately 11%.

The residential real estate portfolio increased by approximately 6% in 2025, mainly driven by our Swiss mortgage book, in line with the weakening of the US dollar against the Swiss franc by 15% over the course of 2025.

Specialized financings as of 31 December 2025 totaled USD 59bn, including traded products. This portfolio mainly consists of non-standard Lombard lending, commercial real estate loans, financing for ships, yachts and aircraft, unsecured lending, and loans collateralized with uncalled capital commitments. These financings decreased by approximately 6% in 2025, largely due to the wind down of non-strategic portfolios.

› Refer to "Lending secured by real estate" and "Lombard lending" in this section for further information about these types of lending

Collateralization of Loans and advances to customers¹

	Global Wealth Management		Personal & Corporate Banking	
<i>USD m, except where indicated</i>	31.12.25	31.12.24	31.12.25	31.12.24
Secured by collateral	317,041	290,053	277,635	232,913
<i>Residential real estate</i>	106,816	106,124	222,369	184,404
<i>Commercial / industrial real estate</i>	9,535	9,312	39,755	36,682
<i>Cash</i>	31,220	28,418	4,428	2,624
<i>Equity and debt instruments</i>	141,203	120,223	3,234	2,778
<i>Other collateral²</i>	28,267	25,977	7,849	6,424
Subject to guarantees	268	1,715	5,449	6,886
Uncollateralized and not subject to guarantees	5,132	4,088	27,123	27,070
Total loans and advances to customers, gross	322,441	295,856	310,207	266,869
Allowances	(235)	(221)	(1,702)	(1,271)
Total loans and advances to customers, net of allowances	322,206	295,635	308,505	265,598
Collateralized loans and advances to customers as a percentage of total loans and advances to customers, gross (%)	98.3	98.0	89.5	87.3

¹ Collateral arrangements generally incorporate a range of collateral, including cash, equity and debt instruments, real estate, and other collateral. For the purpose of this disclosure, UBS applies a risk-based approach that generally prioritizes collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements the collateral is first allocated to the funded element. For legacy Credit Suisse infrastructure a risk-based approach is applied that generally prioritizes real estate collateral and prioritizes other collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements the collateral is proportionately allocated. ² Includes but is not limited to life insurance contracts, rights in respect of subscription or capital commitments from fund partners, inventory, gold and other commodities.

Personal & Corporate Banking

Gross banking products exposure increased by USD 37bn to USD 462bn as of 31 December 2025, predominantly due to the weakening of the US dollar against the Swiss franc and net new loans.

The exposure is mainly driven by our Swiss mortgage portfolio, our Swiss corporate banking portfolio and, to a lesser extent, our commodity trade finance portfolio. As of 31 December 2025, the majority of the banking products exposure was rated investment grade, and 90% of loans and advances to customers were secured by collateral, mainly residential and commercial property. The total unsecured amount mainly consists of cash-flow-based lending to corporate counterparties.

Our Swiss corporate banking products take-and-hold portfolio exposure increased by USD 2bn to USD 75bn (CHF 59bn) as of 31 December 2025, primarily reflecting the appreciation of the Swiss franc against the US dollar, partly offset by negative net new loans. The portfolio consists of loans, guarantees and loan commitments to multi-national and domestic counterparties. The small and medium-sized entity portfolio, in particular, is well diversified across industries. However, such companies are reliant on the domestic economy and the economies to which they export, in particular the EU and the US.

Our commodity trade finance portfolio focuses on energy and base-metal trading companies, where the related commodity price risk is hedged to a large extent by the commodity trader. The majority of limits in this business are uncommitted, transactional and short-term in nature. Our portfolio size was USD 9bn (CHF 7bn) as of 31 December 2025, compared with USD 9bn (CHF 8bn) as of 31 December 2024. A considerable part of the exposure correlates with commodity prices.

Swiss mortgage loan portfolio

Our Swiss mortgage loan portfolio secured by residential and commercial real estate in Switzerland continued to be our largest loan portfolio. These mortgage loans (including loans on owner-occupied commercial real estate, also included in the aforementioned Swiss corporate banking products exposure), amounting to USD 362bn (CHF 287bn) as of 31 December 2025, mainly originated from Personal & Corporate Banking, with contributions also from Global Wealth Management Region Switzerland.

Of the aggregate amount of Swiss residential mortgages, 99.9% would continue to be covered by the real estate collateral even if the collateral value were to decrease 20%, and more than 99% would remain covered by the real estate collateral if the collateral value were to decrease 30%.

› Refer to “Credit risk mitigation” in this section for more information about lending secured by real estate

Swiss mortgages: exposure by exposure segments and loan-to-value (LTV) buckets¹

USD bn, except where indicated		31.12.25							31.12.24
		LTV buckets							
Exposure segment		≤30%	31–50%	51–60%	61–70%	71–80%	81–100%	>100%	Total
Residential mortgages	Exposure	187.2	74.4	16.0	6.1	1.6	0.2	0.1	285.5
Income-producing real estate	Exposure	36.7	13.5	2.5	0.8	0.2	0.1	0.0	53.9
Corporates	Exposure	12.2	4.4	1.0	0.5	0.2	0.1	0.1	18.3
Other segments	Exposure	2.8	1.0	0.2	0.1	0.1	0.0	0.0	4.2
Mortgage-covered exposure	Exposure	238.8	93.3	19.7	7.5	2.0	0.4	0.2	361.9
	as a percentage of total	66	26	5	2	1	0	0	100
Mortgage-covered exposure 31.12.24	Exposure	206.0	80.0	17.7	6.9	1.9	0.5	0.3	313.2
	as a percentage of total	66	26	6	2	1	0	0	100

¹ The amount of each mortgage loan is allocated across the LTV buckets to indicate the portion at risk at the various value levels shown; for example, a loan of 75 with an LTV ratio of 75% (i.e. a collateral value of 100) would result in allocations of 30 in the ≤30% LTV bucket, 20 in the 31–50% bucket, 10 in the 51–60% bucket, 10 in the 61–70% bucket and 5 in the 71–80% bucket.

Investment Bank

The Investment Bank’s lending activities are largely associated with corporate and non-bank financial institutions. The business is broadly diversified across industry sectors but concentrated in North America.

Gross banking products exposure increased by USD 36bn to USD 109bn as of 31 December 2025, due to an increase in balances at central banks and, to a lesser extent, due to a rise in all other banking products. The banking products exposure is almost equally distributed between investment grade and sub-investment grade rating, with a slight predominance of the latter.

Mandated loan underwriting commitments on a notional basis were USD 5.9bn as of 31 December 2025 (31 December 2024: USD 4.6bn), reflecting new mandates during the year. As of 31 December 2025, USD 0.4bn of these commitments had not yet been distributed as originally planned. Of the USD 4.6bn loan underwriting commitments reported as of the end of 2024, an amount of USD 4.5bn was syndicated or canceled in 2025.

Loan underwriting exposures are classified as held for trading, with fair values reflecting the market conditions at the end of 2025. Credit hedges are in place to help protect against fair value movements in the portfolio.

› Refer to “Credit risk models” in this section for more information about rating grades and rating agency mappings

Investment Bank: banking products exposure, by geographical region¹

	31.12.25		31.12.24	
	USD m	%	USD m	%
Asia Pacific	7,189	10.9	5,813	9.8
Latin America	733	1.1	778	1.3
Middle East and Africa	759	1.2	392	0.7
North America	39,799	60.5	37,568	63.4
Switzerland	472	0.7	132	0.2
Rest of Europe	16,788	25.5	14,533	24.5
Exposure	65,742	100.0	59,216	100.0

¹ Excluding balances at central banks and Group Treasury reallocations.

Investment Bank: banking products exposure, by industry sector¹

	31.12.25		31.12.24 ²	
	USD m	%	USD m	%
Banks	1,799	2.7	1,419	2.4
Electricity, gas, water supply	501	0.8	634	1.1
Financial institutions, excluding banks ³	33,207	50.5	26,757	45.2
Manufacturing ⁴	7,962	12.1	9,106	15.4
Mining	849	1.3	1,461	2.5
Public authorities	14	0.0	12	0.0
Real estate and construction	2,399	3.6	2,063	3.5
Retail and wholesale	4,726	7.2	3,369	5.7
Technology and communications	7,119	10.8	7,323	12.4
Transport and storage	954	1.5	868	1.5
Other ⁵	6,211	9.4	6,204	10.5
Exposure	65,742	100.0	59,216	100.0

¹ Excluding balances at central banks and Group Treasury reallocations. ² Comparative-period information has been restated to reflect changes in industry classification. ³ Includes central counterparties. ⁴ Includes the chemicals industry. ⁵ Includes other business services, health and social services, as well as other minor industries.

Non-core and Legacy

Gross banking products exposure decreased by USD 24bn to USD 9bn as of 31 December 2025, mainly due to a decrease in high-quality liquid asset requirements, in combination with the ongoing de-risking of the portfolio.

- › Refer to “Balance sheet assets” in the “Balance sheet and off-balance sheet” section of this report for more information
- › Refer to the “Our businesses” section of this report for more information
- › Refer to the “Non-core and Legacy” section of this report for more information

Group Items

Gross banking products exposure, which arises primarily in connection with treasury activities, increased by USD 7bn to USD 24bn as of 31 December 2025, predominantly driven by increases in guarantees and irrevocable loan commitments.

- › Refer to “Balance sheet assets” in the “Balance sheet and off-balance sheet” section of this report for more information
- › Refer to the “Group Items” section of this report for more information

Traded products

Audited I Counterparty credit risk (CCR) arising from traded products, which include OTC derivatives, ETD exposures and SFTs originating in the Investment Bank, Non-core and Legacy, and Group Treasury, is generally managed on a close-out basis, as well as a stressed basis. This takes into account possible effects of market movements on the exposure and any associated collateral over the time it would take to close out our positions. Limits are applied to the potential future and stressed exposure per counterparty, with the size of the limit dependent on the counterparty's creditworthiness (as determined by Risk Control). Limit frameworks are also used to control overall exposure to specific sectors. Such portfolio limits are monitored and reported to senior management.

Trading in OTC derivatives is conducted through central counterparties where practicable or required. Where central counterparties are not used, we have clearly defined policies and processes for trading on a bilateral basis. Trading is typically conducted under bilateral International Swaps and Derivatives Association agreements or similar master netting agreements, which generally permit close-out and netting of transactions in case of default, subject to applicable law. For certain counterparties, initial margin is taken to cover some or all of the calculated close-out and / or stressed exposure. This is in addition to the variation margin taken to settle changes in market value of transactions. For most major market participant counterparties, we use two-way collateral agreements under which either party can be required to provide collateral in the form of cash or marketable securities when the exposure exceeds specified levels. Non-cash collateral typically consists of well-rated government debt or other collateral acceptable to Risk Control and permitted by applicable regulations. ▲

In the tables below, OTC derivatives exposures are generally presented as net positive replacement values after the application of legally enforceable netting agreements and the deduction of cash and marketable securities held as collateral. SFT exposures are reported taking into account collateral received, and ETD exposures take into account collateral margin calls.

- › Refer to “Note 10 Derivative instruments” in the “Consolidated financial statements” section of this report for more information about OTC derivatives settled through central counterparties
- › Refer to “Note 21 Offsetting financial assets and financial liabilities” in the “Consolidated financial statements” section of this report for more information about the effect of netting and collateral arrangements on derivative exposures

Investment Bank, Non-core and Legacy, and Group Treasury: traded products exposure, by internal UBS ratings¹

Product	31.12.25					31.12.24				
	Sub-investment grade					Sub-investment grade				
	Investment grade / Rating 1–5	Rating 6–9	Rating 10–13	Defaulted / Credit-impaired	Traded products exposure, net ²	Investment grade / Rating 1–5	Rating 6–9	Rating 10–13	Defaulted / Credit-impaired	Traded products exposure, net ²
OTC derivatives	7,856	849	16	14	8,735	16,266	841	40	211	17,357
ETD	8,380	147	0	0	8,526	10,245	109	0	0	10,353
SFTs	18,022	463	0	0	18,486	18,063	289	0	0	18,352
Traded products exposure, net²	34,258	1,459	16	14	35,747	44,573	1,239	40	211	46,062

¹ The ratings of the major credit rating agencies, and their mapping to our internal rating scale, are shown in the "Internal UBS rating scale and mapping of external ratings" table in this section. ² After credit valuation adjustments and hedges.

Investment Bank, Non-core and Legacy, and Group Treasury: net OTC derivatives and SFT exposure, by geographical region

	Net OTC derivatives exposure				Net SFT exposure			
	31.12.25		31.12.24		31.12.25		31.12.24	
	USD m	%	USD m	%	USD m	%	USD m	%
Asia Pacific	1,337	15.3	5,126	29.5	2,834	15.3	2,307	12.6
Latin America	46	0.5	88	0.5	59	0.3	27	0.1
Middle East and Africa	248	2.8	111	0.6	958	5.2	511	2.8
North America	3,066	35.1	4,165	24.0	5,009	27.1	4,946	27.0
Switzerland	1,070	12.3	2,522	14.5	570	3.1	494	2.7
Rest of Europe	2,968	34.0	5,345	30.8	9,056	49.0	10,066	54.9
Exposure	8,735	100.0	17,357	100.0	18,486	100.0	18,352	100.0

Investment Bank, Non-core and Legacy, and Group Treasury: net OTC derivatives and SFT exposure, by industry sector

	Net OTC derivatives exposure				Net SFT exposure			
	31.12.25		31.12.24 ¹		31.12.25		31.12.24 ¹	
	USD m	%	USD m	%	USD m	%	USD m	%
Banks	969	11.1	1,914	11.0	4,642	25.1	5,808	31.6
Electricity, gas, water supply	111	1.3	132	0.8	3	0.0	2	0.0
Financial institutions, excluding banks ²	6,940	79.4	14,454	83.3	13,191	71.4	11,883	64.8
Manufacturing ³	65	0.7	34	0.2	0	0.0	1	0.0
Mining	125	1.4	58	0.3	1	0.0	0	0.0
Public authorities	335	3.8	391	2.3	551	3.0	542	3.0
Real estate and construction	8	0.1	144	0.8	0	0.0	0	0.0
Retail and wholesale	35	0.4	9	0.1	0	0.0	0	0.0
Technology and communications	25	0.3	38	0.2	0	0.0	0	0.0
Transport and storage	65	0.7	22	0.1	0	0.0	1	0.0
Other	58	0.7	160	0.9	97	0.5	114	0.6
Exposure	8,735	100.0	17,357	100.0	18,486	100.0	18,352	100.0

¹ Comparative-period information has been restated to reflect changes in industry classification. ² Includes central counterparties. ³ Includes the chemicals industry.

Credit risk mitigation

Audited I We manage credit risk in our portfolios by taking collateral against exposures and by utilizing credit hedging. ▲

Lending secured by real estate

Audited I We use a scoring model as part of a standardized front-to-back process for credit decisions on originating or modifying Swiss mortgage loans. The model's two key factors are the LTV ratio and an affordability calculation. ▲

The calculation of affordability takes into account interest payments, minimum amortization requirements and potential property maintenance costs in relation to gross income or rental income for rental properties. The imputed interest rate is set at 5% per annum, independently of the current interest rate environment.

For residential properties occupied by the borrower, the maximum LTV for the standard approval process is 80%. For income-producing real estate (IPRE), the maximum LTV allowed within the standard approval process ranges from 40% to 80%, depending on the type and age of the property.

Audited I The value we assign to each property is an estimate based on model-derived valuations, the purchase price and, depending on the property type and ownership purpose, a valuation at cost. In some cases, an additional external valuation is considered. ▲

To take market developments into account for external valuation models, an external vendor regularly updates the parameters and / or refines the architecture for each model. Model changes and parameter updates are subject to the same validation procedures as our internally developed models.

Audited I We similarly apply underwriting guidelines for our Global Wealth Management Region Americas mortgage loan portfolio, taking into account loan affordability and collateral sufficiency. LTV standards are defined for the various mortgage types, such as residential mortgages or investment properties, based on associated risk factors, such as property type and loan size and purpose. The maximum LTV allowed within the standard approval process ranges from 45% to 80%. In addition to LTV, other credit risk metrics, such as debt-to-income ratios, credit scores and required client reserves, are also part of our underwriting guidelines.

A risk limit framework is applied to the Global Wealth Management Region Americas mortgage loan portfolio. Limits are set to govern exposures within LTV categories, geographic concentrations, portfolio growth and high-risk mortgage segments, such as interest-only loans. These limits are monitored by a specialized credit risk monitoring team and reported to senior management. Supplementing this limit framework is a real estate lending policy and procedures framework, set up to govern real estate lending activities. Quality assurance and quality control programs monitor compliance with mortgage underwriting and documentation requirements.

For our mortgage loan portfolio in the Global Wealth Management regions of EMEA and Asia Pacific, we apply global underwriting guidelines with regional variations to allow for regulatory and market differentials. As in other regions, the underwriting guidelines take into account affordability and collateral sufficiency. Affordability is assessed at a stressed interest rate using, for residential real estate, the borrowers' sustainable income and declared liabilities, and for commercial real estate the quality and sustainability of rental income. For interest-only loans, a declared and evidenced repayment strategy must be in place. The applicable LTV for each mortgage is based on the quality and liquidity of the property and assessed against valuations from bank-appointed third-party valuers. Maximum LTV varies from 30% to 70%, depending on the type and location of the property, as well as other factors. Serviceability may be further supported by personal guarantees from related third parties. The overall portfolio is centrally assessed against a number of stress scenarios to ensure that exposures remain within predefined stress limits. ▲

› Refer to "Swiss mortgage loan portfolio" in this section for more information about LTV in our Swiss mortgage portfolio

Lombard lending

Audited I Lombard loans are secured by pledges of marketable securities, guarantees and other forms of collateral. Eligible financial securities are primarily liquid and actively traded transferable securities (such as bonds, equities and certain hybrid securities), and other transferable securities, such as approved structured products for which regular prices are available and the issuer of the security provides a market. To a lesser degree, less-liquid collateral is also used.

We derive lending values by applying discounts (haircuts) to the pledged collateral's market value. Haircuts for marketable securities are calculated to cover a possible adverse change in market value over a given close-out period and confidence level. Less-liquid or more volatile collateral will typically have larger haircuts.

We assess concentration and correlation risks across collateral posted at a counterparty level, and at a divisional level across counterparties. We also perform targeted Group-wide reviews of concentration. Concentration of collateral in single securities, issuers or issuer groups, industry sectors, countries, regions or currencies may result in higher risk and reduced liquidity. In such cases, the lending value of the collateral, margin call and close-out levels are adjusted accordingly. ▲

Exposures and collateral market values are monitored daily, with the aim of ensuring that the credit exposure always remains within the established risk tolerance. A shortfall occurs when the lending value drops below the exposure; if it exceeds a defined trigger level, a margin call is initiated, requiring the client to provide additional collateral, reduce the exposure or take other action to bring exposure in line with the agreed lending value of the collateral. If a shortfall is not corrected within the required period, a close-out is initiated, through which collateral is liquidated, open derivative positions are closed and guarantees are called.

We conduct stress testing of collateralized exposures to simulate market events that reduce collateral market value, increase exposure of traded products, or do both. For certain classes of counterparties, limits on such calculated stress exposures are applied and controlled at a counterparty level. Also, portfolio limits are applied across certain businesses or collateral types.

› Refer to "Stress loss" in this section for more information about our stress testing

Credit hedging

Audited I We use single-name credit default swaps (CDSs), credit-index CDSs, structured portfolio hedges (SPHs), bespoke protection and other instruments to actively manage credit risk. The aim is to reduce concentrations of risk from specific counterparties, sectors or portfolios and, for CCR, the profit or loss effect arising from changes in credit valuation adjustments.

We have guidelines with regard to taking credit hedges into account for credit risk mitigation purposes. For example, when monitoring exposures against counterparty limits, we do not usually apply certain credit risk mitigants, such as proxy hedges (credit protection on a correlated but different name) or credit-index CDSs, to reduce counterparty exposures. SPHs are structured to achieve true risk transfer by providing explicit protection against events that could cause a loss in the referenced hedged positions, with the hedge payoff matched to the actual loss incurred on those positions (i.e. no basis risk). Buying credit protection, if unfunded, also creates credit exposure with regard to the protection provider. We monitor and limit exposures to credit protection providers and also monitor the effectiveness of credit hedges. ▲

- ▶ Refer to “Note 10 Derivative instruments” in the “Consolidated financial statements” section of this report for more information
- ▶ Refer to the 31 December 2025 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about risk transfer through synthetic securitizations

Mitigation of settlement risk

To mitigate settlement risk, we reduce actual settlement volumes by using multi-lateral and bilateral agreements with counterparties, including payment netting. In relation to the exchange of cash or securities, transactions can be settled on a delivery-versus-payment basis.

Foreign exchange transactions are our most significant source of settlement risk. We are a member of CLS Settlement (operated by CLS, formerly known as Continuous Linked Settlement), an industry utility that provides a multi-lateral framework to settle transactions on a payment-versus-payment basis, thus reducing foreign-exchange-related settlement risk relative to the volume of business. However, mitigation of settlement risk through CLS and other means does not fully eliminate credit risk in foreign exchange transactions resulting from changes in exchange rates prior to settlement, which is managed as part of our overall credit risk management of OTC derivatives.

Credit risk models

Basel III – IRB credit risk models

Audited I We have developed tools and models to estimate future credit losses that may be implicit in our current portfolio.

Exposures to individual counterparties are measured using three generally accepted parameters: PD, EAD and LGD. For a given credit facility, the product of these three parameters results in the expected loss (the EL). These parameters are the basis for the majority of our internal measures of credit risk, and key inputs for regulatory capital calculation under the internal ratings-based (IRB) approach of the Basel III framework. We also use models to derive the portfolio credit risk measures of EL, statistical loss and stress loss. ▲

- ▶ Refer to the 31 December 2025 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about the regulatory capital calculation under the IRB approach and our key credit risk models

Audited I

Internal UBS rating scale and mapping of external ratings

Internal UBS rating	1-year PD range, in %	Description	Moody's Investors Service mapping	S&P mapping	Fitch mapping
0 and 1	0.00–0.02	Investment grade	Aaa	AAA	AAA
2	0.02–0.05		Aa1 to Aa3	AA+ to AA–	AA+ to AA–
3	0.05–0.12		A1 to A3	A+ to A–	A+ to A–
4	0.12–0.25		Baa1 to Baa2	BBB+ to BBB	BBB+ to BBB
5	0.25–0.50		Baa3	BBB–	BBB–
6	0.50–0.80	Sub-investment grade	Ba1	BB+	BB+
7	0.80–1.30		Ba2	BB	BB
8	1.30–2.10		Ba3	BB–	BB–
9	2.10–3.50		B1	B+	B+
10	3.50–6.00		B2	B	B
11	6.00–10.00		B3	B–	B–
12	10.00–17.00		Caa1 to Caa2	CCC+ to CCC	CCC+ to CCC
13	>17		Caa3 to C	CCC– to C	CCC– to C
Counterparty is in default	Default	Defaulted		D	D



Probability of default

PD estimates the likelihood of a counterparty defaulting on its contractual obligations over the next 12 months and is assessed using rating tools tailored to the various categories of counterparties.

The ratings of major credit rating agencies, and their mapping to the UBS masterscale and internal PD bands, are shown in the “Internal UBS rating scale and mapping of external ratings” table above. For Moody’s and S&P, the mapping is based on the long-term average of one-year default rates available from these rating agencies, with Fitch ratings being mapped to the equivalent S&P ratings. For each external rating category, the average default rate is compared with our internal PD bands to derive a periodically reviewed mapping to our internal rating scale.

Exposure at default

EAD is the amount we expect to be owed by a counterparty at the time of possible default. We derive EAD from current exposure to the counterparty and possible future exposure development.

The EAD of an on-balance sheet loan is its notional amount, while for off-balance sheet commitments that are not drawn, credit conversion factors (CCFs) are used in order to obtain an expected on-balance sheet amount.

For traded products under the internal model method for derivatives and the repo value-at-risk approach for SFTs, we derive EAD by modeling the range of possible exposure outcomes at various points in time using a simulation based on a scenario-consistent technique. We assess the net amount that may be owed to us or that we may owe to others, taking into account the effect of market movements over the potential time it would take to close out positions.

We assess exposures where there is a material correlation between the factors driving the credit quality of the counterparty and those driving the potential future value of our traded products exposure (wrong-way risk), and we have established specific controls to mitigate such risks.

Loss given default

LGD is the magnitude of the likely loss if there is a default. Our LGD estimates, which consider downturn conditions, include loss of principal, interest and other amounts less recovered amounts. We determine LGD based on the likely recovery rate of claims against defaulted counterparties, which depends on the type of counterparty and any credit mitigation due to collateral or guarantees. Our estimates are supported by internal loss data and external information, where available. If we hold collateral, such as marketable securities or a mortgage on a property, LTV ratios are typically a key parameter in determining LGD.

Expected loss

We use the concept of EL to quantify future credit losses that may be implicit in our current portfolio. The EL for a given credit facility is the product of the three components described above, i.e. PD, EAD and LGD. We aggregate the EL for individual counterparties to derive expected portfolio credit losses.

IFRS 9 – ECL credit risk models

Expected credit loss

ECL is defined as the difference between contractual cash flows and those UBS expects to receive, discounted at the effective interest rate (EIR) or contractual interest rate. For loan commitments and other credit facilities in scope of ECL requirements, expected cash shortfalls are determined by considering expected future drawdowns. Rather than focusing on an average through-the-cycle (TTC) expected annual loss, the purpose of ECL is to estimate the amount of losses inherent in a portfolio based on current conditions and future outlook (a point-in-time (PIT) measure), whereby such a forecast has to be unbiased (i.e. exclude conservative adjustments) and include all information available without undue cost and effort, and address multiple scenarios where there is perceived non-linearity between changes in economic conditions and their effect on credit losses. From a credit risk modeling perspective, ECL parameters are generally derivations of the factors assessed for regulatory Basel III EL.

Comparison of Basel III EL and IFRS 9 ECL credit risk models

The IFRS 9 ECL concept has a number of key differences from our Basel III credit risk models, both in the loss estimation process and the result thereof. Most notably, regulatory Basel III EL parameters are TTC / downturn estimates, which include a margin of conservatism, while IFRS 9 ECL parameters are typically PIT, reflecting current economic conditions and future outlook. The table below summarizes the main differences. Stage 1 and 2 ECL expenses in 2025 were USD 6m, and the respective allowances and provisions as of 31 December 2025 were USD 1,004m. This included ECL allowances and provisions of USD 892m related to positions under the Basel III IRB approach. Basel III EL for non-defaulted positions was USD 1,769m.

- › Refer to “Note 1 Summary of material accounting policies” in the “Consolidated financial statements” section of this report for more information about our accounting policy for allowances and provisions for ECL including key definitions relevant for the ECL calculation under IFRS 9

The table below shows the main differences between the two expected loss measures.

	Basel III EL (IRB approach)	IFRS 9 ECL
Scope	The Basel III IRB approach applies to most credit risk exposures. It includes transactions measured at amortized cost, at fair value through profit or loss and at fair value through OCI, including loan commitments and financial guarantees.	The IFRS 9 ECL calculation mainly applies to financial assets measured at amortized cost and debt instruments measured at fair value through OCI, as well as loan commitments and financial guarantees not at fair value through profit or loss.
12-month versus lifetime expected loss	The Basel III IRB approach takes into account expected losses resulting from expected default events occurring within the next 12 months.	In the absence of a significant increase in credit risk (an SICR), a maximum 12-month ECL is recognized. Once an SICR event has occurred, a lifetime ECL is recognized considering expected default events over the life of the transaction.
Exposure at default (EAD)	EAD is the amount we expect a counterparty to owe us at the time of a possible default. For on-balance sheet banking products, EAD equals the book value as of the reporting date; for traded products, the vast majority of EAD is modeled. For lending, EAD is expected to remain constant over a 12-month period. For loan commitments, a credit conversion factor (a CCF) is applied to model expected future drawdowns. The CCF accounts for downturn effect, includes a margin of conservatism and is aligned with regulatory floors.	EAD is generally calculated on the basis of the cash flows that are expected to be outstanding at the individual points in time during the life of the transaction. For loan commitments, a CCF is applied to model expected future drawdowns. The CCF's target is the best estimate of expected undrawn line usage at default without any conservative adjustments.
Probability of default (PD)	PD estimates are determined on a through-the-cycle (TTC) basis including conservative adjustments and floors in line with regulation. They represent historical average PDs, taking into account observed losses over a prolonged historical period, and therefore are less sensitive to movements in the underlying economy.	PD estimates are determined on a point-in-time (PIT) basis, based on current conditions and incorporating forecasts for future economic conditions at the reporting date.
Loss given default (LGD)	LGD includes prudential adjustments, such as downturn LGD assumptions and floors. Similar to PD, LGD is determined on a TTC basis.	LGD should reflect the losses that are reasonably expected to be incurred and prudential adjustments should therefore not be applied. Similar to PD, LGD is determined on the basis of a PIT approach.
Use of scenarios	No use of scenarios.	Multiple forward-looking scenarios have to be taken into account to determine a probability-weighted ECL.

Further key aspects of credit risk models

Stress loss

We complement our statistical modeling approach with scenario-based stress loss measures. Stress tests are run regularly to monitor potential effects of extreme, but nevertheless plausible, events on our portfolios, under which key credit risk parameters are assumed to deteriorate substantially. Where we consider it appropriate, we apply limits on this basis.

Stress scenarios and methodologies are tailored to the portfolios' natures, ranging from regionally focused to global systemic events and varying in time horizon.

› Refer to **"Stress testing"** in this section for more information about our stress-testing framework

Credit risk model confirmation

Our approach to model confirmation involves both quantitative methods, such as monitoring compositional changes in portfolios and results of backtesting, and qualitative assessments, such as feedback from users on model output as a practical indicator of a model's performance and reliability. In addition, changes in market, regulatory and business practices are assessed.

Material changes in portfolio composition may invalidate the conceptual soundness of a model. We therefore perform regular analyses of the evolution of portfolios to identify such changes in the structure and credit quality of portfolios.

› Refer to **"Model risk"** in this section for more information

Backtesting

We monitor the performance of models by backtesting and benchmarking them, with model outcomes compared with actual results, based on our internal experience and externally observed results. To assess the predictive power of credit exposure models for traded products, such as OTC derivatives and ETD products, we statistically compare predicted future exposure distributions at different forecast horizons with realized values.

For PD, we derive a predicted distribution of the number of defaults. The observed number of defaults is compared with the upper tail of the predicted distribution. If the observed number of defaults is higher than a given upper tail quantile, we conclude there is evidence that the model may underpredict the number of defaults. Based on historical long-run average default rates and, if required, additional margin of conservatism, we also derive PD calibration targets and a lower boundary. As a general rule, follow-up actions, such as a recalibration of the rating tool, are defined if the portfolio average PD lies below the derived lower boundary.

For LGD, backtesting statistically tests the mean difference between the observed and predicted LGDs. We compare predicted LGDs with actual outcomes and if any statistically significant deviation is identified, follow-up actions, such as a recalibration of the models, are taken.

CCFs, used for the calculation of EAD for undrawn facilities, are dependent on several credit facility contractual dimensions. We compare the predicted amount drawn with observed historical use of such facilities by defaulted counterparties. If any statistically significant deviation is observed, follow-up actions, such as an update of the relevant CCFs, are performed.

Changes to models and model parameters during the period

As part of our continuous efforts to enhance models to reflect market developments and newly available data, we updated several models in 2025.

In Personal & Corporate Banking and Global Wealth Management, we refined the models for the integrated Swiss income-producing and residential real estate mortgage portfolios.

In Global Wealth Management, a new dedicated PD and LGD model for concentrated equity-based lending was implemented, and a conservative RWA buffer for concentrated equity-based lending was released accordingly. Moreover, the derivative exposure modeling within the PD and LGD calculation for standard Lombard loans was further enhanced. Also, following a review of regulatory requirements and wording of client contracts, the Swiss Financial Market Supervisory Authority (FINMA) agreed to descope the undrawn amount of uncommitted Lombard loans from the EAD calculation. This change was implemented for the US portfolio in 2025, with implementation for other portfolios planned for 2026.

In Global Wealth Management, we have also deployed a new version of the ship finance PD and LGD model, replacing the previous version implemented on the legacy Credit Suisse infrastructure. Additionally, the US private equity subscription loans were moved from the standardized approach for credit risk to the foundation IRB approach.

In the Investment Bank, we recalibrated the PD model for corporate clients. We also updated the LGD model for sight deposits at selected central banks.

Most of the legacy Credit Suisse models have already been decommissioned, with any remaining exposure moved to the standardized approach for the calculation of risk-weighted assets. The few models still in use on legacy Credit Suisse infrastructure have been integrated into the UBS model risk management framework and are scheduled to be retired during the first half of 2026. For positions that have migrated from the legacy Credit Suisse to UBS infrastructure, UBS models have been adopted accordingly.

Where required, changes to models and model parameters were approved by FINMA before implementation.

- › Refer to **"Risk-weighted assets" in the "Capital management" section of this report for more information about the effect of the changes to models and model parameters on credit risk RWA**

Credit-risk-model-related regulatory capital developments

In Switzerland, the amendments to the Capital Adequacy Ordinance that incorporate the final Basel III standards into Swiss law entered into force on 1 January 2025. The adoption led to a number of revisions to the internal ratings-based (IRB) approaches, namely removing the option of using the A-IRB approach for certain asset classes, introducing certain floors for the IRB risk parameters, and various requirements to reduce RWA variability. In addition, the removal of the internal model approach for credit valuation adjustment became effective.

- › Refer to **"Capital management objectives, planning and activities" in the "Capital management" section of this report for more information about the development of RWA**
- › Refer to the **"Regulatory and legal developments" section of this report for more information**
- › Refer to the **31 December 2025 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information**

Credit policies for distressed assets

Non-performing

Audited | In line with the regulatory definition, we report a claim as non-performing when: (i) it is more than 90 days past due; (ii) it is subject to restructuring proceedings, where preferential conditions concerning interest rates, subordination, tenor, etc. have been granted in order to avoid default of the counterparty (forbearance); (iii) the counterparty is subject to bankruptcy / enforced liquidation proceedings in any form, even if there is sufficient collateral to cover the due payment; or (iv) there is other evidence that payment obligations will not be fully met without recourse to collateral.

Default and credit impaired

UBS uses a single definition of default for classifying assets and determining the PD of its obligors for risk modeling purposes. The definition of default is based on quantitative and qualitative criteria. A counterparty is classified as defaulted when material payments of interest, principal or fees are overdue for more than 90 days, or more than 180 days for certain exposures in relation to loans to private and commercial clients in Personal & Corporate Banking and to private clients of Global Wealth Management Region Switzerland. UBS does not consider the general 90-day presumption for default recognition appropriate for those portfolios, given the cure rates, which show that strict application of the 90-day criterion would not accurately reflect the inherent credit risk. Counterparties are also classified as defaulted when: bankruptcy, insolvency proceedings or enforced liquidation have commenced; obligations have been restructured on preferential terms (forbearance); or there is other evidence that payment obligations will not be fully met without recourse to collateral. The latter may be the case even if, to date, all contractual payments have been made when due. If one claim against a counterparty is defaulted on, generally all claims against the counterparty are treated as defaulted.

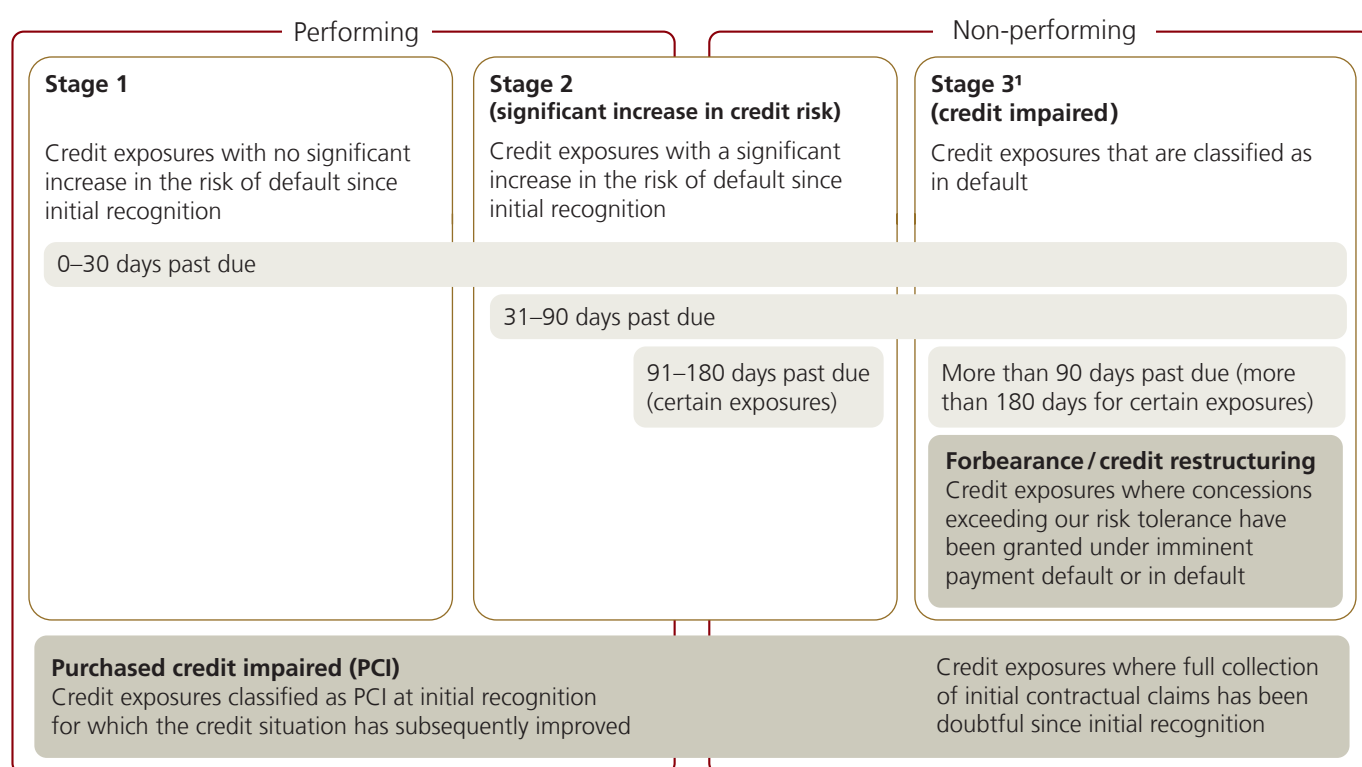
An instrument is classified as credit impaired if the counterparty is classified as defaulted and / or the instrument is identified as purchased credit impaired (PCI). An instrument is PCI if it has been purchased at a deep discount to its carrying amount following a risk event of the issuer or originated with a defaulted counterparty. Once a financial asset is classified as defaulted / credit impaired (except PCI), it is reported as a stage 3 instrument and remains as such unless all past due amounts have been rectified, additional payments have been made on time, the position is not classified as credit restructured, and there is general evidence of credit recovery. A three-month probation period is applied before a transfer back to stages 1 or 2 can be triggered. However, most instruments remain in stage 3 for a longer period of time. ▲

Forbearance (credit restructuring)

Audited I If payment default is imminent or default has already occurred, we may grant concessions to borrowers in financial difficulties that we would otherwise not consider in the normal course of business, such as offering preferential interest rates, extending maturity, modifying the schedule of repayments, debt / equity swap, subordination, etc. When a forbearance measure takes place, each case is considered individually, and the exposure is generally classified as defaulted. Forbearance classification remains until the loan is repaid or written off, non-preferential conditions are granted that supersede the preferential conditions or the counterparty has recovered, and the preferential conditions no longer exceed our risk tolerance.

Contractual adjustments when there is no evidence of imminent payment default, or where changes to terms and conditions are within our usual risk tolerance, are not considered to be forbore. ▲

Exposure categorization



¹ Excluding purchased credit-impaired instruments.

Loss history statistics

An instrument is classified as credit impaired if the counterparty has defaulted. This also includes credit-impaired exposures for which no loss has occurred or for which no allowance has been recognized (e.g. where we expect to fully recover the exposures via collateral held).

Coverage ratios are calculated for the core loan portfolio by taking ECL allowances and provisions divided by the gross carrying amount of the exposures. Core loan exposure is defined as the sum of Loans and advances to customers and Loans to financial advisors.

The total combined on- and off-balance sheet coverage ratio was 31 basis points as of 31 December 2025, 4 basis points higher than the ratio as of 31 December 2024. The combined stage 1 and 2 ratio was 10 basis points, unchanged compared with the ratio as of 31 December 2024; the stage 3 ratio was 27%, 5 percentage points higher than the ratio as of 31 December 2024, and the PCI ratio was 27%.

- Refer to “Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement” and “Note 19 Expected credit loss measurement” in the “Consolidated financial statements” section of this report for more information about ECL measurement and the calculation of the coverage ratio
- Refer to “Note 13 Other assets” in the “Consolidated financial statements” section of this report for more details
- Refer to the “Group performance” section of this report for more information about credit loss expense / release

Loss history statistics

<i>USD m, except where indicated</i>	31.12.25	31.12.24	31.12.23
Banking products, core exposure and off-balance sheet, gross ¹	927,652	869,171	966,279
<i>of which: amounts due from banks and loans and advances to customers, gross</i>	675,999	600,884	662,525
Credit-impaired exposure, gross (stage 3 and PCI)	7,363	6,637	6,200
<i>of which: credit-impaired amounts due from banks and loans and advances to customers (stage 3 and PCI)</i>	6,421	5,793	5,367
Non-performing amounts due from banks and loans and advances to customers	6,538	6,044	5,806
ECL allowances and provisions for credit losses ²	3,058	2,507	2,261
<i>of which: core loan exposure (all stages)</i>	2,882	2,339	2,097
<i>of which: amounts due from banks and loans and advances to customers (all stages)</i>	2,504	2,014	1,710
<i>of which: amounts due from banks and loans and advances to customers (stage 3 and PCI)</i>	1,866	1,408	990
Write-offs (stage 3 and PCI)	374	348	93
<i>of which: write-offs for amounts due from banks and loans and advances to customers</i>	361	329	78
Credit loss expense / (release) ³	524	551	1,037
Ratios			
Credit-impaired lending assets as a percentage of total lending assets, gross (%) ⁴	0.9	1.0	0.8
Non-performing lending assets as a percentage of total lending assets, gross (%) ⁴	1.0	1.0	0.9
ECL allowances for lending assets as a percentage of total lending assets, gross (%) ⁴	0.4	0.3	0.3
Write-offs as a percentage of average gross lending assets outstanding during the period (%) ⁴	0.1	0.1	0.0

¹ Includes amounts due from banks, core loan exposure (Loans and advances to customers and Loans to financial advisors) and off-balance sheet items defined as guarantees and loan commitments. ² Includes provisions for ECL of guarantees and loan commitments and allowances for securities financing transactions. ³ Includes credit loss expense / (release) for other financial assets at amortized cost, guarantees, loan commitments, and securities financing transactions. ⁴ Lending assets include amounts due from banks and loans and advances to customers.

Market risk

Audited | Main sources of market risk

Market risks arise from both trading and non-trading business activities.

- Trading market risks arise primarily in the Investment Bank, Non-core and Legacy and, to a lesser extent, Global Wealth Management. In the Investment Bank these risks are mainly connected with securities and derivatives trading for market-making and client facilitation, as well as Global Banking activity for primary debt and equity underwriting. In Non-core and Legacy, market risk is limited and results from a largely hedged portfolio of both complex and simple credit, interest rate and equity derivative transactions. A limited contribution to market risk in Global Wealth Management comes from municipal securities and taxable fixed-income securities.
- Non-trading market risks arise predominantly in the form of interest rate and foreign exchange risks connected with personal banking and lending in our wealth management businesses, the Swiss business of our Personal & Corporate Banking business division, the Investment Bank's lending business, and treasury activities.
- Group Treasury assumes market risks in the process of managing interest rate risk, structural foreign exchange risk and the Group's liquidity and funding profile, including high-quality liquid assets (HQLA).
- Equity and debt investments can also give rise to market risks, as can some aspects of employee benefits, such as defined benefit pension schemes. ▲

Audited | Overview of measurement, monitoring and management techniques

- Market risk limits are set for the Group, the business divisions and Group Treasury at granular levels in the various business lines, reflecting the nature and magnitude of the market risks.
- Management value-at-risk (VaR) measures exposures under the market risk framework, including trading market risks and some non-trading market risks. Non-trading market risks not included in VaR are covered in the risks controlled by the Market and Treasury Risk Control functions.
- Our primary portfolio measures of market risk are liquidity-adjusted stress loss and VaR. Both are subject to limits that are approved by the Board of Directors (the BoD). Market risk measurement for certain legacy Credit Suisse components can differ from the UBS Group excluding the aforementioned legacy Credit Suisse components, as set out below. These positions continue to be managed on legacy Credit Suisse infrastructure until full migration of these positions to UBS infrastructure or the liquidation of the positions.
- These measures are complemented by concentration and granular limits for general and specific market risk factors. Our trading businesses are subject to multiple market risk limits, which take into account the extent of market liquidity and volatility, business outlook and growth, and, for our single-name exposures, issuer credit quality.
- Trading market risks are managed at portfolio level. As risk factor sensitivities change due to new transactions, transaction expiries or changes in market levels, risk factors are dynamically rehedge to remain within limits. We do not generally seek to distinguish in the trading portfolio between specific positions and associated hedges.
- Issuer risk for credit products is controlled by limits applied at the business-division level based on jump-to-zero measures, which estimate maximum default exposure (the default event loss assuming zero recovery).
- Non-trading foreign exchange risks are managed under market risk limits, with the exception of Group Treasury management of consolidated capital activity.

Our CRO Treasury function applies a holistic risk framework, setting the appetite for treasury-related risk-taking activities across the Group. Key elements of the framework include an overarching regulatory (interest rate risk in the banking book (IRRBB)) delta economic value of equity (EVE) target, set by the BoD. Limits are also set by the BoD to balance the effect of foreign exchange movements on our common equity tier 1 (CET1) capital and CET1 capital ratio. Non-trading interest rate and foreign exchange risks are included in Group-wide statistical and stress-testing metrics, which flow into our risk appetite framework.

Equity and debt investments are subject to a range of risk controls, including preapproval of new investments for commercial purposes by business management and Risk Control and regular monitoring and reporting by Group Finance. They are also included in Group-wide statistical and stress-testing metrics. ▲

- › Refer to the “Currency management” section of this report for more information about Group Treasury’s management of foreign exchange risks
- › Refer to the “Capital management” section of this report for more information about the sensitivity of our CET1 capital and CET1 capital ratio to currency movements

Market risk stress loss

The measurement and management of market risks include an extensive set of stress tests and scenario analyses, continuously evaluated to ensure that losses resulting from an extreme yet plausible event do not exceed our risk appetite.

Liquidity-adjusted stress

Liquidity-adjusted stress is our primary stress loss measure for Group-wide market risk. The framework captures the economic losses that could arise under specified stress scenarios. Shocks are applied to positions based on expected market movements in the liquidity-adjusted holding periods resulting from the specified scenario.

Holding periods are used for liquidity-adjusted stress to reflect the time needed to reduce or hedge the risk of positions in each major risk factor in a stressed environment. We apply minimum holding periods, regardless of observed liquidity levels, as identification of and reaction to a crisis may not always be immediate.

The expected market movements are derived using historical market behavior (based on analysis of historical events) and forward-looking analysis including consideration of defined scenarios that have not occurred in the past.

Stress-based limits apply at several levels of the organizational hierarchy. Liquidity-adjusted stress is also the core market risk component of our combined stress test framework and therefore integral to our overall risk appetite framework.

- › Refer to “Risk appetite framework” in this section for more information
- › Refer to “Stress testing” in this section for more information about our stress-testing framework

Value-at-risk

VaR definition

Audited | VaR is a statistical measure of market risk, quantifying the potential market risk losses over a set time horizon (holding period) at an established level of confidence. VaR assumes no change in the Group’s trading positions over the set time horizon.

We calculate VaR daily. The profit or loss distribution from which VaR is estimated is derived from our internally developed VaR model, which simulates returns over the holding period for risk factors our trading positions are sensitive to, and subsequently quantifies the profit / loss effect of these risk factor returns on our trading positions. Systematic commodity, credit, equity, foreign exchange rate and interest rate risk factor returns are based on a pure historical simulation approach. An unweighted five-year look-back window is used for the UBS Group excluding certain legacy Credit Suisse components and an exponentially weighted two-year window for the aforementioned legacy Credit Suisse components. Modeling idiosyncratic and specific risks for equity and credit risk factors using historical simulation is challenging, due to the limited availability of continuous good-quality historical data. Wherever possible, historical simulation to model-specific risk is used for the legacy Credit Suisse components; however, both traded market risk portfolios rely upon factor models to distinguish systematic and idiosyncratic returns. For the UBS Group excluding certain legacy Credit Suisse components, idiosyncratic returns are simulated through a Monte Carlo model, aggregating the sum of systematic and residual returns in such a way that systematic and residual risk are consistently captured. For the legacy Credit Suisse components, the available distribution of idiosyncratic returns is used to determine an extreme scenario for a given risk factor's specific risk; the resultant VaR and extreme scenario loss for a given risk factor are aggregated using a zero-correlation assumption.

VaR models are used for internal management purposes, with exposures measured using VaR at a 95% confidence level for the UBS Group excluding certain legacy Credit Suisse components, and a 98% confidence level for the aforementioned legacy Credit Suisse components, and applying a 1-day holding period, aligned to the way we consider the risks associated with our trading activities. From 2026, VaR limits are established for the UBS Group excluding certain legacy Credit Suisse components only; VaR limits for legacy Credit Suisse components have been decommissioned, as the remaining exposure is immaterial. ▲

Management VaR for the period

Average management VaR (1-day, 95% confidence level) of the UBS Group excluding certain legacy Credit Suisse components in 2025 decreased to USD 10m from USD 12m in 2024, mainly driven by the Investment Bank's Global Markets business.

Average management VaR (1-day, 98% confidence level) of the aforementioned legacy Credit Suisse components in 2025 decreased to USD 3m from USD 12m in 2024, driven by continued strategic migration of positions to UBS and exposure reduction in Non-core and Legacy.

Audited I

Management value-at-risk (1-day, 95% confidence level, 5 years of historical data) of the business divisions and Group Items excluding certain legacy Credit Suisse components, by general market risk type^{1,2}

For the year ended 31.12.25									
USD m					Equity	Interest rates	Credit spreads	Foreign exchange	Commodities
	Min.				0	8	6	1	0
		Max.			9	21	14	9	8
			Average		3	15	9	5	2
				31.12.25	1	13	8	9	1
Total management VaR	2	19	10	9	<i>Average (per business division and risk type)</i>				
Global Wealth Management	1	3	2	2	0	2	2	0	0
Personal & Corporate Banking	0	0	0	0	0	0	0	0	0
Asset Management	0	0	0	0	0	0	0	0	0
Investment Bank	1	17	9	8	3	14	8	5	2
Non-core and Legacy	1	3	1	2	0	1	0	0	0
Group Items	3	6	4	4	1	3	2	1	0
Diversification effect ^{3,4}			(6)	(7)	(1)	(4)	(4)	(1)	0
For the year ended 31.12.24									
USD m					Equity	Interest rates	Credit spreads	Foreign exchange	Commodities
	Min.				0	11	6	1	2
		Max.			12	24	16	9	14
			Average		4	16	9	4	4
				31.12.24	1	20	10	3	4
Total management VaR	5	23	12	11	<i>Average (per business division and risk type)</i>				
Global Wealth Management	1	2	2	1	0	1	2	0	0
Personal & Corporate Banking	0	0	0	0	0	0	0	0	0
Asset Management	0	0	0	0	0	0	0	0	0
Investment Bank	3	23	11	10	4	15	8	3	4
Non-core and Legacy	1	3	1	1	0	1	1	0	0
Group Items	4	12	5	6	1	4	3	1	0
Diversification effect ^{3,4}			(6)	(8)	(1)	(5)	(4)	(1)	0

¹ The legacy Credit Suisse components not included in the UBS Group management VaR reflect the portfolio managed on legacy Credit Suisse infrastructure based on legacy Credit Suisse management VaR methodology until full migration of these positions to UBS infrastructure or the liquidation of the positions. This process is ongoing, and the management VaR of the legacy Credit Suisse components is expected to continue decreasing over time. ² Statistics at individual levels may not be summed to deduce the corresponding aggregate figures. The minima and maxima for each level may occur on different days, and, likewise, the VaR for each business line or risk type, being driven by the extreme loss tail of the corresponding distribution of simulated profits and losses for that business line or risk type, may well be driven by different days in the historical time series, rendering invalid the simple summation of figures to arrive at the aggregate total. ³ The difference between the sum of the standalone VaR for the business divisions and Group Items and the total VaR. ⁴ As the minima and maxima for different business divisions and Group Items occur on different days, it is not meaningful to calculate a portfolio diversification effect.

Management value-at-risk (1-day, 98% confidence level, 2 years of historical data) of certain legacy Credit Suisse components of the business divisions and Group Items, by general market risk type^{1,2}

For the year ended 31.12.25									
USD m					Equity	Interest rates	Credit spreads	Foreign exchange	Commodities
	Min.				1	0	0	0	0
		Max.			2	3	4	3	0
			Average		1	1	1	1	0
				31.12.25	1	0	0	0	0
Total management VaR	1	6	3	1	<i>Average (per business division and risk type)</i>				
Global Wealth Management	0	1	1	0	1	0	0	0	0
Personal & Corporate Banking	0	1	0	0	0	0	0	0	0
Asset Management	0	0	0	0	0	0	0	0	0
Investment Bank	1	2	1	1	1	0	0	0	0
Non-core and Legacy	0	5	2	0	0	1	1	0	0
Group Items	0	0	0	0	0	0	0	0	0
Diversification effect ^{3,4}			(1)	(1)	0	0	0	0	0

For the year ended 31.12.24									
USD m					Equity	Interest rates	Credit spreads	Foreign exchange	Commodities
	Min.				1	2	4	0	0
		Max.			13	12	14	5	1
			Average		5	6	9	1	0
				31.12.24	1	2	4	1	0
Total management VaR	5	21	12	5	<i>Average (per business division and risk type)</i>				
Global Wealth Management	1	3	2	1	1	0	1	0	0
Personal & Corporate Banking	0	0	0	0	0	0	0	0	0
Asset Management	0	0	0	0	0	0	0	0	0
Investment Bank	1	11	3	1	2	1	1	0	0
Non-core and Legacy	4	16	10	4	4	4	9	1	0
Group Items	0	0	0	0	0	0	0	0	0
Diversification effect ^{3,4}			(3)	(1)	(2)	1	(2)	0	0

¹ The legacy Credit Suisse components not included in the UBS Group management VaR reflect the portfolio managed on legacy Credit Suisse infrastructure based on legacy Credit Suisse management VaR methodology until full migration of these positions to UBS infrastructure or the liquidation of the positions. This process is ongoing, and the management VaR of the legacy Credit Suisse components is expected to continue decreasing over time. ² Statistics at individual levels may not be summed to deduce the corresponding aggregate figures. The minima and maxima for each level may occur on different days, and, likewise, the VaR for each business line or risk type, being driven by the extreme loss tail of the corresponding distribution of simulated profits and losses for that business line or risk type, may well be driven by different days in the historical time series, rendering invalid the simple summation of figures to arrive at the aggregate total. ³ The difference between the sum of the standalone VaR for the business divisions and Group Items and the total VaR. ⁴ As the minima and maxima for different business divisions and Group Items occur on different days, it is not meaningful to calculate a portfolio diversification effect.

VaR limitations

Audited | Actual realized market risk losses may differ from those implied by VaR for a variety of reasons.

- VaR is calibrated to a specified level of confidence and may not indicate potential losses beyond this confidence level.
- The 1-day time horizon used for VaR for internal management purposes may not fully capture market risk of positions that cannot be closed out or hedged within the specified period.
- In some cases, VaR calculations approximate the effect of changes in risk factors on the values of positions and portfolios.
- Effects of extreme market movements are subject to estimation errors, which may result from non-linear risk sensitivities, and the potential for actual volatility and correlation levels to differ from assumptions implicit in VaR calculations.
- The choice of a longer historical window means sudden increases in market volatility will tend not to increase VaR as quickly as the use of shorter historical observation periods, but such increases will affect VaR for a longer period of time. Similarly, after periods of increased volatility, as markets stabilize, VaR predictions will remain more conservative for a period of time, influenced by the length of the historical observation period.

We recognize that no single measure can encompass all risks associated with a position or portfolio. We use a set of metrics with both overlapping and complementary characteristics to create a holistic framework that aims to ensure material completeness of risk identification and measurement. As a statistical aggregate risk measure, VaR supplements our comprehensive stress-testing framework.

We also have a framework to identify and quantify potential risks not fully captured by our VaR model and refer to such risks as risks not in VaR. ▲

VaR model confirmation

VaR backtesting is a performance measurement process in which a 1-day VaR prediction is compared with the realized 1-day profit or loss. We conduct backtesting for internal model confirmation purposes.

VaR model developments in 2025

Audited | In 2025, no material changes were made to the VaR model used for the UBS Group excluding certain legacy Credit Suisse components or to the VaR model used for those certain legacy Credit Suisse components. ▲

Market-risk-related regulatory capital developments

The Basel Committee on Banking Supervision (the BCBS) final Basel III standards on the minimum capital requirements for market risk, known as the Fundamental Review of the Trading Book (the FRTB), entered into force on 1 January 2025. FINMA issued implementing ordinances to support these changes. These ordinances are effective from 1 January 2025 and provide technical details for the revised Capital Adequacy Ordinance, ensuring alignment with international standards. Key elements of the revised market risk framework include: (i) changes to the internal model-based approach, including changes to the model approval and performance measurement process; (ii) changes to the standardized approach with the aim of providing a credible fallback method for an internal model-based approach; and (iii) a revised boundary between the trading book and the banking book.

As part of going live with the FRTB, UBS has adopted the standardized approach for all FINMA-regulated legal entities, including the UBS Group.

- › Refer to **"Risk-weighted assets" in the "Capital management" section of this report for more information about the development of RWA, including the regulatory add-on**
- › Refer to the **"Regulatory and legal developments" section of this report for more information**
- › Refer to the **31 December 2025 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information**

Interest rate risk in the banking book

Sources of interest rate risk in the banking book

Audited | IRRBB arises from balance sheet positions such as Amounts due from banks, Loans and advances to customers, Financial assets at fair value not held for trading, Financial assets measured at amortized cost, Customer deposits, Debt issued measured at amortized cost, and Derivative financial instruments, including those subject to hedge accounting. Fair value changes to these positions may affect other comprehensive income (OCI) or the income statement, depending on their accounting treatment.

Our largest banking book interest rate exposures arise from customer deposits and lending products in Global Wealth Management and Personal & Corporate Banking, as well as from debt issuance, liquidity buffers and interest rate hedges in Group Treasury. The inherent interest rate risks stemming from Global Wealth Management and Personal & Corporate Banking are generally transferred to Group Treasury, to manage them centrally together with our modeled interest rate duration assigned to equity, goodwill and real estate. This makes the netting of interest rate risks across different sources possible, while leaving the originating businesses with commercial margin and volume management. The residual interest rate risk is mainly hedged with interest rate swaps, to the vast majority of which we apply hedge accounting. Short-term exposures and HQLA classified as Financial assets at fair value not held for trading are hedged with derivatives accounted for on a mark-to-market basis. Long-term fixed-rate debt issued and HQLA hedged with external interest rate swaps are designated in fair value hedge accounting relationships.

Risk management and governance

IRRBB is measured using several metrics, the most relevant of which are the following.

- EVE sensitivity to yield curve moves is calculated as changes in the present value of future cash flows irrespective of accounting treatment. These yield curve moves are also the key risk factors for statistical and stress-based measures, e.g. VaR and stress scenarios, as well as the regulatory interest rate scenarios. These are measured and reported daily. The regulatory IRRBB EVE exposure is the most adverse regulatory interest rate scenario that is netted across currencies. It excludes the sensitivity from additional tier 1 (AT1) capital instruments (as per specific FINMA requirements) and the modeled interest rate duration assigned to equity, goodwill and real estate. UBS also applies granular internal interest rate shock scenarios to its banking book positions to monitor its specific risk profile.
- Net interest income (NII) sensitivities to yield curve moves are calculated as changes of baseline NII over a set time horizon, which we internally compute by assuming interest rates in all currencies develop according to their market-implied forward rates and assuming constant business volumes and product mix and no specific management actions. The sensitivities are measured and reported monthly.

We actively manage IRRBB, with the aim of reducing the volatility of NII subject to limits and triggers for EVE and NII exposure at consolidated and significant legal entity levels.

The Group Asset and Liability Committee (the Group ALCO) and, where relevant, ALCOs at a legal entity level perform independent oversight over the management of IRRBB, which is also subject to Group Internal Audit and model governance.

- › Refer to **"Group Internal Audit" in the "Corporate governance" section of this report and to "Risk measurement" in this section for more information**

Key modeling assumptions

The cash flows from customer deposits and lending products used in calculation of EVE sensitivity exclude commercial margins and other spread components, are aggregated by daily time buckets and are discounted using risk-free rates. Our external issuances are discounted using UBS's senior debt curve, and capital instruments are modeled to the first call date. NII sensitivity, which includes commercial margins, is calculated over a one-year time horizon, assuming constant balance sheet structure and volumes, and considers embedded interest rate options.

The average repricing maturity of non-maturing deposits and loans is determined via target replication portfolios designed to protect product margins. Optimal replicating portfolios are determined at granular currency- and product-specific levels by simulating and applying a real-world market rate model to historically calibrated client rate and volume models.

We use an econometric prepayment model to forecast prepayment rates on US mortgage loans in UBS Bank USA and agency mortgage-backed securities (MBSs) held in various liquidity portfolios of UBS Americas Holding LLC consolidated. These prepayment rates are used to forecast both mortgage loan and MBS balances under various macroeconomic scenarios. The prepayment model is used for a variety of purposes, including risk management and regulatory stress testing. Swiss mortgages and fixed-term deposits generally do not carry similar optionality, due to prepayment and early redemption penalties. ▲

Effect of interest rate changes on shareholders' equity and CET1 capital

The "Accounting and capital effect of changes in interest rates" table below shows the effects on shareholders' equity and CET1 capital of gains and losses from changes in interest rates in the main banking book positions. We use derivatives to hedge interest rate risks in the banking book and these reflect changes in interest rates as an immediate fair value gain or loss, recognized either in the income statement or through OCI. Where hedged items are accrual accounted, we aim to minimize accounting asymmetries by applying hedge accounting to reflect the economic hedge relationship.

In a rising rate scenario, we would have an initial decrease in shareholders' equity as a result of fair value losses on our derivatives recognized in OCI, while we would expect higher NII over time as rates increase. The effect on CET1 capital would be much lower, as gains and losses on interest rate swaps designated as cash flow hedges are not recognized for regulatory capital purposes.

Accounting and capital effect of changes in interest rates¹

	Recognition		Shareholders' equity		CET1 capital	
	Timing	Income statement / OCI	Gains	Losses	Gains	Losses
Loans and deposits at amortized cost ^{2,3}	Gradual	Income statement	●	●	●	●
Other financial assets and liabilities measured at amortized cost ²	Gradual	Income statement	●	●	●	●
Debt issued measured at amortized cost ^{2,3}	Gradual	Income statement	●	●	●	●
Receivables and payables from securities financing transactions ²	Gradual	Income statement	●	●	●	●
Financial assets at fair value not held for trading	Immediate	Income statement	●	●	●	●
Financial assets at fair value through other comprehensive income	Immediate	OCI	●	●		●
Derivatives designated as cash flow hedges	Immediate	OCI ⁴	●	●		
Derivatives designated as fair value hedges ⁵	Immediate	Income statement	●	●	●	●
Derivatives transacted as economic hedges	Immediate	Income statement	●	●	●	●

¹ Refer to the "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" table in the "Capital management" section of this report for more information about the differences between shareholders' equity and CET1 capital. ² For fixed-rate financial instruments, changes in interest rates affect the income statement when these instruments roll over and reprice. ³ For hedge-accounted items, a fair value adjustment is applied in line with the treatment of the hedging derivatives. ⁴ Excluding hedge ineffectiveness that is recognized in the income statement in accordance with IFRS Accounting Standards. ⁵ The fair value of the derivatives is offset by the fair value adjustment of the hedged items. Under the fair value hedge program applied to cross-currency swaps and foreign currency debt, the foreign currency basis spread is excluded from the hedge designation and accounted for through OCI, which is included in CET1.

Economic value of equity sensitivity

Audited I The EVE sensitivity in the UBS Group banking book to a +1-basis-point parallel shift in yield curves was negative USD 43.9m as of 31 December 2025, compared with negative USD 37.3m as of 31 December 2024. This excluded the sensitivity of USD 8.0m from AT1 capital instruments (as per specific FINMA requirements) in contrast to general BCBS guidance. The exposure in the banking book of the UBS Group increased in 2025, driven by net interest income stabilization initiatives and interest rate hedges in connection with issuances of AT1 capital instruments.

The majority of our IRRBB as of 31 December 2025 was a reflection of the net asset duration that we ran to offset our modeled sensitivity of net USD 33.2m (31 December 2024: USD 29.4m) assigned to our equity, goodwill and real estate, with the aim of generating a stable NII contribution. Of this, USD 19.7m and USD 11.6m were attributable to the US dollar and the Swiss franc portfolios, respectively, (31 December 2024: USD 17.1m and USD 10.6m, respectively).

In addition to the aforementioned sensitivity, we calculate the six interest rate shock scenarios prescribed by FINMA. The "Parallel up" scenario, assuming all positions were measured at fair value, was the most severe as of 31 December 2025 and would have resulted in a change in EVE of negative USD 8.1bn, or 8.9% of our tier 1 capital (31 December 2024: negative USD 6.7bn, or 7.6%), which is well below the 15% threshold as per the BCBS supervisory outlier test for high levels of IRRBB.

The immediate effect on our tier 1 capital in the "Parallel up" scenario as of 31 December 2025 would have been a decrease of approximately USD 0.8bn, or 0.9%, in our tier 1 capital (31 December 2024: USD 0.9bn, or 1.0%), reflecting the fact that the vast majority of our banking book is accrual accounted or subject to hedge accounting. The "Parallel up" scenario would subsequently have a positive effect on NII, assuming a constant balance sheet.

As the overall interest rate risk sensitivity shows a greater impact from slower asset repricing compared with faster liabilities repricing, the "Parallel down" scenario was the most beneficial as of 31 December 2025 and would have resulted in a change in EVE of positive USD 8.3bn (31 December 2024: positive USD 7.2bn) and a small positive immediate effect on our tier 1 capital.

Net interest income sensitivity

The main NII sensitivity in the banking book resides in Global Wealth Management and Personal & Corporate Banking. We assign a target duration to our investment of equity portfolio, and Group Treasury actively manages the residual IRRBB. This sensitivity is assessed using a number of scenarios assuming parallel and non-parallel shifts in yield curves, with various degrees of severity, and we have set and monitor thresholds for the NII sensitivity to immediate parallel shocks of –200 and +200 basis points under the assumption of no change to balance sheet size and product mix, stable foreign exchange rates, and no specific management action. ▲

› Refer to the “Group performance” section of this report for more information about sensitivity to interest rate movements

Audited I

Interest rate risk – banking book

31.12.25								
USD m		Effect on EVE ¹ – FINMA					Effect on EVE ¹ – BCBS	
Scenarios	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 capital instruments	Total
+1 bp	(12.5)	(1.7)	(0.2)	(28.5)	(1.0)	(43.9)	8.0	(35.9)
Parallel up ²	(1,770.1)	(315.7)	(50.4)	(5,698.0)	(239.3)	(8,073.4)	1,492.1	(6,581.3)
Parallel down ²	1,971.6	355.5	46.5	5,622.8	264.8	8,261.3	(1,751.2)	6,510.1
Steepener ³	(889.8)	(20.6)	(10.4)	(1,371.3)	6.8	(2,285.2)	336.0	(1,949.2)
Flattener ⁴	552.3	(31.4)	1.7	61.1	(58.9)	524.8	2.7	527.5
Short-term up ⁵	(169.8)	(126.5)	(14.6)	(2,226.1)	(145.6)	(2,682.7)	644.8	(2,037.8)
Short-term down ⁶	167.9	127.7	9.2	2,308.9	144.6	2,758.2	(671.8)	2,086.5

31.12.24								
USD m		Effect on EVE ¹ – FINMA					Effect on EVE ¹ – BCBS	
Scenarios	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 capital instruments	Total
+1 bp	(10.5)	(1.4)	(0.3)	(24.6)	(0.5)	(37.3)	5.5	(31.7)
Parallel up ²	(1,509.7)	(263.7)	(65.5)	(4,758.9)	(95.6)	(6,693.4)	1,000.4	(5,693.0)
Parallel down ²	1,643.9	295.9	76.2	5,068.6	101.1	7,185.8	(1,173.0)	6,012.8
Steepener ³	(749.1)	(10.4)	(12.7)	(1,255.4)	(9.7)	(2,037.3)	168.0	(1,869.3)
Flattener ⁴	464.0	(33.3)	(0.2)	161.0	(10.5)	581.0	61.0	642.1
Short-term up ⁵	(149.4)	(112.2)	(22.8)	(1,820.7)	(46.1)	(2,151.1)	484.4	(1,666.7)
Short-term down ⁶	132.6	112.2	23.3	1,931.8	46.6	2,246.5	(504.4)	1,742.2

¹ Economic value of equity. ² Rates across all tenors move by ±150 bps for Swiss franc, ±200 bps for euro and US dollar, and ±250 bps for pound sterling. ³ Short-term rates decrease and long-term rates increase. ⁴ Short-term rates increase and long-term rates decrease. ⁵ Short-term rates increase more than long-term rates. ⁶ Short-term rates decrease more than long-term rates.

Other market risk exposures

Own credit

We are exposed to changes in our own credit reflected in the valuation of financial liabilities designated at fair value when our own credit risk would be considered by market participants, except for fully collateralized liabilities or other obligations for which it is established market practice to not include an own-credit component.

› Refer to “Note 20 Fair value measurement” in the “Consolidated financial statements” section of this report for more information about own credit

Structural foreign exchange risk

Upon consolidation, assets and liabilities held in foreign operations are translated into US dollars at the closing foreign exchange rate on the balance sheet date. Value changes (in US dollars) of non-US-dollar assets or liabilities due to foreign exchange movements are recognized in OCI and therefore affect shareholders’ equity and CET1 capital.

Group Treasury uses strategies to manage this foreign currency exposure, including matched funding of assets and liabilities and net investment hedging.

- › Refer to “Sensitivity to currency movements” in the “Capital management” section and to the “Currency management” section of this report for more information about our exposure to and management of structural foreign exchange risk
- › Refer to “Note 24 Hedge accounting” in the “Consolidated financial statements” section of this report for more information about our hedges of net investments in foreign operations

Investment risk

We are exposed to investment risk by holding own investments in equity securities, investment fund units and debt instruments.

Equity investments and investment fund units

Audited I We make direct investments in a variety of entities and buy equity holdings in both listed and unlisted companies, with the aim of supporting our business activities and delivering strategic value to the firm. This includes investments in exchange and clearing house memberships, as well as minority investments in early-stage fintechs and technology companies. We may also make investments in funds that we manage in order to fund or seed them at inception or to demonstrate that our interests align with those of investors. We also buy, and are sometimes required by agreement or regulation to buy, securities and units from investment vehicles that we have sold to clients.

The fair value of equity investments tends to be influenced by factors specific to the individual investments. Equity investments are generally intended to be held for the medium or long term and may be subject to lock-up agreements. For these reasons, we generally do not control these exposures by using market risk measures applied to trading activities. However, such equity investments are subject to a different range of controls, including preapproval of new investments for commercial purposes by business management and Risk Control, portfolio and concentration limits, and regular monitoring and reporting to senior management. They are also included in our Group-wide statistical and stress-testing metrics, which flow into our risk appetite framework.

As of 31 December 2025, we held equity investments and investment fund units totaling USD 6.0bn (31 December 2024: USD 6.8bn), of which USD 3.7bn (31 December 2024: USD 4.5bn) was classified as Financial assets at fair value not held for trading and USD 2.3bn (31 December 2024: USD 2.3bn) as Investments in associates. ▲

- › Refer to “Note 20 Fair value measurement” and “Note 27 Interests in subsidiaries and other entities” in the “Consolidated financial statements” section of this report for more information
- › Refer to “Note 1 Summary of material accounting policies” in the “Consolidated financial statements” section of this report for more information about the classification of financial instruments

Debt investments

Audited I Debt investments classified as Financial assets measured at fair value through other comprehensive income as of 31 December 2025 can broadly be categorized as money market instruments and debt securities primarily held for statutory, regulatory or liquidity reasons.

The risk control framework applied to debt instruments classified as Financial assets measured at fair value through other comprehensive income depends on the nature of the instruments and the purpose for which we hold them. Our exposures may be included in market risk limits or be subject to specific monitoring and interest rate sensitivity analysis. They are also included in our Group-wide statistical and stress-testing metrics, which flow into our risk appetite framework.

Debt instruments classified as Financial assets measured at fair value through other comprehensive income had a fair value of USD 13.9bn as of 31 December 2025 (31 December 2024: USD 2.2bn). The increase mainly reflects purchases of HQLA. ▲

- › Refer to “Note 20 Fair value measurement” in the “Consolidated financial statements” section of this report for more information
- › Refer to “Economic value of equity sensitivity” in this section for more information
- › Refer to “Note 1 Summary of material accounting policies” in the “Consolidated financial statements” section of this report for more information about the classification of financial instruments

Pension risk

We provide a number of pension plans for past and current employees, some classified as defined benefit pension plans under IFRS Accounting Standards, which can have an effect on our equity under IFRS Accounting Standards and CET1 capital.

Pension risk is the risk that defined benefit plans’ funded status might decrease, negatively affecting our capital. This can result from decreases in the value of a plan’s assets, increases in defined benefit obligations or combinations of the above.

Important risk factors affecting the fair value of pension plans’ assets include equity market returns, interest rates, bond yields, and real estate prices. Important risk factors affecting the present value of expected future benefit payments include high-grade bond yields, interest rates, inflation rates, and life expectancy.

Pension risk is included in our Group-wide statistical and stress-testing metrics, which flow into our risk appetite framework. The potential effects are thus captured in the post-stress capital ratio calculations.

- › Refer to “Note 1 Summary of material accounting policies” and “Note 25 Post-employment benefit plans” in the “Consolidated financial statements” section of this report for more information about defined benefit plans

UBS own share exposure

Group Treasury holds UBS Group AG shares to hedge future share delivery obligations related to employee share-based compensation awards and also holds shares purchased under the share repurchase programs. In addition, the Investment Bank holds a limited number of UBS Group AG shares, primarily in its capacity as a market-maker with regard to UBS Group AG shares and related derivatives, and to hedge certain issued structured debt instruments.

- › Refer to the “UBS shares” section of this report for more information

Country risk

Country risk framework

Country risk includes all country-specific events occurring in a sovereign jurisdiction that may lead to impairment of UBS’s exposures. It may take the form of: (i) sovereign risk, which is the ability and willingness of a government to honor its financial commitments; (ii) transfer risk, which arises if a counterparty or issuer cannot acquire foreign currencies following a moratorium by a central bank on foreign exchange transfers; or (iii) “other” country risk. “Other” country risk may manifest itself through increased and multiple counterparty and issuer default risk (systemic risk) or through events that may affect a country’s standing, such as adverse shocks affecting political stability or institutional and / or legal frameworks.

We assign a country rating to each country, which reflects our view of its creditworthiness and of the probability of a country risk event occurring. Country ratings are mapped to statistically derived default probabilities, described under “Probability of default” in this section. We use this internal analysis to set the credit ratings of governments and central banks, estimate the probability of a transfer event occurring, and establish rules on how aspects of country risk should be incorporated in counterparty ratings of non-sovereign entities domiciled in the respective country.

Country ratings are also used to define our risk appetite regarding foreign countries. A country risk limit (i.e. maximum aggregate exposure) applies to exposures to counterparties or issuers of securities and financial investments in the given foreign country. We may limit the extension of credit, transactions in traded products or positions in securities based on a country risk ceiling, even if our exposure to a counterparty is otherwise acceptable. Country limits are approved by the Board of Directors and are delegated to the Group CEO and the Group CRO according to the country rating and limit size.

Our country risk framework differs across the UBS Group, and alignment of approaches is part of the ongoing integration of Credit Suisse.

For internal measurement and control of country risk, we also consider the financial effect of market disruptions arising prior to, during and after a country crisis. These may take the form of a severe deterioration in a country’s debt, equity or other asset markets, or a sharp depreciation of its currency. We use stress testing to assess potential financial effects of severe country or sovereign crises. This involves the developing of plausible stress scenarios for combined stress testing and the identification of countries that may potentially be subject to a crisis event, determining potential losses and making assumptions about recovery rates depending on the types of credit transactions involved and their economic importance to the affected countries.

Country risk exposure

Country risk exposure measure

The presentation of country risk follows our internal risk view, where the basis for measuring exposures depends on the product category in which we classify the exposures. In addition to the classification of exposures into banking products and traded products, covered in “Credit risk profile of the Group” in this section, for the UBS Group excluding certain legacy Credit Suisse components the trading inventory is also shown.

Banking products exposure represents notional amounts. Traded products potential exposure reflects the possible impact of market movements on both the exposure and any related collateral over the period required to close out our positions. We do not recognize any expected recovery values when reporting country exposure; we recognize the risk-reducing effects of master netting agreements and collateral held, which we deduct from the potential exposure values. Within banking products and traded products, risk-reducing effects of credit protection are also taken into account.

Trading inventory includes issuer risk on securities (such as bonds and equities) and risk relating to underlying reference assets for derivative positions. Trading inventory is managed on a net basis, and the value of long positions is netted against that of short positions with the same underlying issuer. Net exposures are floored at zero per issuer. As a result, potentially offsetting benefits of certain hedges and short positions across issuers are not recognized.

Country risk exposure allocation

In general, exposures are shown against the country of domicile of the contractual counterparty or the issuer of the security. For some counterparties whose economic substance in terms of assets or source of revenues is primarily located in a different country, the exposure is allocated to the risk domicile of those assets or revenues.

In the case of derivatives, we show the counterparty’s risk potential exposure against the counterparty’s country of risk (presented within traded products). In addition, risk associated with an instantaneous fall in value of underlying reference assets to zero (assuming no recovery) is shown against the country of risk of the issuer of the reference asset (presented within the trading inventory for the UBS Group excluding certain legacy Credit Suisse components only). This approach enables us to capture both counterparty and, where applicable, issuer elements of risk arising from derivatives and applies comprehensively for all derivatives, including single-name credit default swaps and other credit derivatives.

Top 20 country risk exposures

The table below shows our 20 largest country exposures by product type, excluding our home country, as of 31 December 2025 compared with 31 December 2024.

Compared with 2024, our net exposure was largely stable. The list of our top 20 countries remained broadly unchanged, with two new entries (Brazil and Austria) and the exposure to each of those two not exceeding USD 2.0bn. Based on the sovereign rating categories, as of 31 December 2025, 84% of our emerging market country exposure was rated investment grade, compared with 85% as of 31 December 2024.

Venezuela

As of 31 December 2025, our direct country risk exposure to Venezuela was USD 4m, solely from issuer risk exposure in the Investment Bank.

Israel and Middle East

As of 31 December 2025, our direct country risk exposure to Israel was USD 375m, mainly from lending and collateralized over-the-counter derivatives exposure within the Investment Bank. Our direct exposure to Gulf Cooperation Council countries as of 31 December 2025 was USD 4.1bn, while our direct exposure to Egypt, Jordan and Lebanon was limited, and we had no direct exposure to Iran, Iraq or Syria.

Russia

Our direct country risk exposure to Russia contributed USD 382m to our total emerging market exposure of USD 26.9bn as of 31 December 2025. This included cash account balances and lending exposures from Non-core and Legacy. We had no material direct country risk exposure to Belarus or to Ukraine as of 31 December 2025. Potential second-order impacts, such as European energy security, continue to be monitored.

Top 20 country risk net exposures, by product type

USD m	Banking products ^{1,2}		Traded products ³		Trading inventory ^{4,5}		Total ²	
	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24
United States	142,740	156,763	26,308	28,847	62,232	42,744	231,281	228,353
United Kingdom	15,383	15,745	13,981	18,112	4,294	1,880	33,658	35,737
Germany	15,054	15,247	5,891	7,162	9,067	7,796	30,012	30,205
Japan	23,439	20,131	5,147	4,757	953	931	29,539	25,819
France	2,027	2,007	3,820	4,936	8,118	7,786	13,965	14,729
Singapore	3,988	3,568	2,235	3,565	6,842	5,127	13,065	12,260
Australia	6,763	6,357	4,054	8,404	2,112	2,158	12,928	16,920
Canada	1,750	835	3,134	2,839	5,825	4,843	10,708	8,516
Luxembourg	5,730	6,360	528	1,191	107	99	6,365	7,649
China	2,063	1,662	876	1,278	2,247	1,971	5,186	4,911
Netherlands	1,447	1,830	1,732	2,572	1,868	1,044	5,047	5,446
Hong Kong	1,329	1,490	1,690	1,190	1,065	1,111	4,084	3,792
South Korea	1,232	602	679	666	2,026	3,100	3,938	4,368
Italy	1,719	1,542	897	909	1,074	904	3,689	3,355
Sweden	332	413	898	1,479	1,435	1,442	2,665	3,334
Norway	144	70	426	440	2,048	1,299	2,617	1,809
Spain	1,178	937	533	661	681	502	2,392	2,099
Brazil	439	576	644	410	804	391	1,887	1,377
Austria	271	261	468	535	1,110	654	1,850	1,450
Finland	81	76	188	303	1,341	1,335	1,610	1,713
Total top 20⁶	227,109	236,472	74,129	90,256	115,249	87,117	416,486	413,842

¹ Includes loans, guarantees and loan commitments. ² Net of hedges and before deduction of IFRS 9 ECL allowances and provisions. ³ Includes counterparty risk from derivatives and securities financing transactions measured using potential exposure, after master netting agreements, net of collateral and net of hedges. ⁴ Represents an issuer's net long position, including securities and tradable obligations, such as derivatives, which are referenced to that issuer. ⁵ Trading inventory exposures are for UBS Group excluding legacy Credit Suisse components only. ⁶ Excluding Switzerland, supranationals, global funds and ship finance exposures.

Emerging markets net exposure, by internal UBS country rating category^{1,2}

USD m	31.12.25	31.12.24
Investment grade	22,610	23,170
Sub-investment grade	4,325	4,155
Total	26,935	27,325

¹ We classify countries as emerging markets based on per capita GDP, historical real GDP growth, alignment with international institutions (such as the BIS, the World Bank, the IMF and the MSCI) and other factors. ² Net of credit hedges (for banking products and for traded products); net long per issuer (for trading inventory) for the UBS Group excluding legacy Credit Suisse components only. Before deduction of IFRS 9 ECL allowances and provisions.

Sustainability and climate risk

We define sustainability and climate risks as the risks that UBS negatively impacts, or is impacted by, climate change, nature, human rights and other environmental and social matters. Such risks may materialize as credit, market, liquidity, business or non-financial risks for UBS, potentially leading to adverse financial, liability or reputational impacts.

Group Risk Control is responsible for our firm-wide sustainability and climate risk framework and for managing financial exposure to these risks as a second line of defense. Group Compliance and Operational Risk Control provides independent oversight of our non-financial risk control environment, ensuring its adequacy and effectiveness. We manage sustainability and climate risks through a dedicated risk management framework, which continues to evolve and is focused on meeting emerging regulatory requirements and enhancing core processes, such as reporting and disclosures.

Overseen by senior management, the framework is applied across client onboarding, transaction due diligence, product development, our own operations and our supply chain. It is a continuous process, consisting of four phases described in the following sections: (i) risk identification and measurement; (ii) monitoring and risk appetite setting; (iii) risk management and control; and (iv) risk reporting and disclosure.

- › Refer to the UBS Group Sustainability Report 2025, available under “Annual reporting” at ubs.com/investors, for more information about our sustainability and climate risk framework and our investment approach
- › Refer to “Sustainability and climate risk policy framework” in the Supplement to the UBS Group Sustainability Report 2025, available under “Annual reporting” at ubs.com/investors, for more information

Risk identification and measurement

Sustainability and climate risks are identified at divisional and cross-divisional levels. Our climate-related risk identification methodologies and materiality assessment collectively define key focus areas and risk drivers. The insights gained contribute to our overall sustainability and climate risk strategy by:

- identifying concentrations of climate-sensitive exposure, which may increase vulnerability to financial and non-financial risks, thereby guiding resource prioritization for enhanced risk quantification and management; and
- enabling us to assist clients with their low-carbon transition and identify those who may benefit from our sustainability-focused products and services.

The outcomes of this process guide senior management decision-making and provide stakeholders with valuable insights through our external disclosures.

- › Refer to “Managing sustainability and climate risks” in the UBS Group Sustainability Report 2025, available under “Annual reporting” at ubs.com/investors, for more information

Our approach to climate-related risk identification

Our methodologies are designed to assess how susceptible clients and assets are to climate risks, focusing on the potential financial impacts that could arise from policy changes, technological shifts, market evolution in the context of transition risk and climate-related hazard events in the context of physical risk. These assessments evaluate the magnitude of climate-related risk drivers affecting a counterparty or asset class, helping us determine how such risks may influence creditworthiness, collateral values and broader portfolio exposure.¹

For corporate clients, when counterparty-level information is available and of sufficient quality, a bottom-up methodology is used. The methodology includes the counterparty's measures and actions in place to mitigate transition risks summarized through UBS's internal Company Transition Assessment Scorecard and the exposure of their assets to physical hazards. When counterparty-level information is not available, a top-down methodology is used for transition and physical risks based on both the country of risk domicile and the internal UBS industry classification (Group Industry Code 2).

For Lombard lending, an overall portfolio rating is assigned based on the average riskiness of the collaterals that are posted securing the loans. In 2025, UBS developed a global real estate model to provide a counterparty-level rating across transition and physical risks in the real estate portfolio. Together, these methodologies enable UBS to assess how transition and physical risks may influence the risk profiles of clients and provide a consolidated view of the UBS Group exposure to climate-related risks.

Transition risk

Climate-driven transition risks arise from the transition to a sustainable economy, in particular its decarbonization, for example due to changes in policy, case law, technology or in the behavior of market participants. This may contribute to a structural change across economies and consequently affect banks and the stability of the wider financial sector.

In 2025, the key sectors contributing to the UBS Group's transition-risk-sensitive exposure continued to be real estate, industrials and transportation, unchanged from 2024.

Physical risk

Climate-driven physical risks arise from acute hazards, which are increasing in severity and frequency, and chronic risks, which arise from an incrementally changing climate. Climate-driven physical risks may contribute to a structural change across economies and consequently affect banks and the stability of the wider financial sector.

In 2025, Switzerland and the Americas were the largest contributors to the UBS Group's physical-risk-sensitive exposure, with both regions demonstrating relatively high adaptive capacity to manage physical risk hazards, resulting in a moderately low overall physical risk rating.

► Refer to "Managing sustainability and climate risks" in the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, for more information about the UBS Group's climate risk profile

Climate scenario analysis and stress testing

We apply scenario-based approaches to assess our exposure to transition and physical risks arising from climate change. We have introduced several in-house assessments leveraging industry collaborations to tailor approaches for addressing methodological and data challenges. We employ dedicated climate risk models that are designed to capture both systematic and idiosyncratic effects to perform stress-testing exercises across short-, medium- and long-term horizons.

The work performed includes regulatory scenario analysis and stress-testing exercises. These include, for example, the Bank of England 2021 Climate Biennial Exploratory Scenario, the 2022 European Central Bank climate risk stress test (which assesses banks' preparedness for dealing with financial and economic shocks stemming from climate risk) and the 2024 Swiss Financial Market Supervisory Authority (FINMA) and Swiss National Bank climate scenario analysis exercise. These exercises facilitated the identification of financial risks from climate change. They also made it possible for UBS to assess management actions in response to different scenario results and perform a counterparty-level analysis. Although the results indicated mild losses and low exposure for the entities and portfolios in scope, they provided valuable insights to strengthen UBS's climate risk scenario analysis and stress testing.

In 2025, we further refined and expanded our internal climate risk scenarios and enhanced the dedicated climate risk methodologies. Furthermore, we conducted a Group-wide climate scenario analysis to guide the materiality assessment of climate-related risks, meeting the FINMA Circular 2026/1 "Nature-related financial risks" (published by FINMA in December 2024) requirements on nature-related financial risks. A range of climate scenarios in line with UBS's business model were used, including a stress scenario, under which the lack of coordinated mitigation efforts places the planet on a 3°C-warming trajectory by 2100.

Over the last few years, we have also leveraged industry-wide initiatives, such as the Paris Agreement Capital Transition Assessment exercise launched by the Swiss Federal Office for the Environment in 2020, 2022 and 2024. Through this exercise, we assessed the climate alignment of our listed investments (including equities and bonds), mortgages and direct real estate portfolios. The assessment enabled us to compare our results with the aggregated performance of all participating banks' portfolios, showing the progress made over time and the efforts still needed.

Materiality of climate-related risks across risk categories

UBS conducts a financial risk materiality assessment of climate-related risk drivers, complementing its regular risk identification processes described above. This climate-related materiality assessment evaluates how transition and physical risk drivers may affect UBS's risk categories: credit, market, liquidity, business and non-financial risks.

In 2025, the materiality assessment for climate risks was enhanced and performed based on a combination of qualitative and quantitative inputs (including climate scenario analysis and exposures to climate-sensitive sectors), from both an inherent and residual perspective. Inherent risk refers to the level of risk that exists in the absence of any climate-related controls or mitigation actions, whereas residual risk refers to the level of risk after taking them into account.

Materiality was assessed across the short (one year), medium (two to five years) and long term (more than five years) to capture the dynamic nature of climate risk exposure.

The table below summarizes whether transition and physical risks are considered material or not material on an inherent basis, for each risk category and time horizon under a stress case scenario.

Overview of inherent material risks under stress case scenarios

Risk type	Time horizon	Credit	Market ¹	Liquidity ²	Business ³	Non-financial risk
Physical risk	Short-term	Not material	Not material	Not material	Not material	Not material
	Medium-term	Not material			Not material	Not material
	Long-term	Material				Not material
Transition risk	Short-term	Material	Not material	Material	Material	Not material
	Medium-term	Material			Material	Material
	Long-term	Material				Material

¹ The trading book is assessed using a short-term stress scenario time horizon due to the dynamic risk profile and high liquidity of trading book instruments, which make them sensitive to short-term shocks rather than long-term climate transition. The banking book scenario time horizon is aligned with the liquidity portfolio (high-quality liquid assets) and existing internal liquidity adequacy assessment process (ILAAP) stress tests, which operate on a one-year horizon. This alignment ensures consistency with regulatory expectations and reflects the relatively stable nature of banking book exposures. Therefore, market risk has not been assessed in the medium and long terms. ² The time horizon for the climate risk assessment of liquidity risk is aligned with existing ILAAP stress tests. Liquidity risk is assessed based on a one-year stress time horizon, which is considered long term for liquidity purposes and is in alignment with the time horizon of the funding regulatory metric, the net stable funding ratio (one year). Therefore, liquidity risk has not been assessed in the medium and long terms. ³ Business risk is assessed for a three-year time horizon in line with the three-year strategic plan. Therefore, business risk has not been assessed in the long term.

Inherent credit risk is assessed as material under stress-case scenarios, primarily due to the expected long-term impacts of chronic physical hazards on macroeconomic developments in the real estate sector (physical risk) and also due to regulatory uncertainty, which may require significant investments and impact credit quality for the real estate sector and for corporate lending exposures to sectors deemed climate-sensitive (transition risk).

Inherent liquidity risk is assessed as material under stress-case scenarios, reflecting potential for abrupt shifts in regulatory conditions, resulting in economic disruptions that could trigger significant outflows, elevated funding costs or impaired access to capital markets (transition risk).

Inherent business risk is assessed as material under stress-case scenarios, considering the potential financial impacts of a sudden and disorderly climate transition resulting in economic disruptions, which could reduce the value of assets and recurring fee income, and increased market uncertainty, which could lower deal flow and transaction-based fees (transition risk).

All material financial risks are primarily driven by indirect climate impacts, such as macroeconomic impacts from climate change, as opposed to direct climate impacts on counterparties or assets.

Inherent non-financial risk is assessed as material under stress-case scenarios, due to ongoing regulatory scrutiny and the evolving legal landscape around climate and sustainability requirements and disclosures, which can expose UBS to litigation risk, regulatory penalties and reputational damage in the event of non-compliance or perceived greenwashing (transition risk).

Across all risk types, climate-related risks are assessed as not material on a residual basis (after considering our standard climate-related controls / mitigation actions), with the exception of non-financial risk in the long term. The latter risk remains material even after mitigating controls are taken into account, due to persistent political uncertainty and diverging regulatory requirements across jurisdictions, which lead to heightened legal and litigation risks (transition risk).

Material risks were fed into the regular risk identification process, and a climate root cause driver was added, where relevant.

› Refer to “Managing sustainability and climate risks” in the UBS Group Sustainability Report 2025, available under “Annual reporting” at ubs.com/investors, for more information

Monitoring and risk appetite setting

UBS has established a qualitative and quantitative risk appetite, which is subject to periodic monitoring and enhancements. The risk appetite guides decision-making and supports proactive management of exposures to climate-sensitive sectors.

The climate-related risk metrics below help us monitor our exposure to key transition and physical risk drivers across portfolios, highlighting where climate-related vulnerabilities may influence our overall risk profile. UBS will continue to develop these metrics, ensuring alignment with regulatory expectations and industry-leading practices.

› Refer to “Managing sustainability and climate risks” in the UBS Group Sustainability Report 2025, available under “Annual reporting” at ubs.com/investors, for more information about the transition and physical risk drivers

Climate-related risk metrics

The table below includes climate-related risk metrics for the UBS Group, UBS AG on a standalone basis, UBS Switzerland AG on a standalone basis and UBS Europe SE on a standalone basis.

In 2025, UBS developed the global real estate (GRE) model, enabling asset-level sensitivity assessments for real estate financing and the private clients with mortgages portfolio, impacting both transition- and physical-risk-sensitive exposures.

Climate-driven transition-risk-sensitive exposure accounted for 24.6% of the UBS Group’s total gross lending exposure, up from 21.0% based on the revised² 2024 figures, reflecting the GRE model enhancement. The GRE model applies UBS’s Swiss residential and commercial real estate decarbonization targets to identify properties that rely on fossil fuel heating systems and are not progressing in line with UBS’s decarbonization pathway as sensitive.

Climate-driven physical-risk-sensitive exposure accounted for 13.8% of the UBS Group’s total gross lending exposure, up from 12.8% based on the revised² 2024 figures, reflecting the GRE model enhancement. The GRE model calculates a physical risk rating by assessing building-level exposures to a physical risk hazard.

Carbon-related assets accounted for 9.7% of the UBS Group’s total gross lending exposure, down from 10.9% in 2024. However, on an absolute basis, carbon-related assets remained largely flat year on year.

Risk management – Climate-related metrics

	For the year ended	
	31.12.25	31.12.24
Climate-related metrics (USD bn)		
Total exposure to climate-sensitive sectors, transition risk UBS Group AG consolidated^{1,2}	192.9	147.5
<i>Climate-sensitive sectors, transition risk, proportion of total gross lending exposure, UBS Group AG consolidated (%)^{1,2}</i>	<i>24.6</i>	<i>21.0</i>
<i>Total exposure to climate-sensitive sectors, transition risk UBS AG (standalone)^{1,2}</i>	<i>31.6</i>	<i>36.2</i>
<i>Total exposure to climate-sensitive sectors, transition risk UBS Switzerland AG (standalone)^{1,2}</i>	<i>154.5</i>	<i>103.5</i>
<i>Total exposure to climate-sensitive sectors, transition risk UBS Europe SE (standalone)^{1,2}</i>	<i>0.0</i>	<i>0.0</i>
Exposure to climate-sensitive sectors, transition risk: Traded products, UBS Group AG consolidated ³	1.4	2.1
Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS Group AG consolidated ⁴	8.8	6.8
Total exposure to climate-sensitive sectors, physical risk: UBS Group AG consolidated^{1,2,5}	108.5	89.6
<i>Climate-sensitive sectors, physical risk, proportion of total gross lending exposure, UBS Group AG consolidated gross (%)^{1,2}</i>	<i>13.8</i>	<i>12.8</i>
<i>Total exposure to climate-sensitive sectors, physical risk UBS AG (standalone)^{1,2,5}</i>	<i>64.4</i>	<i>65.0</i>
<i>Total exposure to climate-sensitive sectors, physical risk UBS Switzerland AG (standalone)^{1,2}</i>	<i>56.9</i>	<i>43.5</i>
<i>Total exposure to climate-sensitive sectors, physical risk UBS Europe SE (standalone)^{1,2}</i>	<i>0.0</i>	<i>0.0</i>
Exposure to climate-sensitive sectors, physical risk: Traded products, UBS Group AG consolidated ³	2.9	3.3
Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS Group AG consolidated ⁴	14.4	12.6
Carbon-related assets: UBS Group AG consolidated^{1,6}	76.1	76.5
<i>Carbon-related assets proportion of total gross lending exposure, UBS Group AG consolidated gross (%)^{1,6}</i>	<i>9.7</i>	<i>10.9</i>
<i>Carbon-related assets: UBS AG (standalone)^{1,6}</i>	<i>26.2</i>	<i>30.3</i>
<i>Carbon-related assets: UBS Switzerland AG (standalone)^{1,6}</i>	<i>51.6</i>	<i>46.6</i>
<i>Carbon-related assets: UBS Europe SE (standalone)^{1,6}</i>	<i>0.0</i>	<i>0.0</i>

¹ Gross lending exposure consists of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated and standalone information reported under IFRS Accounting Standards (inclusive of purchase price allocation adjustments recorded in UBS as a result of the acquisition of the Credit Suisse Group in compliance with IFRS 3, Business Combinations). ² Comparative figures have been revised following the development of the global real estate model. The revision applies to the exposure booked on the UBS platform only and not to the exposure on the legacy Credit Suisse platform. Consequently, the previously reported transition risk exposure has been revised as follows: UBS Group AG (consolidated) to USD 147.5bn from USD 120.3bn; UBS AG (standalone) to USD 36.2bn from USD 36.6bn; UBS Switzerland AG (standalone) to USD 103.5bn from USD 83bn; and UBS Europe SE (standalone) remained unchanged following the revision. The transition risk proportion of total gross lending exposure, UBS Group AG consolidated (%) was revised to 21% from 17.1%. In addition, the previously reported physical risk exposure has been revised as follows: UBS Group AG (consolidated) to USD 89.6bn from USD 68.9bn; UBS AG (standalone) to USD 65.0bn from USD 65.7bn; UBS Switzerland AG (standalone) to USD 43.5bn from USD 22.6bn; and UBS Europe SE (standalone) to USD 28.3m from USD 24.3m. The physical risk proportion of total gross lending exposure, UBS Group AG consolidated gross (%) was revised to 12.8% from 9.8%. ³ For traded products the metric is calculated using over-the-counter derivatives, exchange-traded derivatives and securities financing transactions, consisting of securities borrowing and lending, and repurchase and reverse repurchase agreements. ⁴ For issuer risk the metric is calculated based on high-quality liquid assets, debt securities, bonds and liquidity buffer securities. ⁵ Climate-driven sensitive exposure to physical risk for UBS AG (standalone) includes loans and advances to UBS subsidiaries that are classified as sensitive based on its sector and country of risk in the absence of asset-level data. These subsidiaries transact with third parties and the sensitivity of that exposure facing external counterparties is assessed and included in the banking products, traded products or issuer risk exposure metrics in the UBS Group disclosure. ⁶ Carbon-related assets are defined as concentrations of credit exposure to assets tied to the four non-financial sector groups as defined by the Task Force on Climate-related Financial Disclosures (the TCFD), using the Global Industry Classification Standard. These four groups are: (i) energy; (ii) transportation; (iii) materials and buildings; and (iv) agriculture, food and forest products. This metric is agnostic of risk rating.

Risk management and control

UBS has integrated climate risk considerations into its traditional risk management and control framework to ensure that material risks are systematically assessed, monitored and mitigated across traditional risk categories. This integration supports a consistent and forward-looking approach, aligned with regulatory expectations and international best practices.

Our approach is designed to support the ongoing management of climate-related risks as they manifest across traditional risk categories and has been built in line with principles outlined by the Basel Committee on Banking Supervision (the BCBS) and the Task Force on Climate-related Financial Disclosures (the TCFD). As FINMA has mandated financial institutions in categories 1 and 2 to implement material climate-related financial risks in their due diligence processes from 1 January 2026, at the latest, (Circular 2026/1 “Nature-related financial risks”, published by FINMA in December 2024), UBS has embedded the management of these risks within each traditional risk category. The following outlines how UBS manages climate-related risks within each risk category.

Credit risk

Credit risk refers to potential credit losses that may arise from climate-related risks (both transition and physical) materializing due to the impacts of a changing climate and the global shift toward a low-carbon economy. These risks can affect the financial position of UBS’s counterparties, for example when such impacts impair a borrower’s capacity to meet its financial obligations the likelihood of credit losses increases.

At the transaction level, proprietary climate risk rating methodologies and company-specific due diligence questions support the identification and assessment of climate-related risks in credit approvals and reviews. In 2025, integration efforts centered on lending to corporate clients. Targeted training equipped the first and second lines of defense with the tools and capabilities to incorporate climate-related risk into their credit assessments. Another important priority was embedding counterparty-level climate risk rating model outputs into strategic IT systems, facilitating seamless integration within the credit approval workflow.

At the portfolio level, an enhanced approach for concentration monitoring of collateral in climate-sensitive sectors has been introduced for Global Wealth Management and relevant parts of the Investment Bank. We are continuing to enhance and automate quarterly risk reporting to strengthen oversight and transparency.

Liquidity risk

Liquidity risk refers to the potential impact on liquidity adequacy driven by risks from the transition to a low-carbon economy and a changing physical climate. These risks represent an additional driver of liquidity risk and can influence our ability to raise funds, liquidate assets or respond to changes in clients' liquidity demands. Such impacts could lead to increased net cash outflows or depletion of our liquidity buffer.

Climate-related risk considerations have been integrated into UBS's liquidity management framework by introducing climate risk stress-testing and reporting, leveraging the heatmaps and counterparty-level climate risk rating models to assess potential impacts. The identification and integration of material climate-related risks into our liquidity risk management framework is an iterative process, reflecting the evolving nature of climate science, regulatory expectations and data availability. As methodologies mature and industry-wide data quality improves, UBS continues to enhance its approach through advanced analytics and scenario-based insights. Liquidity risk is further mitigated through the maintenance of robust high-quality liquid asset buffers, comprehensive stress-testing under diverse scenarios and access to diversified funding sources.

Business risk

Business risk may be affected by climate-related impacts, which can influence performance through several channels. These include potential reduction in net interest income, decreases in asset value and recurring fee income, and heightened market uncertainty that could lower deal flow and transaction-based fees. Such factors underscore the potential financial implications of climate change on our business model.

These risks are managed and mitigated through UBS's Group-wide sustainability and impact strategy, which aligns long-term commercial objectives with climate-related goals and regulatory expectations. This strategic alignment helps ensure that UBS remains resilient in the face of evolving sustainability challenges and market dynamics. Finally, climate-related risks, issues and opportunities and their impact on business and strategy are incorporated into the firm's financial planning process.

Non-financial risk

Non-financial risk, including reputational risk, can be influenced by climate-related risks. These may stem from inadequate or failed internal processes, systems or human error, or from external factors, such as physical climate events, stakeholder legal actions related to climate issues or concerns about our response to climate change and the transition to a low-carbon economy. Such risks can impact compliance, operational resilience and financial crime prevention, potentially resulting in significant non-financial consequences for UBS.

In line with the BCBS's principles, UBS has integrated climate-related risks into the non-financial risk framework. Environmental, social and governance (ESG) risks, including climate, are considered within UBS's Group-wide non-financial risk identification model. UBS is continuing to develop this framework in alignment with its commercial strategy and industry expectations, including the integration of ESG risks into the non-financial risk taxonomy and risk appetite statements. Additionally, UBS maintains a reputational risk framework with clearly defined roles and responsibilities, escalation requirements and review and approval authorities. Reputational risk (including sustainability-related reputational risks, such as greenwashing risk) is considered across all business activities, transactions and decisions.

- › Refer to "Integration of climate risk into the traditional risk management framework" in the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, for more information about the progress regarding our sustainability and climate risk framework in 2025

Risk reporting and disclosure

Sustainability and climate risk considerations are embedded in UBS's quarterly risk reporting cycles, facilitating transparent reporting across the firm, key legal entities and the business divisions. This process includes:

- transactions referred to the Sustainability and Climate Risk unit;
- climate-sensitive sector activities leveraging our proprietary climate risk heatmaps and rating models through an automated reporting process;
- financed emissions and emissions intensities and their utilization against defined risk tolerance thresholds at the Group, business division and sector levels; and
- regulatory monitoring on sustainability and climate risks.

UBS prepares annual external disclosures on sustainability and climate risks, in alignment with regulatory requirements including the recommendations of the TCFD.

- › Refer to the "Sustainability and climate risk policy framework" section of the Supplement to the UBS Group Sustainability Report 2025, available at ubs.com/sustainability-reporting for more information

¹ UBS's methodologies for assessing climate-driven transition and physical risks are emerging and may change over time. As the methodologies, tools and industry-wide data availability improve, we will further develop our risk identification and measurement approaches.

² The revised 2024 figures do not include the revision of legacy Credit Suisse exposure integrated into the target UBS platform during 2025.

Non-financial risk

Non-financial risk includes our main risk categories: compliance risk, financial crime risk, operational risk, legal risk and reputational risk. Compliance risk, financial crime risk and operational risk are independently overseen by Group Compliance and Operational Risk Control (GCORC) and are covered in this section. Legal and reputational risks can materialize across these three risk clusters, with legal risks overseen by Group Legal and reputational risk by control functions.

- › Refer to “Risk categories” in this section for more information about our main non-financial risk categories
- › Refer to “Top and emerging risks” in this section for more information about legal and reputational risk

Compliance risk

We are committed to achieving fair outcomes for our clients, upholding market integrity and cultivating the highest standards of employee conduct. To support these objectives, we maintain a Group-wide conduct risk framework designed to promote consistent standards and foster a strong culture of accountability.

We continue to prioritize areas such as suitability risk, market conduct, product governance, cross-divisional service offerings, quality of advice and price transparency. These remain key focus areas for UBS and the wider financial sector. Cross-border risk (including the risk of unintended permanent establishment) remains an area of regulatory attention for global financial institutions, including a focus on market access, such as third-country market access to the European Economic Area. We maintain a series of controls designed to address these risks.

Regulatory fragmentation related to environmental, social and governance topics, and the elevated risk of greenwashing arising from our service offering, disclosures and commitments remain key risks for 2026.

- › Refer to “Top and emerging risks” in this section for more information

Financial crime risk

Financial crime, including money laundering, terrorist financing, sanctions violations, fraud, bribery and corruption, presents a major risk, as technological innovation and geopolitical developments increase the complexity of doing business and heightened regulatory attention continues.

An effective financial crime prevention program therefore remains essential, and we continue to focus on enhancements to our global anti-money-laundering, know-your-client and sanctions programs. Money laundering and financial fraud techniques are becoming increasingly sophisticated, and heightened geopolitical volatility makes the sanctions landscape more complex. We continue to take into consideration the risks of illicit finance proceeds and sanctions circumvention typologies stemming from geopolitical developments, political changes in a number of countries and evolving armed conflicts.

- › Refer to “Top and emerging risks” in this section for more information

Operational risk

There is an increased risk of cyber-related operational disruption to business activities at our locations and those of third-party suppliers due to the increasingly dynamic threat environment. This is intensified by current geopolitical factors and evidenced by the continuing high volumes and increasing sophistication of cyberattacks against financial institutions globally and on third-party service providers. A notable example of this is a previously disclosed data breach at Chain IQ, one of our third-party suppliers. Our incident review has not identified any impact on UBS’s clients or systems, but the data breach included the exposure of certain non-sensitive UBS employee and vendor information.

We remain on heightened alert to respond to and mitigate elevated cyber- and information-security threats and continue to invest in improving our technology infrastructure and information-security governance to strengthen our prevention, detection and response capabilities against attacks. In addition, we operate a global framework designed to drive enhancements in operational resilience across all business divisions, and we work with the third-party service providers that are of critical importance to our operations to assess their operational resilience in line with our standards and to mitigate any identified risks.

UBS manages cyber and other risks associated with the use of third parties (including outsourcing) through policies such as the Third Party Risk Management (TPRM) Policy and the Global Procurement and Vendor Management Policy. These aim at managing third-party risk by appropriate risk controls and independent arrangements. UBS also transfers risk centrally, by means of insurance contracts, analyzing and securing insurance coverage that meets the Group’s global needs and complies with local requirements.

The increasing interest in data-driven advisory processes and the use of forms of artificial intelligence (AI), such as generative AI and machine learning, are introducing new questions related to the fairness of AI algorithms, data life-cycle management, data ethics, data privacy and security, and records management. We have established an AI framework and policy including risk appetite metrics and enhanced controls to support the mitigation of these risks.

Further progress has been made with client and data migration, and the wind-down of legacy Credit Suisse businesses and infrastructure. The risks relating to the operational complexity and the effective management of businesses in wind-down and application decommissioning continue to be carefully monitored, in addition to the delivery of consolidated financial and regulatory reporting submissions.

› Refer to “**Top and emerging risks**” in this section for more information

Non-financial risk framework

We follow a Group-wide non-financial risk framework that establishes requirements for identifying, controlling, managing, assessing and mitigating compliance risk, financial crime risk and operational risk to maintain the safety and soundness of the firm and to protect its financial position and reputation. The framework is built on the following pillars:

- classifying inherent risks through 19 non-financial risk taxonomies, which define the universe of non-financial risks that can arise as a consequence of our business activities and external factors;
- performing control assurance activities, including self-assessing the design and operating effectiveness of controls, first- and second-line-of-defense control reviews, and independent control testing;
- defining the non-financial risk appetite (including relevant indicators for each non-financial risk taxonomy) and assessing risk exposure against appetite;
- assessing inherent and residual risk through risk assessment processes and determining whether additional remediation plans are required to address identified deficiencies; and
- reporting transparently and objectively on non-financial risks.

Divisional Presidents are accountable for the effectiveness of non-financial risk management and for the robustness of the front-to-back control environment within their business divisions, and legal-entity-responsible executives are in charge of non-financial risk management within their legal entities. Group function heads are accountable for supporting the divisional Presidents and legal-entity-responsible executives of our legal entities in the discharge of this responsibility, by ensuring completeness and effectiveness of the control environment and non-financial risk management within their Group functions. Collectively, divisional Presidents, central Group function heads and legal-entity-responsible executives are in charge of implementing the non-financial risk framework.

GCORC owns the firm’s non-financial risk framework and is responsible for providing an independent and objective view of the adequacy of non-financial risk management across the Group and ensuring that compliance risk, financial crime risk and operational risk are understood, owned and managed in accordance with our risk appetite. Business- or function-aligned Compliance and Operational Risk Control teams are embedded within the GCORC function, reporting to the Group Chief Compliance and Operational Risk Control Officer, a member of the Group Executive Board (the GEB).

All functions within UBS are required to periodically assess the design and operating effectiveness of key internal non-financial risk controls. Key control deficiencies identified during the internal control and risk assessment processes must be reported in the non-financial risk inventory, and sustainable remediation must be defined and executed. These control deficiencies are assigned to owners at senior management level and the remediation progress is reflected in the respective managers’ annual performance measurement and objectives. To assist with prioritizing the most material control deficiencies and measuring aggregated risk exposure, irrespective of origin, a common rating methodology is applied across all three lines of defense, as well as by external audit.

UBS is committed to transparent reporting of non-financial risks, providing clear and reliable information to support decision-making by executive management and the board of directors. Key reports cover the Group and risk-taking business divisions and significant group entities, with strong data governance standards ensuring high-quality, timely, and comprehensive reporting.

The non-financial risk framework forms the common basis for managing and assessing compliance risk, financial crime risk and operational risk, and there are additional GCORC activities intended to demonstrate compliance with applicable laws, rules and regulations. Furthermore, non-financial risk mitigation is supported by a comprehensive set of policies and procedures (including risk culture, risk appetite and outsourcing) that are governed under our global governance document framework.

› Refer to “**Risk appetite framework**” in this section for more information about risk appetite and risk culture

› Refer to “**Operational risk**” in this section for more information about outsourcing

Reputational risk management

Our reputation is ultimately defined by our ability to adhere to the three keys: our *Pillars*, *Principles* and *Behaviors*. In accordance with our Code of Conduct and Ethics, it is the responsibility of the Board of Directors (the BoD) and each employee to refrain from any conduct which may pose a risk to our reputation.

› Refer to “**Employees**” in the “**Our stakeholders**” section of this report for more information about our Pillars, Principles and Behaviors

› Refer to the **Code of Conduct and Ethics of UBS**, available at ubs.com/code, for more information

All employees are responsible for carefully evaluating the risk to UBS’s own reputation that may result from any business activities. Reputational risk is considered as part of standard risk identification and assessment processes governed by relevant frameworks relating to new and existing clients, transactions, products and services. The business divisions and Group functions have primary responsibility for identifying, assessing and managing reputational risk.

Cybersecurity and information security

Risk management and strategy

Cybersecurity and information-security (CIS) risk is the risk that a malicious internal or external act, a failure of technology, or human error materially compromises the confidentiality, integrity or availability of UBS's data, systems or services.

CIS risk is a key operational risk for UBS and is managed within our enterprise risk management framework. We apply a layered defense model, spanning prevention, detection, response and recovery, supported by our global Cybersecurity Operations Centers, advanced technology and independent oversight. Our approach integrates governance, risk assessment, controls testing, incident management and continuous training of our workforce (i.e. our internal employees and external staff) to strengthen our ability to manage the assets of clients and of the firm.

› Refer to "Risk governance" in this section for information about our risk governance framework

Governance

In line with our overall non-financial risk management framework, we take a cross-functional approach to addressing CIS risk. Our risk control framework follows the three-lines-of-defense model. Group Technology establishes the policies and procedures designed to safeguard our information systems and the information those systems collect and process. The business divisions, together with Group Technology, are then responsible for implementing those policies and procedures as part of the first line of defense. GCORC leads the second line of defense, by convening and consulting with additional control functions to provide independent oversight, and challenges the first line's CIS framework and implementation. As the third line of defense, Group Internal Audit conducts independent reviews and validates the first-line and second-line processes and functions.

The Cyber and Information Security Committee (the CIS-C) is the primary decision-making body with oversight of and accountability for the Group-wide CIS program. The CIS-C is jointly chaired by the Group Chief Operating Officer (the Group COO) and the Group Chief Compliance and Operational Risk Control Officer. The Group Chief Information Security Officer (the Group CISO), who reports to both the Group COO and the Group Chief Compliance and Operational Risk Control Officer, is a permanent member of the CIS-C. The committee meets monthly and serves as a platform for interaction across the three lines of defense for the identification and effective governance of CIS strategy, risks and regulatory obligations. The CIS-C governance structure helps streamline decision-making and, where necessary, escalation to the BoD and the GEB.

CIS program

Our CIS program is led by the Group CISO. The CIS program is designed to protect and maintain the integrity and availability of our technology infrastructure and the confidentiality and integrity of our information. It is aligned to an industry standard framework established by the Cyber Risk Institute across seven functional domains: govern, identify, protect, detect, respond, recover and extend. This framework provides a comprehensive model for financial institutions to assess, manage and mature their cyber-risk posture, connecting controls to compliance and operational needs.

Our Group CISO, senior management within Group Technology and management personnel overseeing the CIS program all have substantial relevant expertise in the areas of cybersecurity and information security. Our CIS program includes, but is not limited to, the following capabilities.

- *Threat intelligence:* We systematically gather threat information and monitor threat alerts from external sources. Our cyber-threat intelligence team analyzes such information and uses it to enhance existing defense capabilities, to respond to identified threats and to adjust our CIS strategy where needed. The team's remit includes providing research, analysis and advice on CIS risks associated with emerging technologies, including AI. This threat intelligence capability was strengthened in 2025 with the formation of a cross-function Geopolitical Risk Intelligence Forum and the introduction of an AI-led horizon scanning capability.
- *Preventative and detection controls:* We use layered firm-wide controls that are designed to prevent and detect cyberattacks. Defenses include system hardening, firewalls, intrusion prevention and detection systems, and other controls. External network connections are identified and recorded in an inventory. Access rights are defined for information assets, and IT systems and applications enforce authentication. We maintain access controls and approval processes designed to prevent unauthorized access.
- *Cyber-defense and incident response capabilities:* The Cybersecurity Operations Centers are responsible for providing 24/7 real-time monitoring, detection and response capabilities for cyberattacks and acting as the primary interface for cybersecurity events. Incidents assessed as having the potential to adversely affect our critical operations are subject to mandatory management notification. If assessed as potentially significant, cybersecurity and data incidents are managed under our crisis management framework.
- *Third-party risk:* Vulnerabilities in the cyber-risk environment of third parties represent a particular threat to our CIS program and our ability to maintain our business services. We follow a risk-based approach to assess and mitigate CIS risks related to third parties. Third-party services and processes are monitored and checked on an ongoing basis, with appropriate supervision from the CIS-C. This is a key component of our third-party risk management program, notwithstanding the challenges we face in imposing the same levels of protection to the systems and data of third parties that we rely on ourselves.

- *Monitoring and testing:* Effective incident response and problem management processes are complemented by vulnerability assessments, penetration and testing engagements based on specific threat scenarios that simulate tactics, techniques and procedures that might be used against our systems, as mandated by our policies. This includes testing by internal and external red teams (simulating attacks by potential adversaries). Actual security-related events are directly correlated with threat scenarios to monitor and detect potential threats, such as network-intrusion and malware-driven events. Our deployed security measures are designed with the objective of isolating and containing threats that are detected to allow for effective incident response and analysis.
- *Education and training:* All UBS staff, including our external personnel, receive appropriate CIS awareness training, commensurate with their roles and responsibilities.

CIS assessment framework

Our CIS assessment framework includes internal and external cybersecurity risk assessments for applications and bank processes alongside a structured risk assessment process of third-party service providers. These processes are designed, along with our security capabilities, to support business objectives and priorities.

We conduct assessments to evaluate and test our CIS program and provide guidance on operating and improving the program, including the design and operational effectiveness of the security and resiliency of our information systems. Our assessments, along with our threat intelligence capabilities, are used to assess and prioritize programs to improve our security, our incident response capabilities and our operational resilience. As the cyber-threat landscape evolves at an increasing pace, we continuously seek to enhance our CIS controls to meet developing threats. We have ongoing programs that are intended to increase our CIS maturity across various dimensions, including governance, identification, protection and detection, as well as cyberattack response and recovery, and risk from third-party service providers.

We recognize that in today's world it is not feasible to completely eliminate the risk of a future cyberattack, but, by using a risk-based approach, we work toward reducing the likelihood of a successful attack and toward mitigation of the potential business impact of such an attack.

The BoD, its Risk Committee and the GEB receive regular updates and reports throughout the year from our Group COO and our Group CISO on internal and external CIS developments, threats and risks. In addition, on a quarterly basis, the BoD receives reports on the performance of CIS risk appetite metrics, including metrics on vulnerabilities and third-party CIS risks and incidents, and is notified promptly if a BoD-level CIS risk limit is breached. The Risk Committee of the BoD and the GEB also receive regular updates on CIS strategy, risks and alignment with regulatory requirements.

Operational resilience and incident response

Our business continuity and resilience framework is designed to limit the disruption a potential CIS event may cause to our business activities. In accordance with the firm's cyber-incident response framework, the CIS-C, including the incident response team, tracks, documents, responds to and analyzes CIS threats and incidents, including those experienced by the firm's third-party service providers that may impact the firm. Additionally, we maintain established procedures for responding to, and escalating, CIS and other system availability incidents. These are regularly practiced, including tabletop exercises, at all levels of seniority.

Our Group Cyber Contingency Plan includes cyber event playbooks and escalation procedures designed to support a structured assessment of potential incidents and timely escalation and reporting of incidents based on the assessed potential impact. Incidents assessed to have the potential to adversely affect our critical operations are subject to mandatory management notification. If assessed as potentially significant, cybersecurity and data incidents are managed under our crisis management framework, which provides pre-established cross-functional task forces to manage the incident, with escalation frameworks to inform and ensure oversight by the GEB and the BoD.

- › Refer to "Crisis management framework" in the "Regulation and supervision" section of this report for more information about our crisis management framework

Non-financial risk capital measurement

The non-financial risk framework underpins the calculation of regulatory capital for operational risk, which enables us to quantify non-financial risks and define effective risk-mitigating management incentives as part of the related operational risk capital allocation approach to the business divisions.

The advanced measurement approach (AMA), previously utilized to determine regulatory capital requirements for non-financial risks, was replaced by the standardized approach for determining regulatory capital on 1 January 2025, based on the final Basel Committee on Banking Supervision (BCBS) Basel III standards and related FINMA guidance. In line with the implemented standards, we continue to update annually the related regulatory capital. Revenue data and information on non-financial risk events are sourced from our financial accounting and risk systems.

- › Refer to "Risk-weighted assets" in the "Capital management" section of this report for more information about the capital impacts from the adoption of the final Basel III standards on 1 January 2025

Model risk

Main sources of model risk

We rely on models to inform risk management and control decisions, to measure risks or exposures, to value instruments or positions, to conduct stress testing, to assess adequacy of capital, and to manage clients' assets and our own assets. Models may also be used to measure and monitor compliance with rules and regulations, for surveillance activities, and to meet financial or regulatory reporting requirements. Our artificial intelligence (AI)-based solutions may rely on models, and models may include functionalities defined as AI.

Model risk is defined as the risk of adverse consequences (e.g. financial losses or reputational damage) resulting from incorrect or misused models. AI-specific risks are managed in conjunction with other relevant risk frameworks, and specific guidelines for the recognition of those risks apply.

Overview of measurement, monitoring and management techniques

Our model governance framework establishes requirements for identifying, measuring, monitoring, reporting, controlling and mitigating model risk. All the models that we use are subject to governance and controls throughout their life cycles, with rigor, depth and frequency determined by the model's materiality and complexity. This is designed to ensure that risks arising from model use are identified, understood, managed, monitored, controlled and reported on both a model-specific and an aggregated level. Before approval for use is granted, models are independently validated.

Once approved for use, a model is subject to ongoing model monitoring, regular model confirmation and periodic revalidation, ensuring that the model is only used if it continues to be fit for purpose.

Our model risk governance framework follows our overarching risk governance framework along the three lines of defense, with: (i) the business divisions and Group functions (including Risk Control, Finance and Compliance) responsible for the development, maintenance and appropriate use of the models; (ii) the Model Risk Management and Control function, headed by the Chief Model Risk Officer, responsible for independent review, oversight and challenge of the models; and (iii) Group Internal Audit, responsible for the assessment of the design and operating effectiveness and sustainability of the related processes.

Model risk is included in the Group-wide risk appetite framework.

Model oversight committees and forums ensure that model risk is overseen at different levels of the organization, appropriate model risk management and control actions are taken and, where necessary, escalated to the next level. The Group Model Governance Committee is our most senior oversight and escalation body for all models in scope of our model governance framework. It is co-chaired by the Group Chief Risk Officer and the Group CFO and is responsible for: (i) reviewing and approving changes to the framework; (ii) approving the model risk appetite statement; (iii) overseeing adherence to the UBS model risk governance framework; and (iv) monitoring model risk at a Group-wide level.

The legacy Credit Suisse models were either retired or integrated into the UBS model risk management framework in 2025.

Capital management

Capital management objectives, planning and activities

Capital management objectives

Audited I An adequate level of common equity tier 1 (CET1) capital and total loss-absorbing capacity (TLAC) meeting both internal assessment and regulatory requirements is a prerequisite for conducting our business activities. ▲

We are therefore committed to maintaining a strong CET1 capital and TLAC position at all times, in line with our target capital ratios, in order to ensure compliance with regulatory capital requirements and to support the growth of our businesses.

As of 31 December 2025, our CET1 capital ratio was 14.4% and our CET1 leverage ratio 4.4%, each above the requirements for Swiss systemically relevant banks (SRBs) and Basel Committee on Banking Supervision (BCBS) requirements and also above our capital guidance. We believe that our capital strength, consistent with our capital guidance, is a source of confidence for our stakeholders, contributes to our sound credit ratings and is one of the foundations of our success.

In Switzerland, the amendments to the Capital Adequacy Ordinance (the CAO) that incorporate the final Basel III standards into Swiss law, including the new ordinances containing the implementing provisions for the revised CAO, entered into force on 1 January 2025.

- › Refer to the “Our strategy” and “Targets, capital guidance and ambitions” sections of this report for more information about our capital and resource guidelines
- › Refer to “We may be unable to maintain our capital strength” in the “Risk factors” section of this report for more information about capital-ratio-related risks
- › Refer to “Developments related to the implementation of the final Basel III standards” in the “Regulatory and legal developments” section of this report for more information about the incorporation of final Basel III standards
- › Refer to “Risk-weighted assets” and “Leverage ratio denominator” in this section for more information about the impacts resulting from the adoption of the final Basel III standards on risk-weighted assets (RWA) and the leverage ratio denominator (the LRD), respectively

Capital planning and activities

Audited I We manage our balance sheet, RWA, LRD and TLAC ratio levels based on our regulatory requirements, within our internal limits and targets, and our externally provided guidance. ▲

Our strategic focus is on achieving an optimal attribution and use of financial resources between our business divisions and Group functions, as well as between our legal entities, while remaining within the limits defined for the Group and allocated to the business divisions by the Board of Directors (the BoD).

Audited I These resource allocations are based on our business plans and earnings projections, which are reflected in our capital plans. The equity double leverage ratio at the UBS Group AG standalone level (calculated as investments in subsidiaries divided by total equity) is a key consideration when planning for distributions from UBS AG to UBS Group AG and from UBS Group AG to its shareholders.

The annual strategic planning process includes a capital planning component that is key in defining our target capital levels and returns. The capital planning component is based on an attribution of Group RWA and LRD capacity to the business divisions and Group Items.

Limits and targets are established at the Group and business-division levels and are approved by the BoD at least annually. In the target-setting process, we take into account, among other factors, the current and potential future TLAC requirements, our aggregate risk exposure in terms of the combined stress test (the CST) and the effect of expected accounting policy changes. ▲

Monitoring is based on these internal limits and targets and provides indications if any changes are required. Any breach of limits in place triggers a series of remediating actions.

Group Treasury plans for and monitors consolidated TLAC information on an ongoing basis, reflecting business and legal entity requirements, as well as regulatory developments in capital regulations. In addition, capital planning and monitoring are performed at the legal entity level for our significant subsidiaries and sub-groups that are subject to prudential supervision and must meet capital and other supervisory requirements.

- › Refer to “Capital and capital ratios of our significant regulated subsidiaries” in this section for more information

Swiss SRB total loss-absorbing capacity framework

The disclosures in this section are provided for UBS Group AG on a consolidated basis and focus on key developments during the reporting period and information in accordance with the Basel III framework, as applicable to Swiss SRBs.

Additional regulatory disclosures for UBS Group AG on a consolidated basis are provided in our 31 December 2025 Pillar 3 Report. The Pillar 3 Report also includes information relating to our significant regulated subsidiaries and sub-groups (UBS AG consolidated, UBS AG standalone, UBS Switzerland AG standalone, UBS Europe SE consolidated, UBS Americas Holding LLC consolidated and Credit Suisse International standalone) as of 31 December 2025 and is available under "Pillar 3 disclosures" at ubs.com/investors.

Capital and other regulatory information for UBS AG consolidated in accordance with the Basel III framework, as applicable to Swiss SRBs, is provided in the UBS AG Annual Report 2025, available under "Annual reporting" at ubs.com/investors.

Regulatory framework

The Basel III framework came into effect in Switzerland on 1 January 2013 and is embedded in the CAO. The CAO also includes the too-big-to-fail (TBTf) provisions applicable to Swiss SRBs.

Under the Swiss SRB framework, going and gone concern requirements represent the Group's TLAC requirement. RWA calculations are based on the applicable rules and models approved by the Swiss Financial Market Supervisory Authority (FINMA) for the respective legal entities.

Capital and other instruments contributing to our total loss-absorbing capacity

CET1 capital mainly consists of share capital, share premium and retained earnings. In addition to CET1 capital, the following instruments contribute to our TLAC:

- loss-absorbing additional tier 1 (AT1) capital instruments (high trigger), including Deferred Contingent Capital Plan (DCCP) awards;
- 45% of unrealized gains from financial assets measured at fair value through other comprehensive income (such gains can be recognized as tier 2 capital); and
- TLAC-eligible senior unsecured debt instruments.

Under the Swiss SRB rules, going concern capital includes CET1 capital and high-trigger loss-absorbing AT1 capital instruments.

Outstanding TLAC-eligible senior unsecured debt instruments are eligible to meet gone concern requirements until one year before maturity. A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years (i.e. are in the last year of eligibility). However, once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital.

- › Refer to the "Compensation" section of this report for more information about the DCCP awards
- › Refer to "Bondholder information", available at ubs.com/investors, for more information about the eligibility of capital and senior unsecured debt instruments and key features and terms and conditions of capital instruments

Total loss-absorbing capacity and leverage ratio requirements

Going concern capital requirements

Under the Swiss SRB requirements, total going concern minimum requirements for all Swiss SRBs are a capital ratio requirement of 12.86% of RWA and a leverage ratio requirement of 4.5%. In addition to these minimum requirements, an add-on reflecting the degree of systemic importance is applied, based on market share and LRD. The applicable market share and LRD add-on requirements for UBS were both unchanged at 0.72% of RWA and 0.25% of LRD, resulting in add-ons of 1.44% of RWA and 0.50% of LRD. As a result of the acquisition of the Credit Suisse Group in 2023, the capital add-ons applicable to UBS SRBs based on market share and LRD for UBS Group AG consolidated will increase commensurate with the Group's increased market share and higher LRD after the acquisition. Based on the existing regulations, we currently estimate that this will add around USD 6bn to the Group's tier 1 capital requirement, when fully phased in.

The phase-in of the increased capital requirements commenced on 1 January 2026 and will be completed by 1 January 2030. Phase-in requirements are composed of the existing add-ons and the phased-in increases, resulting in phase-in add-ons as of 1 January 2026 for RWA-based requirements of 0.86% for increased market share and 0.79% for higher LRD and add-ons for LRD-based requirements of 0.30% for increased market share and 0.28% for higher LRD.

The Swiss countercyclical capital buffer, at a maximum level of 2.5% on risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland, increased our minimum CET1 capital requirement by 38 basis points as of 31 December 2025. We also continued to apply countercyclical buffer requirements introduced in other BCBS member jurisdictions, which resulted in an additional buffer requirement of 11 basis points as of 31 December 2025. Overall, countercyclical capital buffers contributed 49 basis points to our minimum CET1 capital requirement as of 31 December 2025.

Effective 1 January 2025, a Pillar 2 capital add-on has been introduced for residual exposures (after collateral mitigation) to hedge funds, private equity and family offices. This resulted in an increase of 20 basis points in the RWA-based going concern capital requirement as of 31 December 2025.

The total going concern capital requirements applicable are 14.99% of RWA (including countercyclical buffer requirements and the Pillar 2 add-on) and 5.00% of the LRD. Furthermore, of the total going concern capital requirement of 14.99% of RWA, at least 10.63% must be met with CET1 capital, while a maximum of 4.36% can be met with high-trigger loss-absorbing AT1 capital instruments.

Similarly, of the total going concern leverage ratio requirement of 5.00%, at least 3.50% must be met with CET1 capital, while a maximum of 1.50% can be met with high-trigger loss-absorbing AT1 capital instruments.

Gone concern loss-absorbing capacity requirements

As an internationally active Swiss SRB, UBS is also subject to gone concern loss-absorbing capacity requirements. The gone concern requirements also include add-ons for market share and LRD.

Systemically important banks (SIBs), such as UBS, are subject to base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements and the Pillar 2 add-on). In addition, FINMA has the authority to impose a surcharge of up to 25% of the total going concern capital requirements (excluding countercyclical buffer requirements and the Pillar 2 add-on) based on obstacles to an SIB's resolvability identified in future resolvability assessments. Our total gone concern requirements remained substantially unchanged in 2025.

Our gone concern requirements can be reduced when higher-quality capital instruments (CET1 capital, low-trigger loss-absorbing AT1 or certain low-trigger tier 2 capital instruments) are used to meet gone concern requirements. As of 31 December 2025, UBS did not use any higher-quality capital instruments to fulfill gone concern requirements.

The gone concern requirement after the potential reduction for the use of higher-quality capital instruments has been floored at 10.0% and 3.75% for the RWA- and LRD-based requirements, respectively.

In this report, we refer to the RWA-based gone concern requirements as gone concern loss-absorbing capacity requirements and the RWA-based gone concern ratio is referred to as the gone concern loss-absorbing capacity ratio.

The table below provides the RWA- and LRD-based requirements and information as of 31 December 2025.

Swiss SRB going and gone concern requirements and information

As of 31.12.25	RWA		LRD	
USD m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	14.99 ¹	73,955	5.00 ¹	81,122
Common equity tier 1 capital	10.63 ²	52,448	3.50 ³	56,785
of which: minimum capital	4.50	22,203	1.50	24,337
of which: buffer capital	5.50	27,137	2.00	32,449
of which: countercyclical buffer	0.49	2,433		
Maximum additional tier 1 capital	4.36 ²	21,507	1.50	24,337
of which: additional tier 1 capital	3.50	17,269	1.50	24,337
of which: additional tier 1 buffer capital	0.80	3,947		
Eligible going concern capital				
Total going concern capital	18.48	91,176	5.62	91,176
Common equity tier 1 capital	14.44	71,262	4.39	71,262
Total loss-absorbing additional tier 1 capital	4.04	19,914	1.23	19,914
of which: high-trigger loss-absorbing additional tier 1 capital	4.04	19,914	1.23	19,914
Required gone concern capital				
Total gone concern loss-absorbing capacity ^{4,5,6}	10.73 ⁷	52,917	3.75 ⁷	60,841
of which: base requirement including add-ons for market share and LRD	10.73	52,917	3.75	60,841
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	19.48	96,130	5.93	96,130
Total tier 2 capital ⁸	0.01	25	0.00	25
of which: non-Basel III-compliant tier 2 capital	0.00	0	0.00	0
TLAC-eligible senior unsecured debt	19.48	96,105	5.92	96,105
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.71	126,872	8.75	141,963
Eligible total loss-absorbing capacity	37.96	187,307	11.54	187,307
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		493,397		
Leverage ratio denominator				1,622,438

¹ Includes applicable add-ons of 1.64% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD), of which 20 basis points for RWA reflect a Pillar 2 capital add-on for the residual exposure (after collateral mitigation) to hedge funds, private equity and family offices, effective 1 January 2025. ² Includes the Pillar 2 add-on for the residual exposure (after collateral mitigation) to hedge funds, private equity and family offices of 0.14% for CET1 capital and 0.06% for AT1 capital, effective 1 January 2025. For AT1 capital under Pillar 1 requirements a maximum of 4.3% of AT1 capital can be used to meet going concern requirements; 4.36% includes the aforementioned Pillar 2 capital add-on. ³ Our CET1 leverage ratio requirement of 3.50% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.25% LRD add-on requirement and a 0.25% market share add-on requirement based on our Swiss credit business. ⁴ A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. ⁵ Systemically important banks (SIBs) are subject to base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements and the Pillar 2 add-on). ⁶ The Swiss Financial Market Supervisory Authority (FINMA) has the authority to impose a surcharge of up to 25% of the total going concern capital requirements (excluding countercyclical buffer requirements and the Pillar 2 add-on) should obstacles to an SIB's resolvability be identified in future resolvability assessments. ⁷ Includes applicable add-ons of 1.08% for RWA and 0.38% for LRD. ⁸ Reflects an add-back of 45% of unrealized gains from financial assets measured at fair value through other comprehensive income. Such gains do not qualify as CET1 capital but 45% of these gains can be recognized as tier 2 capital.

Total loss-absorbing capacity

Swiss SRB going and gone concern information

<i>USD m, except where indicated</i>	31.12.25	31.12.24
Eligible going concern capital		
Total going concern capital	91,176	87,739
Total tier 1 capital	91,176	87,739
Common equity tier 1 capital	71,262	71,367
Total loss-absorbing additional tier 1 capital	19,914	16,372
of which: high-trigger loss-absorbing additional tier 1 capital	19,914	15,126
of which: low-trigger loss-absorbing additional tier 1 capital		1,245
Eligible gone concern capital		
Total gone concern loss-absorbing capacity	96,130	97,655
Total tier 2 capital	25 ¹	207
of which: non-Basel III-compliant tier 2 capital	0	207
TLAC-eligible senior unsecured debt	96,105	97,449
Total loss-absorbing capacity		
Total loss-absorbing capacity	187,307	185,394
Risk-weighted assets / leverage ratio denominator		
Risk-weighted assets	493,397	498,538
Leverage ratio denominator	1,622,438	1,519,477
Capital and loss-absorbing capacity ratios (%)		
Going concern capital ratio	18.5	17.6
of which: common equity tier 1 capital ratio	14.4	14.3
Gone concern loss-absorbing capacity ratio	19.5	19.6
Total loss-absorbing capacity ratio	38.0	37.2
Leverage ratios (%)		
Going concern leverage ratio	5.6	5.8
of which: common equity tier 1 leverage ratio	4.4	4.7
Gone concern leverage ratio	5.9	6.4
Total loss-absorbing capacity leverage ratio	11.5	12.2

¹ Reflects an add-back of 45% of unrealized gains from financial assets measured at fair value through other comprehensive income. Such gains do not qualify as CET1 capital but 45% of these gains can be recognized as tier 2 capital.

Audited I

Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital

<i>USD m</i>	31.12.25	31.12.24
Total equity under IFRS Accounting Standards	90,484	85,574
Equity attributable to non-controlling interests	(271)	(494)
Defined benefit plans, net of tax	(957)	(833)
Deferred tax assets recognized for tax loss carry-forwards	(2,434)	(2,288)
Deferred tax assets for unused tax credits	(827)	(688)
Deferred tax assets on temporary differences, excess over threshold	(1,242)	(803)
Goodwill, net of tax ¹	(5,787)	(5,702)
Intangible assets, net of tax	(683)	(702)
Compensation-related components (not recognized in net profit)	(2,441)	(2,800)
Expected losses on advanced internal ratings-based portfolio less provisions	(876)	(568)
Unrealized (gains) / losses from cash flow hedges, net of tax	1,339	2,585
Own credit related to (gains) / losses on financial liabilities measured at fair value that existed at the balance sheet date, net of tax	1,660	1,178
Own credit related to (gains) / losses on derivative financial instruments that existed at the balance sheet date	(65)	(62)
Prudential valuation adjustments	(148)	(167)
Accruals for dividends to shareholders for 2024		(2,835)
Accruals for proposed dividends to shareholders for 2025	(3,449)	
Capital reserve for expected future share repurchases in 2026	(3,000)	
Other	(40)	(25)
Total common equity tier 1 capital	71,262	71,367

¹ Includes goodwill related to significant investments in financial institutions of USD 34m as of 31 December 2025 (31 December 2024: USD 19m) presented on the balance sheet line Investments in associates.



Total loss-absorbing capacity and movement

Our TLAC increased by USD 1.9bn to USD 187.3bn as of 31 December 2025.

Going concern capital and movement

Audited I Our CET1 capital mainly consists of: share capital; share premium, which primarily consists of additional paid-in capital related to shares issued; and retained earnings. A detailed reconciliation of equity under IFRS Accounting Standards to CET1 capital is provided in the "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" table.

Our CET1 capital decreased by USD 0.1bn to USD 71.3bn as of 31 December 2025, mainly as operating profit before tax of USD 8.9bn and foreign currency translation gains of USD 3.1bn were more than offset by dividend accruals of USD 3.4bn, share repurchases of USD 3.0bn under our 2024 and 2025 share repurchase programs, the recognition of a new capital reserve of USD 3.0bn for expected future share repurchases in 2026, current tax expenses of USD 1.4bn, and negative effects from compensation- and own-share-related capital components of USD 0.7bn and other items of USD 0.5bn.

› **Refer to the “UBS shares” section of this report for more information about our share repurchase programs**

Our loss-absorbing AT1 capital increased by USD 3.5bn to USD 19.9bn, mainly reflecting new issuances of AT1 capital instruments of USD 5.8bn and positive impacts from interest rate risk hedge, foreign currency translation and other effects, partly offset by a call of USD 3.2bn equivalent of AT1 capital instruments. ▲

Following the approval of a maximum amount of conversion capital by UBS Group AG’s shareholders at the 2024 Annual General Meeting, AT1 capital instruments issued from the beginning of the fourth quarter of 2023 are, upon the occurrence of a trigger event or a viability event, subject to conversion into UBS Group AG ordinary shares rather than a write-down. AT1 capital instruments issued prior to the fourth quarter of 2023 remain subject to a write-down.

› **Refer to “Conversion capital” in the “Corporate governance” section of this report for more information about conversion capital**

Gone concern loss-absorbing capacity and movement

Audited | Our total gone concern loss-absorbing capacity decreased by USD 1.5bn to USD 96.1bn as of 31 December 2025 and largely reflected USD 96.1bn of TLAC-eligible senior unsecured debt. ▲

The decrease of USD 1.5bn mainly reflected the redemption of USD 14.0bn equivalent of TLAC-eligible senior unsecured debt instruments and USD 5.8bn TLAC-eligible senior unsecured debt instruments that we repurchased in November 2025 under tender offers, as well as USD 5.5bn equivalent of TLAC-eligible senior unsecured debt instruments and USD 0.2bn of tier 2 instruments ceasing to be eligible as gone concern capital as they entered the final year before maturity. The aforementioned decreases were largely offset by new issuances of TLAC-eligible senior unsecured debt instruments totaling the equivalent of USD 17.8bn and positive impacts from interest rate risk hedge, foreign currency translation and other effects.

Loss-absorbing capacity and leverage ratios

Our CET1 capital ratio increased to 14.4% from 14.3%, predominantly due to a USD 5.1bn decrease in RWA.

› **Refer to “Risk-weighted assets” in this section for more information about RWA movements**

Our CET1 leverage ratio decreased to 4.4% from 4.7%, due to a USD 103.0bn increase in the LRD and the aforementioned decrease in CET1 capital.

› **Refer to “Leverage ratio denominator” in this section for more information about LRD movements**

Our going concern capital ratio increased to 18.5% from 17.6%, reflecting a USD 3.4bn increase in going concern capital and the aforementioned decrease in RWA.

Our going concern leverage ratio decreased to 5.6% from 5.8%, reflecting the aforementioned increase in the LRD, partly offset by the aforementioned increase in going concern capital.

Our gone concern loss-absorbing capacity ratio decreased to 19.5% from 19.6%, reflecting a USD 1.5bn decrease in gone concern loss-absorbing capacity, partly offset by the aforementioned decrease in RWA.

Our gone concern leverage ratio decreased to 5.9% from 6.4%, driven by the aforementioned increase in the LRD and the aforementioned decrease in gone concern loss-absorbing capacity.

Swiss SRB total loss-absorbing capacity movement

USD m

Going concern capital	Swiss SRB
Common equity tier 1 capital as of 31.12.24	71,367
Operating profit / (loss) before tax	8,853
Current tax (expense) / benefit	(1,438)
Foreign currency translation effects, before tax	3,070
Accruals for proposed dividends to shareholders for 2025	(3,449)
Share repurchase program	(3,000)
Capital reserve for expected future share repurchases in 2026	(3,000)
Compensation- and own-share-related capital components	(687)
Other	(454)
Common equity tier 1 capital as of 31.12.25	71,262
Loss-absorbing additional tier 1 capital as of 31.12.24	16,372
Issuance of high-trigger loss-absorbing additional tier 1 capital	5,827
Call of high-trigger loss-absorbing additional tier 1 capital	(1,921)
Call of low-trigger loss-absorbing additional tier 1 capital	(1,250)
Interest rate risk hedge, foreign currency translation and other effects	887
Loss-absorbing additional tier 1 capital as of 31.12.25	19,914
Total going concern capital as of 31.12.24	87,739
Total going concern capital as of 31.12.25	91,176

Gone concern loss-absorbing capacity

Tier 2 capital as of 31.12.24	207
Debt no longer eligible as gone concern loss-absorbing capacity due to residual tenor falling to below one year	(203)
Interest rate risk hedge, foreign currency translation and other effects	21
Tier 2 capital as of 31.12.25	25
TLAC-eligible unsecured debt as of 31.12.24	97,449
Issuance of TLAC-eligible senior unsecured debt	17,816
Call of TLAC-eligible senior unsecured debt ¹	(13,988)
Instruments repurchased under the tender offers	(5,824)
Debt no longer eligible as gone concern loss-absorbing capacity due to residual tenor falling to below one year	(5,525)
Interest rate risk hedge, foreign currency translation and other effects	6,177
TLAC-eligible unsecured debt as of 31.12.25	96,105
Total gone concern loss-absorbing capacity as of 31.12.24	97,655
Total gone concern loss-absorbing capacity as of 31.12.25	96,130

Total loss-absorbing capacity

Total loss-absorbing capacity as of 31.12.24	185,394
Total loss-absorbing capacity as of 31.12.25	187,307

¹ Includes one debt instrument (ISIN US902613AU26) that ceased to be eligible as gone concern capital when we issued a notice of redemption of the instrument in the fourth quarter of 2025.

Additional information

Active management of sensitivity to foreign exchange movements

Group Treasury is mandated to minimize adverse effects from changes in foreign currency rates on our CET1 capital and / or CET1 capital ratio. A significant portion of our CET1 capital and RWA is denominated in Swiss francs, euro, pounds sterling and other currencies. In order to hedge the CET1 capital ratio, CET1 capital needs to have foreign currency exposure, leading to foreign currency rates sensitivity of CET1 capital.

Consequently, it is not possible to simultaneously fully hedge CET1 capital and the CET1 capital ratio. As the proportion of RWA denominated in currencies other than the US dollar outweighs CET1 capital in such currencies, a significant appreciation of the US dollar against such currencies could benefit our capital ratios, while a significant depreciation of the US dollar against these currencies could adversely affect our capital ratios.

The Group Asset and Liability Committee, a committee of the Group Executive Board, has mandated Group Treasury to adjust the currency mix of CET1 capital, within limits set by the BoD, to balance the effect of foreign exchange movements on CET1 capital and the CET1 capital ratio. Limits are in place for the sensitivity of both CET1 capital and the CET1 capital ratio to an appreciation or depreciation of 10% in the value of the US dollar against other currencies.

Sensitivity to currency movements

Risk-weighted assets

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our RWA by USD 23bn and our CET1 capital by USD 2.7bn as of 31 December 2025 (31 December 2024: USD 22bn and USD 2.4bn, respectively) and decreased our CET1 capital ratio by 13 basis points (31 December 2024: 14 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our RWA by USD 21bn and our CET1 capital by USD 2.4bn (31 December 2024: USD 20bn and USD 2.2bn, respectively) and increased our CET1 capital ratio by 13 basis points (31 December 2024: 14 basis points).

Leverage ratio denominator

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our LRD by USD 109bn as of 31 December 2025 (31 December 2024: USD 97bn) and decreased our CET1 leverage ratio by 12 basis points (31 December 2024: 13 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our LRD by USD 98bn (31 December 2024: USD 88bn) and increased our CET1 leverage ratio by 12 basis points (31 December 2024: 14 basis points).

The aforementioned sensitivities do not consider foreign currency translation effects related to defined benefit plans other than those related to the currency translation of the net equity of foreign operations.

Capital and capital ratios of our significant regulated subsidiaries

UBS Group AG is a holding company conducting substantially all of its operations through UBS AG and subsidiaries thereof. UBS Group AG and UBS AG have contributed a significant portion of their respective capital to, and provided substantial liquidity to, subsidiaries. Many of these subsidiaries are subject to regulations requiring compliance with minimum capital, liquidity and similar requirements. Supervisory authorities generally have discretion to impose higher requirements, or to otherwise limit the activities of subsidiaries. Supervisory authorities also may require entities to measure capital and leverage ratios on a stressed basis, and may limit the ability of the entity to engage in new activities or take capital actions based on the results of those tests.

- › Refer to the “Significant regulated subsidiary and sub-group information” section of this report for more information about the regulatory capital components and capital ratios of our significant regulated subsidiaries determined under the regulatory framework of each subsidiary’s home jurisdiction
- › Refer to the 31 December 2025 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more capital and other regulatory information about our significant regulated subsidiaries and sub-groups

Joint liability of UBS AG and UBS Switzerland AG

In June 2015, upon the transfer of the Personal & Corporate Banking and Global Wealth Management businesses booked in Switzerland from UBS AG to UBS Switzerland AG, UBS AG and UBS Switzerland AG assumed joint liability for obligations transferred to UBS Switzerland AG and existing at UBS AG, respectively. Under certain circumstances, the Swiss Banking Act and FINMA’s Banking Insolvency Ordinance authorize FINMA to modify, extinguish or convert to common equity liabilities of a bank in connection with a resolution or insolvency of such bank.

The joint liability amounts have declined as obligations matured, terminated or were novated following the transfer date. As of 31 December 2025, the liability of UBS Switzerland AG amounted to CHF 1.5bn (USD 1.9bn), a decrease of CHF 0.9bn (USD 0.7bn) compared with 31 December 2024. The respective liability of UBS AG has been substantially extinguished.

Risk-weighted assets

RWA development in 2025

During 2025, RWA decreased by USD 5.1bn to USD 493.4bn, driven by a USD 16.3bn decrease resulting from asset size and other movements, an USD 8.6bn decrease as a result of the implementation of the final Basel III standards and a decrease of USD 4.2bn resulting from model updates and other methodology changes. These decreases were partly offset by a USD 24.0bn increase from currency effects.

➤ Refer to the 31 December 2025 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about RWA movements and definitions of RWA movement key drivers

Movement in risk-weighted assets, by key driver

USD bn	RWA as of 31.12.24	Currency effects	Impact from the implementation of final Basel III standards	Model updates and other methodology changes	Asset size and other ¹	RWA as of 31.12.25
Credit and counterparty credit risk ²	292.2	22.4	(6.1)	(4.2)	(4.3)	299.9
Non-counterparty-related risk ³	33.7	1.6			(1.1)	34.3
Market risk	27.2		6.5		(9.9)	23.8
Operational risk	145.4		(9.0)		(1.0)	135.4
Total	498.5	24.0	(8.6)	(4.2)	(16.3)	493.4

¹ Includes the Pillar 3 categories “Asset size”, “Credit quality of counterparties”, “Acquisitions and disposals” and “Other”. For more information, refer to the 31 December 2025 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors. ² Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book.

³ Non-counterparty-related risk includes deferred tax assets recognized for temporary differences, property, equipment, software and other items.

Credit and counterparty credit risk

Credit and counterparty credit risk RWA increased by USD 7.8bn to USD 299.9bn as of 31 December 2025, driven by a USD 22.4bn increase from currency effects, partly offset by a USD 6.1bn decrease due to the implementation of the final Basel III standards, a decrease of USD 4.3bn from asset size and other movements, and a USD 4.2bn decrease reflecting model updates and other methodology changes.

In Switzerland, the amendments to the CAO that incorporate the final Basel III standards into Swiss law entered into force on 1 January 2025. The main changes relate to restrictions on using internal ratings-based (IRB) models for exposures to financial institutions and large corporate clients, a revised standardized approach with more granular risk weights, and a revised credit valuation adjustment framework.

The aforementioned impact from the implementation of the final Basel III standards on credit and counterparty credit risk RWA of USD 6.1bn was primarily due to the removal of a 1.06 multiplier on risk weights calculated using IRB models, which more than offset other changes, including the establishing of floors and the introduction of regulatory-mandated loss given default parameters to financial institutions and large corporate clients.

Asset size and other movements, by business division and Group Items

- Non-core and Legacy RWA decreased by USD 8.4bn, primarily driven by our actions to actively unwind the portfolio, in addition to the natural roll-off.
- Group Items RWA decreased by USD 1.0bn, primarily due to higher allocation of high-quality liquid assets (HQLA) to the business divisions.
- Asset Management RWA decreased by USD 0.1bn.
- Personal & Corporate Banking RWA increased by USD 3.3bn, primarily due to higher HQLA and higher RWA on loans and loan commitments.
- Global Wealth Management RWA increased by USD 1.3bn, mainly reflecting higher HQLA and increases in equity holdings, partly offset by lower RWA from loans and loan commitments.
- Investment Bank RWA increased by USD 0.6bn, mainly due to increases in loans and loan commitments and higher RWA on securities financing transactions, partly offset by lower RWA on derivatives reflecting market-driven movements, roll-offs and risk mitigation.

Model updates and other methodology changes not related to the implementation of the final Basel III standards resulted in a RWA decrease of USD 4.2bn, mainly reflecting lower RWA on Lombard lending, improvements in the model for concentrated equity lending, the establishment of a new model for private equity subscription loans in Global Wealth Management and an update in loss given default models for cash and balances at central banks. These decreases were partly offset by increases in RWA following the migration of exposures from Credit Suisse models.

➤ Refer to “Credit risk” in the “Risk management and control” section of this report for more information about credit and counterparty credit risk developments

➤ Refer to the 31 December 2025 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about credit and counterparty credit risk developments

Market risk

Market risk RWA decreased by USD 3.4bn to USD 23.8bn as of 31 December 2025, primarily driven by a decrease of USD 9.9bn due to asset size and other movements in the Investment Bank’s Global Markets business and de-risking within Non-core and Legacy, partly offset by a USD 6.5bn increase due to the implementation of the Fundamental Review of the Trading Book (the FRTB) framework.

The final Basel III standards on the minimum capital requirements for market risk from the BCBS, known as the FRTB framework, entered into force in Switzerland on 1 January 2025. UBS currently applies the standardized approach of the FRTB framework, in which minimum market risk capital requirements are computed on the basis of three components: the sensitivities-based method (the SBM), the default risk charge (the DRC) and the residual risk add-on (the RRAO). The SBM captures the delta, vega and curvature risk of the underlying trading positions, and the DRC captures the jump-to-default risk in positions subject to equity and credit risk. In addition, positions that may not be adequately capitalized by the SBM and the DRC additionally attract an RRAO charge. The new FRTB framework replaced the value-at-risk (VaR)- and stressed VaR-based Basel 2.5 market risk framework.

- › Refer to “Market risk” in the “Risk management and control” section of this report for more information about market risk developments
- › Refer to the 31 December 2025 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about market risk developments

Operational risk

Operational risk RWA decreased by USD 10.0bn to USD 135.4bn as of 31 December 2025, primarily driven by a decrease of USD 9.0bn as a result of the implementation of the standardized approach for determining regulatory capital, and a decrease of USD 1.0bn from asset size and other movements. The allocation methodology for operational risk RWA has been adjusted to better reflect the contributions of each division to the RWA calculation under the final Basel III standards. Under the revised approach, allocations are based on historical losses and revenues in approximate proportion to the weight that these factors have in the standardized approach calculation.

The final Basel III standards on the operational risk capital requirements entered into force in Switzerland on 1 January 2025. The standardized approach is based on the business indicator component, which is derived from average revenue-based indicators over a period of three years, as well as the internal loss multiplier, which is derived from average historical operational losses over a period of ten years. The new framework replaced the advanced measurement approach.

- › Refer to “Non-financial risk capital measurement” in the “Risk management and control” section of this report for more information about the standardized approach, which has been used to measure Group operational risk exposure and calculate operational risk regulatory capital

Outlook

We expect model updates and methodology changes will increase credit and counterparty credit risk RWA by around USD 2bn during 2026. The extent and timing of RWA changes may vary as model updates are completed and receive regulatory approval, along with changes in the composition of the relevant portfolios.

Risk-weighted assets, by business division and Group Items

USD bn	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total RWA
31.12.25							
Credit and counterparty credit risk ¹	99.3	130.3	6.9	55.1	3.8	4.6	299.9
Non-counterparty-related risk ²	7.2	2.9	0.8	4.6	0.2	18.6	34.3
Market risk	0.5	0.0		22.4	0.9	0.0	23.8
Operational risk	59.4	17.2	6.1	25.4	24.0	3.3	135.4
Total	166.4	150.4	13.8	107.4	28.8	26.5	493.4
31.12.24							
Credit and counterparty credit risk ¹	93.6	120.6	7.2	56.2	10.7	3.9	292.2
Non-counterparty-related risk ²	6.4	2.9	0.7	3.6	1.5	18.7	33.7
Market risk	2.7	0.2	0.0	22.1	2.2	0.0	27.2
Operational risk	63.2	19.3	7.2	24.4	27.1	4.2	145.4
Total	165.8	143.0	15.1	106.4	41.4	26.8	498.5
31.12.25 vs 31.12.24							
Credit and counterparty credit risk ¹	5.7	9.8	(0.3)	(1.2)	(6.9)	0.6	7.8
Non-counterparty-related risk ²	0.8	0.0	0.1	1.0	(1.3)	(0.1)	0.5
Market risk	(2.1)	(0.3)	0.0	0.3	(1.3)	0.0	(3.4)
Operational risk	(3.8)	(2.1)	(1.1)	1.0	(3.1)	(0.8)	(10.0)
Total	0.6	7.4	(1.3)	1.0	(12.6)	(0.3)	(5.1)

¹ Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book. ² Non-counterparty-related risk includes deferred tax assets recognized for temporary differences (31 December 2025: USD 18.1bn; 31 December 2024: USD 18.1bn), as well as property, equipment, software and other items (31 December 2025: USD 16.1bn; 31 December 2024: USD 15.7bn).

Leverage ratio denominator

LRD development in 2025

During 2025, the LRD increased by USD 103.0bn to USD 1,622.4bn, mainly driven by a USD 110.2bn increase from currency effects and a USD 28.8bn increase as a result of the implementation of the final Basel III standards, partly offset by a USD 36.1bn decrease from asset size and other movements.

Movement in leverage ratio denominator, by key driver

<i>USD bn</i>	LRD as of 31.12.24	Currency effects	Impact from the implementation of final Basel III standards	Asset size and other	LRD as of 31.12.25
On-balance sheet exposures (excluding derivatives and securities financing transactions) ¹	1,140.6	92.5	(1.9)	26.8	1,258.1
Derivative exposures	132.0	5.0	37.5	(23.2)	151.2
Securities financing transaction exposures	177.1	8.0	(0.2)	(36.7)	148.2
Off-balance sheet items ¹	69.8	4.7	(6.5)	(3.0)	64.9
Total exposures	1,519.5	110.2	28.8	(36.1)	1,622.4

¹ From the first quarter of 2025 onward, we have included the assets deducted from tier 1 capital items in On-balance sheet exposures and Off-balance sheet items. Comparative-period information has been amended to reflect the disclosure format changes for the new final Basel III standards. Refer to the UBS Group Annual Report 2024, available under "Annual reporting" at ubs.com/investors, for more information about previously published disclosure.

The impact from the implementation of the final Basel III standards on the LRD was an increase of USD 28.8bn. In Switzerland, the amendments to the CAO that incorporate the final Basel III standards into Swiss law entered into force on 1 January 2025. The increase was mainly in derivatives, as a result of the standardized approach for counterparty credit risk, including the application of the prescribed 1.4x multiplier to address risks, for example wrong-way risk, that are not directly captured in the framework. This was partly offset by decreases in off-balance sheet positions resulting from a change to credit conversion factors and on-balance sheet exposures due to an alignment of the consolidation scope between RWA and LRD.

Asset size and other movements resulted in a USD 36.1bn decrease in the LRD.

On-balance sheet exposures (excluding derivatives and securities financing transactions) increased by USD 26.8bn, mainly due to increases in high-quality liquid asset portfolio securities, increases in lending assets driven by positive net new loans, mainly in Global Wealth Management, and higher trading assets reflecting higher inventory held to hedge client positions, as well as market-driven increases in the Investment Bank. These increases were partly offset by a decrease in cash and balances at central banks.

Derivatives exposures decreased by USD 23.2bn, mainly due to roll-offs of foreign currency contracts and higher netting in the Investment Bank. There was also a decrease from unwinding activities in Non-core and Legacy.

Securities financing transaction exposures decreased by USD 36.7bn, mainly reflecting roll-offs of cash reinvestment trades in Group Treasury, partly offset by an increase in brokerage receivables mainly reflecting higher levels of client activity in the Investment Bank.

Off-balance sheet items exposures decreased by USD 3.0bn, mainly driven by a decrease in commitments.

- › Refer to the "Balance sheet and off-balance sheet" section of this report for more information about balance sheet and off-balance sheet movements

Leverage ratio denominator, by business division and Group Items

<i>USD bn</i>	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
				31.12.25			
On-balance sheet exposures (excluding derivatives and securities financing transactions) ¹	514.0	441.8	5.0	272.1	12.3	12.9	1,258.1
Derivative exposures	26.7	6.1	0.0	115.2	3.0	0.1	151.2
Securities financing transaction exposures	49.8	36.3	0.1	58.7	3.5	0.0	148.2
Off-balance sheet items ¹	17.6	29.9	0.1	16.8	0.3	0.3	64.9
Total exposures	608.0	514.0	5.2	462.9	19.1	13.3	1,622.4
				31.12.24			
On-balance sheet exposures (excluding derivatives and securities financing transactions) ¹	474.7	397.5	4.2	211.5	39.9	12.8	1,140.6
Derivative exposures	11.9	5.6	0.0	104.6	9.5	0.4	132.0
Securities financing transaction exposures	71.6	44.8	0.1	59.2	2.3	(0.9)	177.1
Off-balance sheet items ¹	18.4	30.9	0.1	18.2	1.8	0.2	69.8
Total exposures	576.6	478.9	4.5	393.5	53.5	12.5	1,519.5
				31.12.25 vs 31.12.24			
On-balance sheet exposures (excluding derivatives and securities financing transactions)	39.3	44.2	0.8	60.7	(27.6)	0.1	117.5
Derivative exposures	14.9	0.5	0.0	10.7	(6.5)	(0.3)	19.2
Securities financing transaction exposures	(21.8)	(8.5)	0.0	(0.6)	1.2	0.9	(28.9)
Off-balance sheet items	(0.9)	(1.1)	(0.1)	(1.4)	(1.5)	0.1	(4.8)
Total exposures	31.5	35.1	0.7	69.4	(34.4)	0.7	103.0

¹ From the first quarter of 2025 onward, we have included the assets deducted from tier 1 capital items in On-balance sheet exposures and Off-balance sheet items. Comparative-period information has been amended to reflect the disclosure format changes for the new final Basel III standards. Refer to the UBS Group Annual Report 2024, available under "Annual reporting" at ubs.com/investors, for more information about previously published disclosure.

Equity attribution

Under our equity attribution framework, tangible equity is attributed based on equally weighted average RWA and average LRD, which both include resource allocations from our Group functions to the business divisions. Average RWA and LRD are converted to CET1 capital equivalents using target capital ratios. If the attributed tangible equity calculated under the weighted-driver approach is less than the CET1 capital equivalent of risk-based capital (RBC) for any business division, the CET1 capital equivalent of RBC is used as a floor for that business division. In 2025 and 2024, the floor was applicable for Asset Management and Non-core and Legacy.

In addition to tangible equity, we allocate equity to the business divisions to support goodwill and intangible assets. We also allocate to the business divisions attributed equity related to CET1 capital deduction items that are attributable to divisional activities, such as compensation-related components or expected losses on the advanced internal ratings-based portfolio less provisions. We attribute all remaining capital deduction items to Group Items. These primarily include equity related to deferred tax assets, accruals for shareholder returns, and unrealized gains / losses from cash flow hedges.

- › Refer to the "Balance sheet and off-balance sheet" section of this report for more information about movements in equity attributable to shareholders

Average attributed equity

<i>USD bn</i>	For the year ended	
	31.12.25	31.12.24
Global Wealth Management	34.2	33.3
Personal & Corporate Banking	21.4	21.6
Asset Management	2.5	2.7
Investment Bank	18.4	17.1
Non-core and Legacy	5.4	9.5
Group Items ¹	6.7	1.1
Average equity attributed to business divisions and Group Items	88.5	85.2

¹ Includes average attributed equity related to capital deduction items for deferred tax assets, accruals for shareholder returns and unrealized gains / losses from cash flow hedges.

Liquidity and funding management

We manage the structural risks of our balance sheet, including interest rate risk, structural foreign exchange risk and collateral risk, as well as liquidity and funding risk. This section provides information about liquidity and funding governance, stress testing, management, contingency planning, and regulatory requirements. The balances disclosed in this section represent year-end positions, unless indicated otherwise. Intra-period balances fluctuate in the ordinary course of business and may differ from year-end positions.

Strategy, objectives and governance

Audited I Our management of liquidity and funding ensures that our business franchises are protected and that our internal and regulatory liquidity and funding requirements are prudently managed. We measure liquidity and funding risk using internal and regulatory models and metrics. We define and implement internal stress testing across different time horizons, scenarios and currencies to ensure we have sufficient liquidity and funding, while remaining compliant with regulatory liquidity and funding requirements. Our liquidity and funding strategy is proposed by Group Treasury and approved by the Group Asset and Liability Committee (the Group ALCO), which is a committee of the Group Executive Board (the GEB) and is overseen by the Board of Directors (the BoD).

Liquidity and funding limits and other constraints (including early-warning indicators) are set at Group and, where appropriate, at legal entity and business-division levels. Key limits (which are under the authority of the BoD) and constraints linked to these limits are reviewed and reconfirmed at least once a year by the BoD, the GEB, the Group ALCO, the Group Chief Financial Officer, the Group Chief Risk Officer and the Group Treasurer, taking into consideration the Group's business strategy and risk appetite. Treasury Risk Control provides independent oversight over liquidity and funding risk, including the setting of key internal limits and early-warning indicators associated with these limits. ▲

› Refer to the "Corporate governance" and "Risk management and control" sections of this report for more information

Group Treasury monitors and oversees the implementation and execution of our liquidity and funding strategy and manages liquidity and funding risk within the limits and other relevant constraints, thereby adhering to the internal risk appetite and regulatory requirements. Group Treasury manages our stock of high-quality liquid assets (HQLA), including our operational cash position, and our short- and long-term debt issuances. To safeguard our liquidity and funding position in times of stress, Group Treasury maintains a Contingency Funding Plan and contributes to plans for recovery and resolution, defining crisis management processes throughout the crisis continuum. Group Treasury reports on the Group's liquidity and funding status and position, at least monthly, to the Group ALCO and the Risk Committee of the BoD, with more frequent reporting in times of stress.

Liquidity and funding stress testing

Audited I Our liquidity and funding risk appetite objective is to ensure that the firm has sufficient liquidity to survive a severe three-month idiosyncratic and market-wide liquidity stress event and to ensure that the firm has sufficient long-term funding to maintain franchise assets at a constant level under stressed market conditions for up to one year, in both cases without government support and allowing for discrete management actions.

Group Treasury maintains a diversified, high-quality pool of unencumbered liquid assets under Treasury control. The liquid asset portfolio is managed dynamically, in order to remain at all times within the internal risk appetite and other relevant Group, UBS AG and subsidiary liquidity and funding requirements. ▲

Our liquidity and funding stress testing covers three main stress scenarios: a combined (i.e. market and idiosyncratic) scenario, an idiosyncratic scenario and a structural market-wide scenario.

› Refer to "Risk measurement" in the "Risk management and control" section of this report for more information about stress testing

Combined (market and idiosyncratic) scenario

In this scenario, UBS faces the consequences of both a severely deteriorated macroeconomic and financial market environment and a UBS-specific event, resulting in an acute loss of liquidity over a relatively short period of time. This scenario represents severe yet plausible events encompassing both market-wide and idiosyncratic elements, in which, however, franchise client relationships are materially maintained.

UBS ensures that its liquidity risk appetite objective is met by maintaining a cumulative liquidity surplus on each day in the three-month stress horizon. The liquidity gap is assessed by modeling the stressed liquidity value of the liquidity buffer and stressed liquidity inflows and outflows under the scenario.

Idiosyncratic scenario

In this three-month stress scenario, UBS is subject to a significant and unforeseen event specific to UBS. This materially damages the market's perception of the reputation and creditworthiness of UBS. The event occurs in otherwise benign macroeconomic and financial market conditions. UBS's difficulties throughout the scenario are limited to UBS and do not trigger material market moves.

Structural market-wide scenario

In this scenario, UBS is subject to a significant deterioration of macroeconomic and financial market conditions globally. Macroeconomic shocks result in deteriorated financial market conditions over the scenario horizon of one year. UBS is assumed to be affected equally relative to other global financial institutions.

UBS ensures that its funding risk appetite objective is met by maintaining a positive cumulative behavioral liquidity gap across the 3-month, 6-month, 9-month and 12-month tenors. The liquidity gap is assessed by modeling the stressed liquidity value of the liquidity buffer and the stressed liquidity inflows and outflows under the scenario.

Management of liquidity and funding risk

Audited I Group Treasury monitors the Group's funding position, including concentration risk, aiming to ensure that the Group maintains a well-balanced and diversified liability structure. Group Treasury also looks to create the optimal liability structure to finance our businesses in a reliable and cost-efficient manner. Our funding activities are planned by analyzing the overall liquidity and funding requirements, taking into account the amount of stable funding that would be needed to support ongoing business activities through periods of difficult market conditions. ▲

The funding strategy of UBS Group is set annually in the Funding Plan and is reviewed on an ongoing basis. The Funding Plan is developed by Group Treasury and approved by the Group ALCO.

► **Refer to the "Balance sheet and off-balance sheet" section of this report for more information about the development of our short- and long-term debt during 2025**

Global Wealth Management and Personal & Corporate Banking provide significant, cost-efficient and stable sources of funding. These include deposits and debt issued through the Swiss central mortgage institution (Pfandbriefbank schweizerischer Hypothekarinstitute AG) and UBS's covered bond programs, which use a portion of our portfolio of Swiss residential mortgages as collateral to generate long-term funding. In addition, we have several short-, medium- and long-term funding programs under which we issue senior unsecured debt and structured notes, as well as short-term debt. These programs enable UBS to source funding from institutional and private investors who are active in Europe, the US and Asia Pacific. Collectively, these broad product offerings and funding sources, together with the global scope of our business activities, support our funding stability.

Internal funding and funds transfer pricing

We use our global liquidity and funding framework to govern the liquidity management of our branches and subsidiaries. Group Treasury meets internal demands for funding by channeling funds from entities generating surplus cash to those in need of financing, considering existing transfer restrictions.

Funding costs and benefits are allocated to our business divisions according to our liquidity and funding risk management framework. Our internal funds transfer pricing system aims to balance funding supply and demand.

Credit ratings

Credit ratings can affect the cost and availability of funding, especially from wholesale unsecured sources. UBS's credit ratings can also influence the performance of some of its businesses and the levels of client and counterparty confidence. Rating agencies take into account a range of factors when assessing creditworthiness and setting credit ratings. These include the firm's strategy and business model, its franchise value and competitive position, stability and quality of earnings, capital adequacy, risk profile and management, liquidity management, diversification of funding sources, asset quality, and corporate governance. Credit ratings reflect the opinions of the rating agencies and can change at any time.

In evaluating our liquidity and funding requirements, we consider the potential effect of a reduction in our long-term credit ratings and a corresponding reduction in short-term ratings. If our credit ratings were to be downgraded, rating trigger clauses could result in an immediate cash settlement or the need to deliver additional collateral to counterparties from contractual obligations related to over-the-counter (OTC) derivative positions and other obligations. Based on our credit ratings as of 31 December 2025, in the event of a one-notch reduction in our long-term credit ratings, we would have been required to provide USD 0.3bn in cash or other collateral. In the event of a two-notch reduction, it would have been USD 0.6bn and for a three-notch downgrade, USD 0.9bn. In the two- and three-notch scenarios the collateral requirements predominantly relate to OTC derivative positions.

During 2025, rating agencies took the following actions regarding UBS Group AG's ratings: Moody's Investors Service Limited (Moody's) upgraded its long-term senior unsecured debt rating to A2 from A3 and changed the outlook to stable from developing. Fitch Ratings Ireland Limited (Fitch) changed the outlook on the Long-Term Issuer Default Rating of UBS Group AG to Positive from Stable. Additionally, Moody's changed the outlook on the long-term senior unsecured debt ratings of UBS AG from negative to stable, and Fitch changed the Outlook on Long-Term Issuer Default Ratings of UBS AG to Positive from Stable.

► **Refer to "Liquidity and funding management are critical to UBS's ongoing performance" in the "Risk factors" section of this report for more information**

Contingency Funding Plan

Audited I We maintain our Contingency Funding Plan in preparation and as an action plan, aiming to ensure we maintain sufficient liquidity to meet payment obligations in a liquidity and funding stress scenario. The plan specifies the processes, tools and responsibilities that we have available to effectively manage liquidity and funding through these periods. Our funding diversification and global scope help to protect our liquidity position in the event of a crisis. Our contingent funding sources include our HQLA portfolios, available central bank-eligible non-HQLA collateral for liquidity facilities at several major central banks, contingent reductions of trading portfolio assets, and other actions available to management. ▲

Liquidity coverage ratio

The liquidity coverage ratio (the LCR) measures the short-term resilience of a bank's liquidity profile by assessing whether sufficient HQLA are available to meet expected net cash outflows from a significant liquidity stress scenario, as defined by the relevant regulator.

For UBS, HQLA are low-risk unencumbered assets under the control of Group Treasury that are easily and immediately convertible into cash at little or no loss of value, in order to meet liquidity needs. Our HQLA predominantly consist of assets that qualify as Level 1 in the LCR framework, including cash, central bank reserves and government bonds. Group HQLA are held by UBS AG and its subsidiaries and may include amounts that are available to meet funding and collateral needs in certain jurisdictions but are not readily available for use by the Group as a whole. These limitations are typically the result of local regulatory requirements, including local LCR and large exposure requirements. Funds that are effectively restricted in subsidiaries and branches are excluded from the calculation of Group HQLA. On this basis, USD 51.8bn of assets were excluded from our daily average UBS Group HQLA for the fourth quarter of 2025. Amounts held in excess of local liquidity requirements that are not subject to other restrictions are generally available for transfer within the Group.

Consistent with the standards set by the Basel Committee on Banking Supervision (the BCBS), the Swiss Liquidity Ordinance requires Swiss banks to maintain a minimum LCR requirement of at least 100% at all times. In a period of financial stress, the Swiss Financial Market Supervisory Authority (FINMA) may permit banks to use their HQLA and allow their LCR to temporarily fall below the minimum threshold. We monitor the LCR in all significant currencies in order to manage any currency mismatches between HQLA and the net expected cash outflows in times of stress.

Our daily average LCR for the fourth quarter of 2025 was 182.6%, compared with 188.4% in the fourth quarter of 2024, remaining above the prudential requirement communicated by FINMA.

The decrease in the average LCR was primarily driven by a USD 5.7bn increase in net cash outflows, to USD 181.7bn, mainly attributable to higher outflows from customer deposits, partly offset by higher net inflows from securities financing transactions. Group HQLA were broadly stable at USD 331.6bn.

- ▶ Refer to the **31 December 2025 Pillar 3 Report**, available under **"Pillar 3 disclosures"** at ubs.com/investors, for more information about the LCR
- ▶ Refer to the **"Significant regulated subsidiary and sub-group information"** section of this report for more information about the LCR of UBS AG and UBS Switzerland AG

Liquidity coverage ratio

<i>USD bn, except where indicated</i>	Average 4Q25¹	Average 4Q24¹
High-quality liquid assets	331.6	331.5
Total net cash outflows ²	181.7	176.0
Liquidity coverage ratio (%)³	182.6	188.4

¹ Calculated based on an average of 64 data points in the fourth quarter of 2025 and 64 data points in the fourth quarter of 2024. ² Represents the net cash outflows expected over a stress period of 30 calendar days. ³ Calculated after the application of haircuts and inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows.

Too-big-to-fail liquidity requirements

UBS Group and the affected legal entities of the UBS Group remained compliant throughout 2025 with the too-big-to-fail (TBTF) liquidity requirements communicated by FINMA. These additional liquidity requirements consider liquidity risks over a 90-day time horizon that are not covered or not sufficiently covered by the 30-day LCR stress scenario. The additional liquidity requirements are covered by eligible assets, which include, but are not limited to, available HQLA over and above the LCR requirements.

Net stable funding ratio

The net stable funding ratio (the NSFR) framework is intended to limit overreliance on short-term wholesale funding, to encourage a better assessment of funding risk across all on- and off-balance sheet items and to promote funding stability. The NSFR has two components: available stable funding (ASF), as numerator, and required stable funding (RSF), as denominator. ASF is the portion of capital and liabilities expected to be available over the period of one year. RSF is a measure of the stable funding requirement of assets and off-balance sheet exposures based on their maturity, encumbrance and other characteristics. Both the Swiss Liquidity Ordinance and the BCBS NSFR regulatory framework require a ratio of at least 100% at all times.

As of 31 December 2025, the NSFR of the UBS Group decreased 9.5 percentage points to 116.1%, remaining above the prudential requirement communicated by FINMA.

ASF increased by USD 25.2bn to USD 882.0bn, predominantly reflecting higher customer deposits, largely due to currency effects.

RSF increased by USD 77.3bn to USD 759.8bn, mainly driven by higher lending assets, largely due to currency effects, and higher trading assets, partly offset by decreases in derivatives and cash collateral receivables on derivative instruments.

- › Refer to the **31 December 2025 Pillar 3 Report**, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about the NSFR
- › Refer to the “Significant regulated subsidiary and sub-group information” section of this report for more information about the NSFR of UBS AG and UBS Switzerland AG

Net stable funding ratio

<i>USD bn, except where indicated</i>	31.12.25	31.12.24
Available stable funding (ASF)	882.0	856.8
Required stable funding (RSF)	759.8	682.5
Net stable funding ratio (%)	116.1	125.5

Balance sheet and off-balance sheet

The balances disclosed in this section represent year-end positions, unless indicated otherwise. Intra-period balances fluctuate in the ordinary course of business and may differ from year-end positions. Refer to the “Consolidated financial statements” section of this report for more information about the development of our financial position.

Balance sheet

Balance sheet assets

As of 31 December 2025, balance sheet assets totaled USD 1,617.4bn, an increase of USD 52.4bn compared with 31 December 2024.

Lending assets increased by USD 74.6bn, primarily driven by currency effects of approximately USD 59.4bn and positive net new loans, mainly in Global Wealth Management. Other financial assets measured at fair value and Other financial assets measured at amortized cost increased by USD 23.7bn and USD 13.1bn, respectively, primarily reflecting purchases of securities in our high-quality liquid asset (HQLA) portfolio and currency effects. Trading assets increased by USD 15.6bn, mainly in the Investment Bank, due to an increase in inventory held to hedge client positions, as well as market-driven increases. Brokerage receivables increased by USD 9.7bn, primarily reflecting higher levels of client activity.

These increases were partly offset by a decrease of USD 40.2bn in Derivatives and cash collateral receivables on derivative instruments, mainly in the Investment Bank. The decrease was driven by foreign currency contracts, mainly due to roll-offs, partly offset by an increase in equity contracts, reflecting market-driven increases. In addition, there was a decrease from unwinding activities in Non-core and Legacy. Securities financing transactions at amortized cost decreased by USD 34.6bn, mainly reflecting roll-offs of cash reinvestment trades in Group Treasury. Cash and balances at central banks decreased by USD 13.4bn, primarily due to outflows from purchases of securities in our HQLA portfolio, net redemptions and the repurchase of long-term debt issued measured at amortized cost, higher lending activity levels, and net new customer deposit outflows, partly offset by inflows from net roll-offs of securities financing transactions measured at amortized cost and also by currency effects.

- › Refer to “Note 22 Restricted and transferred financial assets” in the “Consolidated financial statements” section of this report and to the **31 December 2025 Pillar 3 Report**, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about on- and off-balance sheet assets that are pledged, restricted or unencumbered

Assets

	As of		% change from
USD bn	31.12.25	31.12.24	31.12.24
Cash and balances at central banks	209.9	223.3	(6)
Lending ¹	673.5	598.9	12
Securities financing transactions at amortized cost	83.7	118.3	(29)
Trading assets	174.7	159.1	10
Derivatives and cash collateral receivables on derivative instruments	189.3	229.5	(18)
Brokerage receivables	35.6	25.9	38
Other financial assets measured at amortized cost	71.9	58.8	22
Other financial assets measured at fair value ²	121.4	97.7	24
Non-financial assets	57.5	53.6	7
Total assets	1,617.4	1,565.0	3

¹ Consists of Loans and advances to customers and Amounts due from banks. ² Consists of Financial assets at fair value not held for trading and Financial assets measured at fair value through other comprehensive income.

Balance sheet liabilities

Total liabilities as of 31 December 2025 were USD 1,526.9bn, an increase of USD 47.4bn compared with 31 December 2024.

Customer deposits increased by USD 42.6bn, primarily reflecting currency effects, partly offset by net new deposit outflows, mainly in Global Wealth Management. Trading liabilities increased by USD 18.5bn, mainly in the Investment Bank, due to an increase in inventory held to hedge client positions, as well as market-driven increases. Brokerage payables increased by USD 13.2bn, primarily reflecting higher levels of client activity.

These increases were partly offset by a decrease of USD 25.6bn in Derivatives and cash collateral payables on derivative instruments, mainly reflecting the same drivers as on the asset side.

Equity

Equity attributable to shareholders increased by USD 5,134m to USD 90,213m as of 31 December 2025.

The increase of USD 5,134m was mainly driven by total comprehensive income attributable to shareholders of USD 11,998m, reflecting net profit of USD 7,767m and other comprehensive income (OCI) of USD 4,231m. OCI primarily included OCI related to foreign currency translation of USD 3,333m and cash flow hedge OCI of USD 1,295m, partly offset by negative own credit OCI of USD 499m. In addition, deferred share-based compensation awards of USD 1,107m were expensed in the income statement, increasing share premium.

These increases were partly offset by net treasury share activity, which reduced equity by USD 5,169m. This was predominantly due to share repurchases with an acquisition cost of USD 3,000m under our 2024 and 2025 share repurchase programs and the purchasing of USD 2,365m of shares in relation to employee share-based compensation plans. In addition, distributions to shareholders reduced equity by USD 2,866m, reflecting a dividend payment of USD 0.90 per share for the 2024 financial year.

In the second quarter of 2025, we canceled 120,506,008 shares purchased under our 2022 share repurchase program, as approved by the shareholders at the 2025 Annual General Meeting. The cancellation of shares resulted in reclassifications within equity but had no net effect on our total equity attributable to shareholders.

- › Refer to the "Group performance" and "Consolidated financial statements" sections of this report for more information about OCI
- › Refer to the "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" table in the "Capital management" section of this report for more information about the effects of OCI on common equity tier 1 capital
- › Refer to the "UBS shares" section of this report for more information about our share repurchase programs

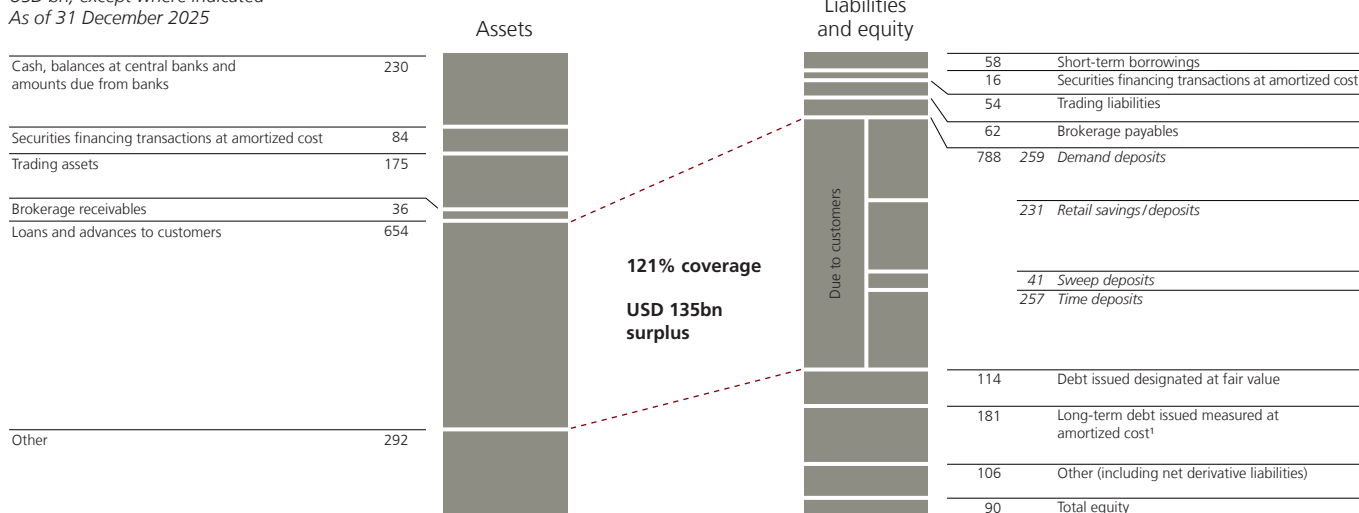
Liabilities and equity

	As of		% change from
USD bn	31.12.25	31.12.24	31.12.24
Short-term borrowings ^{1,2}	58.3	53.9	8
Securities financing transactions at amortized cost	16.2	14.8	9
Customer deposits	788.4	745.8	6
Debt issued designated at fair value and long-term debt issued measured at amortized cost ²	294.6	291.6	1
Trading liabilities	53.7	35.2	52
Derivatives and cash collateral payables on derivative instruments	190.5	216.1	(12)
Brokerage payables	62.2	49.0	27
Other financial liabilities measured at amortized cost	15.9	21.0	(25)
Other financial liabilities designated at fair value	28.2	28.7	(2)
Non-financial liabilities	19.0	23.2	(18)
Total liabilities	1,526.9	1,479.5	3
Share capital	0.3	0.3	(3)
Share premium	9.2	12.0	(23)
Treasury shares	(7.9)	(6.4)	23
Retained earnings	82.7	78.0	6
Other comprehensive income ³	5.8	1.1	434
Total equity attributable to shareholders	90.2	85.1	6
Equity attributable to non-controlling interests	0.3	0.5	(45)
Total equity	90.5	85.6	6
Total liabilities and equity	1,617.4	1,565.0	3

¹ Consists of short-term debt issued measured at amortized cost and Amounts due to banks, which includes amounts due to central banks. ² The classification of debt issued measured at amortized cost into short-term and long-term is based on original contractual maturity and therefore long-term debt also includes debt with a remaining time to maturity of less than one year. This classification does not consider any early redemption features. ³ Excludes other comprehensive income related to defined benefit plans and own credit, which is recorded directly in Retained earnings.

Asset funding, UBS Group

USD bn, except where indicated
As of 31 December 2025



¹ The classification of debt issued measured at amortized cost into short- and long-term is based on original contractual maturity, and therefore long-term debt also includes debt with a remaining time to maturity of less than one year. This classification does not consider any early redemption features.

Liabilities, by product and currency

	All currencies		of which: USD		USD equivalent		of which: EUR	
	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24
<i>USD bn</i>								
Short-term borrowings	58.3	53.9	25.6	22.5	5.8	5.7	13.5	11.7
of which: amounts due to banks	24.4	23.3	7.2	8.1	5.2	5.4	3.8	3.1
of which: short-term debt issued ^{1,2}	33.9	30.5	18.4	14.5	0.6	0.3	9.7	8.6
Securities financing transactions at amortized cost	16.2	14.8	8.6	7.9	5.8	3.8	0.8	2.9
Customer deposits	788.4	745.8	301.6	310.3	341.4	297.2	74.7	71.1
of which: demand deposits	259.4	221.8	52.8	54.0	139.1	107.8	36.2	32.8
of which: retail savings / deposits	230.8	182.3	38.1	34.9	187.5	143.3	5.1	4.0
of which: sweep deposits	41.5	41.9	41.5	41.9	0.0	0.0	0.0	0.0
of which: time deposits	256.8	299.8	169.3	179.4	14.8	46.1	33.4	34.3
Debt issued designated at fair value and long-term debt issued measured at amortized cost ²	294.6	291.6	157.4	165.7	44.1	41.5	71.5	62.1
Trading liabilities	53.7	35.2	20.3	14.4	1.5	1.3	15.5	10.0
Derivatives and cash collateral payables on derivative instruments	190.5	216.1	165.0	182.9	2.9	4.4	13.2	18.0
Brokerage payables	62.2	49.0	49.2	38.1	0.8	0.5	3.4	3.4
Other financial liabilities measured at amortized cost	15.9	21.0	7.0	11.7	3.8	3.7	1.8	2.0
Other financial liabilities designated at fair value	28.2	28.7	3.6	4.1	0.1	0.1	2.3	4.3
Non-financial liabilities	19.0	23.2	9.3	13.0	4.3	4.1	1.5	2.8
Total liabilities	1,526.9	1,479.5	747.6	770.7	410.4	362.3	198.2	188.3

¹ Short-term debt issued consists of certificates of deposit, commercial paper, acceptances and promissory notes, and other money market paper. ² The classification of debt issued measured at amortized cost into short-term and long-term is based on original contractual maturity, and therefore long-term debt also includes debt with a remaining time to maturity of less than one year. This classification does not consider any early redemption features.

Off-balance sheet

In the normal course of business, we enter into transactions where, pursuant to IFRS Accounting Standards, the maximum contractual exposure may not be recognized in whole or in part on our balance sheet. Therefore, in certain instances the amount recognized on the balance sheet does not represent the full gain or loss potential inherent in such transactions. These transactions include derivative instruments, guarantees, loan commitments and similar arrangements.

The following paragraphs provide more information about certain off-balance sheet arrangements. Additional off-balance sheet information is primarily provided in Notes 9, 10, 17, 19, 20h, 22 and 27 in the "Consolidated financial statements" section of this report and in the 31 December 2025 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors.

Guarantees, loan commitments and similar arrangements

We issue various forms of guarantees, commitments to extend credit, standby and other letters of credit, forward starting transactions, note issuance facilities, and revolving underwriting facilities. With the exception of related premiums, generally these guarantees and similar obligations are kept as off-balance sheet items, unless a provision to cover probable losses or expected credit losses is required.

Guarantees represent irrevocable assurances that, subject to the satisfying of certain conditions, we will make payments if our clients fail to fulfill their obligations to third parties. As of 31 December 2025, the net exposure (i.e. gross values less sub-participations) from guarantees and similar instruments was USD 45.8bn, compared with USD 38.4bn as of 31 December 2024. The increase of USD 7.4bn was mainly driven by an increase in sponsored repo clearing in Group Treasury. Fee income from issuing guarantees compared with total net fee and commission income was insignificant for 2025 and 2024.

We also enter into commitments to extend credit in the form of credit lines available to secure the liquidity needs of clients. For the majority of irrevocable loan commitments, UBS is committed to provide credit at any time within a contractual maturity period of up to three years from the balance sheet date, i.e. 31 December 2025. During 2025, Irrevocable loan commitments increased by USD 2.5bn, mainly driven by currency effects. Committed unconditionally revocable credit lines decreased by USD 26.0bn, mainly driven by decreases in facilities provided to clients in Personal & Corporate Banking and Global Wealth Management, partly offset by currency effects. Forward starting reverse repurchase and securities borrowing agreements decreased by USD 14.2bn, reflecting a decrease in levels of business division activity in short-dated securities financing transactions.

Off-balance sheet

	As of		% change from
USD bn	31.12.25	31.12.24	31.12.24
Guarantees ^{1,2}	45.8	38.4	19
Irrevocable loan commitments ¹	82.1	79.6	3
Committed unconditionally revocable credit lines	119.7	145.7	(18)
Forward starting reverse repurchase and securities borrowing agreements	10.7	24.9	(57)

¹ Guarantees and irrevocable loan commitments are shown net of sub-participations. ² Includes guarantees measured at fair value through profit or loss.

If customers fail to meet their obligations, our maximum exposure to credit risk is generally the contractual amount of these instruments. The risk is similar to the risk involved in extending loan facilities and is subject to the same risk management and control framework. In 2025, we recognized net credit loss expenses of USD 36m related to irrevocable loan commitments, guarantees and other credit facilities in the scope of expected credit loss measurement, compared with net credit loss releases of USD 14m in 2024. Provisions recognized for irrevocable loan commitments, guarantees and other credit facilities in the scope of expected credit loss measurement were USD 347m as of 31 December 2025, compared with USD 320m as of 31 December 2024.

► Refer to “Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement” and “Note 19 Expected credit loss measurement” in the “Consolidated financial statements” section of this report for more information about provisions for expected credit losses

For certain obligations, we enter into partial sub-participations to mitigate various risks from guarantees and irrevocable loan commitments. A sub-participation is an agreement by another party to take a share of the loss in the event that the obligation is not fulfilled by the obligor and, where applicable, to fund a part of the credit facility. We retain the contractual relationship with the obligor, and the sub-participant has only an indirect relationship. Generally, we only enter into sub-participation agreements with banks to which we ascribe a credit rating equal to or better than that of the obligor.

We also provide representations, warranties and indemnifications to third parties in the normal course of business.

Support provided to non-consolidated investment funds

In 2025, the Group did not provide material support, financial or otherwise, to unconsolidated investment funds when the Group was not contractually obligated to do so, nor does it currently have an intention to do so.

Clearing house and exchange memberships

We are a member of numerous securities and derivative exchanges and clearing houses. In connection with some of these memberships, we may be required to pay a share of the financial obligations of another member that defaults, or we may be otherwise exposed to additional financial obligations. While the membership rules vary, obligations generally would arise only if the exchange or clearing house had exhausted its resources. We consider the probability of a material loss due to such obligations to be remote.

Deposit insurance

Swiss banking law and the deposit insurance system require Swiss banks and securities dealers to jointly guarantee an amount of up to CHF 7.9bn for privileged client deposits in the event that a Swiss bank or securities dealer becomes insolvent. As of 31 December 2025, FINMA estimates our share in the deposit insurance system to be CHF 1.5bn. This represents a contingent payment obligation and exposes us to additional risk. As of 31 December 2025, we considered the probability of a material loss from our obligations to be remote.

UBS is also subject to, or is a member of, other deposit protection schemes in other countries. However, no contingent payment obligation existed as of 31 December 2025 from any other material scheme.

Material cash requirements

The Group's material cash requirements as of 31 December 2025 are represented by the residual contractual maturities for non-derivative and non-trading financial liabilities included in the table presented in “Note 23b Maturity analysis of financial liabilities on an undiscounted basis” in the “Consolidated financial statements” section of this report. Included in the table are Debt issued measured at amortized cost (USD 257.6bn) and Debt issued designated at fair value (USD 134.4bn). The amounts represent estimated future interest and principal payments on an undiscounted basis.

In the normal course of business, we also issue or enter into various forms of guarantees, irrevocable loan commitments and other similar arrangements that may result in an outflow of cash in the future. The maturity profile of these obligations, which are presented off-balance sheet, are included in “Note 23b Maturity analysis of financial liabilities on an undiscounted basis” in the “Consolidated financial statements” section of this report. Refer to “Guarantees, loan commitments and similar arrangements” in this section for more information.

Cash flows

As we are a global financial institution, our cash flows are complex and often may bear little relation to our net earnings and net assets. Consequently, we believe that a traditional cash flow analysis is less meaningful when evaluating our liquidity position than the liquidity, funding and capital management frameworks and measures described elsewhere in this section.

› Refer to the “Liquidity and funding management” section of this report for more information

Cash and cash equivalents

As of 31 December 2025, cash and cash equivalents totaled USD 231.4bn, a decrease of USD 12.7bn compared with 31 December 2024, driven by net cash outflows used in investing and financing activities. These effects were partly offset by net cash inflows from operating activities and USD 19.1bn of positive foreign currency effects, largely reflecting the weakening of the US dollar against the Swiss franc in 2025.

Operating activities

Net cash inflows from operating activities were USD 21.9bn in 2025, compared with USD 3.3bn in 2024. The net positive change in operating assets and liabilities of USD 21.7bn was mainly driven by a USD 40.5bn decrease in receivables from securities financing transactions measured at amortized cost and a USD 25.2bn positive change in financial assets and liabilities at fair value held for trading and derivative financial instruments. These effects were partly offset by outflows of USD 16.3bn on loans and advances to customers, a USD 13.4bn negative change in financial assets and liabilities at fair value not held for trading and other financial assets and liabilities, and outflows of USD 12.9bn due to a decrease in customer deposits. Non-cash items included in net profit and other adjustments are mainly to remove the net impact of non-cash effects on the balance sheet, such as foreign currency effects.

Investing activities

Investing activities resulted in net cash outflows of USD 22.8bn in 2025, compared with USD 0.7bn of net cash inflows in 2024, primarily reflecting USD 11.5bn of net cash outflows from financial assets measured at fair value and USD 9.8bn of net cash outflows from debt securities measured at amortized cost, both largely reflecting net purchases of securities in our HQLA portfolio.

Financing activities

Financing activities resulted in net cash outflows of USD 30.9bn in 2025, compared with USD 84.2bn in 2024, mainly driven by a USD 23.1bn net repayment of debt issued designated at fair value and long-term debt issued measured at amortized cost, USD 5.2bn of net cash used to purchase treasury shares, and a dividend distribution to shareholders of USD 2.9bn. These effects were partly offset by inflows of USD 1.7bn from net issuances of short-term debt issued measured at amortized cost.

› Refer to “Primary financial statements and share information” in the “Consolidated financial statements” section of this report for more information about cash flows

Statement of cash flows (condensed)

	For the year ended	
USD bn	31.12.25	31.12.24
Net cash flow from / (used in) operating activities	21.9	3.3
Net cash flow from / (used in) investing activities	(22.8)	0.7
Net cash flow from / (used in) financing activities	(30.9)	(84.2)
Effects of exchange rate differences on cash and cash equivalents	19.1	(15.9)
Net increase / (decrease) in cash and cash equivalents	(12.7)	(96.1)
Cash and cash equivalents at the end of the year	231.4	244.1

Currency management

Strategy, objectives and governance

Group Treasury focuses on three main areas of currency risk management: (i) currency-matched funding and hedging of non-US-dollar net investments; (ii) the sell-down of foreign currency profits and losses under IFRS Accounting Standards; and (iii) selective hedging of expected non-US-dollar profits and losses to further mitigate the effect of structural imbalances in the balance sheet.

Currency-matched funding and hedging of non-US-dollar net investments

For monetary balance sheet items and other investments, as far as it is practical and efficient, UBS follows the principle of matching the currencies of its assets and liabilities for funding purposes. This avoids profits and losses arising from the translation of non-US-dollar assets and liabilities.

UBS Group AG and UBS AG apply net investment hedge accounting to non-US-dollar core investments to balance the effect of foreign exchange movements on both common equity tier 1 (CET1) capital and the CET1 capital ratio.

- › Refer to “**Note 1 Summary of material accounting policies**” and “**Note 24 Hedge accounting**” in the “**Consolidated financial statements**” section of this report for more information
- › Refer to the “**Capital management**” section of this report for more information about our active management of sensitivity to currency movements and the effect thereof on our key ratios

Sell-down of non-US-dollar profits and losses

Income statement items of Group entities with a functional currency other than the US dollar are translated into US dollars at average exchange rates. To reduce the profit-and-loss volatility from the translation of previously recognized earnings in foreign currencies, Group Treasury centralizes the profits and losses (under IFRS Accounting Standards) arising in UBS AG and its branches and sells or buys the profit or loss for US dollars on a monthly basis. UBS Group AG and UBS AG subsidiaries follow a similar monthly sell-down process into their own functional currencies. The equity in subsidiaries and branches with a functional currency other than the US dollar is integrated and managed as part of the UBS Group’s net investment hedge accounting program.

Hedging of expected non-US-dollar profits and losses

Although UBS did not have hedges for expected future profits and losses in place as of 31 December 2025, the Group Asset and Liability Committee may at any time instruct Group Treasury to execute hedges to protect expected future profits and losses in foreign currencies against potential adverse movements of foreign exchange rates.

Dividend distribution

UBS Group AG declares dividends in US dollars. Shareholders holding shares through SIX SIS AG will receive dividends in Swiss francs, based on a published exchange rate calculated up to five decimal places, on the day prior to the ex-dividend date. Shareholders holding shares through DTC or Computershare will be paid dividends in US dollars.

- › Refer to the **UBS Group AG Standalone financial statements and regulatory information for the year ended 31 December 2025**, available under “**Holding company and significant regulated subsidiaries and sub-groups**” at ubs.com/investors, for more information about the proposed dividend distribution of UBS Group AG for the 2025 financial year

UBS shares

UBS Group AG shares

Audited | As of 31 December 2025, equity attributable to shareholders under IFRS Accounting Standards amounted to USD 90,213m, represented by 3,341,581,714 shares issued. Shares issued decreased by 120,506,008 shares in 2025 as the shares acquired under our 2022 share repurchase program were canceled by means of a capital reduction, as approved by shareholders at the 2025 Annual General Meeting (the AGM).

Each share has a nominal value of USD 0.10, carries one vote if entered into the share register as having the right to vote, and entitles the holder to a proportionate share of distributed dividends. All shares are fully paid up. As the Articles of Association of UBS Group AG indicate, there are no other classes of shares and no preferential rights for shareholders. ▲

► Refer to the “Corporate governance” section of this report for more information about UBS shares

UBS Group share information

	As of or for the year ended		% change from
	31.12.25	31.12.24	31.12.24
Shares issued	3,341,581,714	3,462,087,722	(3)
Treasury shares ¹	249,882,523	287,262,471	(13)
of which: related to share repurchase program 2022		120,506,008	
of which: related to share repurchase program 2024	63,776,550	32,962,298	93
of which: related to share repurchase program 2025	52,582,575		
Shares outstanding	3,091,699,191	3,174,825,251	(3)
Basic earnings per share (USD) ²	2.46	1.59	55
Diluted earnings per share (USD) ²	2.36	1.52	56
Equity attributable to shareholders (USD m)	90,213	85,079	6
Less: goodwill and intangible assets (USD m)	6,948	6,887	1
Tangible equity attributable to shareholders (USD m)	83,265	78,192	6
Ordinary cash dividends per share (USD) ^{3,4}	1.10	0.90	22
Total book value per share (USD)	29.18	26.80	9
Tangible book value per share (USD)	26.93	24.63	9
Share price (USD) ⁵	46.61	30.54	53
Market capitalization (USD m) ⁶	155,760	105,719	47

¹ Based on a settlement date view. ² Refer to “Share information and earnings per share” in the “Consolidated financial statements” section of this report for more information. ³ Dividends and / or distributions out of the capital contribution reserve are normally approved and paid in the year subsequent to the reporting period. ⁴ Refer to the “Statement of proposed appropriation of total profit and dividend distribution out of total profit and capital contribution reserve” section of the UBS Group AG Standalone financial statements and regulatory information for the year ended 31 December 2025 report, available under “Holding company and significant regulated subsidiaries and sub-groups” at ubs.com/investors, for more information. ⁵ Represents the share price as listed on the SIX Swiss Exchange, translated to US dollars using the closing exchange rate as of the respective date. ⁶ The calculation of market capitalization reflects total shares issued multiplied by the share price at the end of the period.

Holding of UBS Group AG shares

Group Treasury holds UBS Group AG shares to hedge future share delivery obligations related to employee share-based compensation awards, and also holds shares purchased under share repurchase programs. As of 31 December 2025, we held a total of 249,882,523 treasury shares (31 December 2024: 287,262,471).

Our 2022 share repurchase program was concluded on 28 March 2024. The shares acquired under this program totaled 121 million as of 31 December 2024 for a total acquisition cost of USD 2,277m (CHF 2,138m). The 121 million shares were canceled by means of a capital reduction in 2025 as approved by shareholders at the 2025 AGM.

On 3 April 2024, we launched a 2024 share repurchase program of up to USD 2bn over two years, which concluded on 23 May 2025. Shares acquired under this program totaled 64 million as of 31 December 2025 for a total acquisition cost of USD 2,000m (CHF 1,739m). Those 64 million shares will be canceled by means of a capital reduction, pending approval by the shareholders at a future AGM.

On 1 July 2025, we launched a new, 2025 share repurchase program to repurchase up to USD 2bn shares, which concluded on 20 November 2025. Shares acquired under this program totaled 53 million as of 31 December 2025 for a total acquisition cost of USD 2,000m (CHF 1,602m). Those 53 million shares will be canceled by means of a capital reduction, pending approval by the shareholders at a future AGM.

On 4 February 2026, we launched a share repurchase program of up to USD 3bn of shares. The program started on 5 February 2026 and will end at the latest on 4 February 2028 or earlier if either the maximum amount of USD 3bn has been reached or 10% of the registered share capital has been repurchased. We intend to repurchase USD 3bn of shares in 2026 with the aim to do more. The amount of additional repurchases is subject to further clarity around the future regulatory regime in Switzerland, our financial performance and maintaining a common equity tier 1 capital ratio of around 14%. Beyond 2026, we intend to continue to pursue share repurchases that will be calibrated based on our financial results, our capital ratio and the final outcome and timing of the implementation of the new regulatory regime in Switzerland.

Treasury shares held to hedge our share delivery obligations related to employee share-based compensation awards totaled 133 million shares as of 31 December 2025 (31 December 2024: 133 million). Share delivery obligations related to employee share-based compensation awards totaled 159 million shares as of 31 December 2025 (31 December 2024: 183 million) and are calculated on the basis of undistributed notional share awards, taking applicable performance conditions into account. Treasury shares held are delivered to employees at exercise or vesting. As of 31 December 2025, up to 122 million UBS Group AG shares (31 December 2024: 122 million) could have been issued out of conditional capital to satisfy share delivery obligations of any future employee share option programs or similar awards.

The Investment Bank also holds a limited number of UBS Group AG shares, primarily in its capacity as a market-maker with regard to UBS Group AG shares and related derivatives, and to hedge certain issued structured debt instruments.

The table below outlines the market purchases of UBS Group AG shares by Group Treasury. It does not include the activities of the Investment Bank.

Treasury share purchases

Month of purchase ³	Share repurchase programs ¹				Other treasury shares purchased ²	
	Number of shares	Average price in USD	Remaining volume of 2024 share repurchase program in USD m at month-end	Remaining volume of 2025 share repurchase program in USD m at month-end	Number of shares	Average price in USD
January 2025			1,000			
February 2025	5,345,315	33.81	819			
March 2025	9,670,074	33.59	494		12,000,000	32.73
April 2025	5,301,742	29.32	339			
May 2025	10,497,121	32.29	0			
June 2025					7,220,334	31.89
July 2025	19,604,593	36.50		1,284		
August 2025	9,779,206	38.90		904	4,669,630	40.06
September 2025				904	12,323,620	41.11
October 2025	16,045,575	39.21		275		
November 2025	7,153,201	38.42		0	1,106,608	38.29
December 2025					8,893,392	40.98

¹ In April 2024, UBS launched a share repurchase program to buy back up to USD 2bn of its own shares over a two-year period and this program was concluded on 23 May 2025. In July 2025, UBS launched a share repurchase program to buy back up to USD 2bn of its own shares and this program was concluded on 20 November 2025. The share buybacks were transacted in Swiss francs on a separate trading line on the SIX Swiss Exchange. ² This table excludes purchases for the purpose of hedging derivatives linked to UBS Group AG shares and for market-making in UBS Group AG shares. The table also excludes UBS Group AG shares purchased by post-employment benefit funds for UBS employees, which are managed by a board of UBS management and employee representatives in accordance with Swiss law. UBS's post-employment benefit funds purchased 776,495 UBS Group AG shares during 2025 and held 12,027,577 UBS Group AG shares as of 31 December 2025. ³ Based on the transaction date of the respective treasury share purchases.

Trading volumes

	For the year ended		
1,000 shares	31.12.25	31.12.24	31.12.23
SIX Swiss Exchange total	1,717,522	1,480,816	2,102,613
SIX Swiss Exchange daily average	6,898	5,923	8,377
New York Stock Exchange total	122,766	114,583	170,875
New York Stock Exchange daily average	491	455	684

Source: Reuters.

Listing of UBS Group AG shares

UBS Group AG shares are listed on the SIX Swiss Exchange (SIX). They are also listed on the New York Stock Exchange (the NYSE) as global registered shares. As such, they can be traded and transferred across applicable borders, without the need for conversion, with identical shares traded on different stock exchanges in different currencies.

During 2025, the average daily trading volume of UBS Group AG shares was 6.9 million shares on SIX and 0.5 million shares on the NYSE. SIX is expected to remain the main venue for determining the movement in our share price, because of the high volume traded on this exchange.

During the hours in which both SIX and the NYSE are simultaneously open for trading, price differences between these exchanges are likely to be arbitrated away by professional market-makers. Accordingly, the share price will typically be similar between the two exchanges when considering the prevailing US dollar / Swiss franc exchange rate. When SIX is closed for trading, globally traded volumes will typically be lower. However, the specialist firm making a market in UBS Group AG shares on the NYSE is required to facilitate sufficient liquidity and maintain an orderly market in UBS Group AG shares throughout normal NYSE trading hours.

Ticker symbols UBS Group AG

Trading exchange	SIX / NYSE	Bloomberg	Reuters
SIX Swiss Exchange	UBSG	UBSG SW	UBSG.S
New York Stock Exchange	UBS	UBS UN	UBS.N

Security identification codes

ISIN	CH0244767585
Valoren	24 476 758
CUSIP	CINS H42097 10 7

Corporate governance and compensation

Management report

Audited information according to Swiss law and applicable regulatory requirements and guidance

Disclosures provided are in line with the requirements of the Swiss Code of Obligations (tables containing such information are marked as “Audited” throughout this section), as well as other applicable regulations and guidance.

Corporate governance

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Corporate governance

UBS Group AG is subject to, and complies with, all relevant Swiss legal and regulatory requirements regarding corporate governance, including the SIX Swiss Exchange's Directive on Information relating to Corporate Governance (the SIX Swiss Exchange Corporate Governance Directive) and the standards established in the Swiss Code of Best Practice for Corporate Governance.

As a non-US company with shares listed on the New York Stock Exchange (the NYSE), UBS Group AG also complies with all relevant corporate governance standards applicable to foreign private issuers.

The Organization Regulations of UBS Group AG, adopted by the Board of Directors (the BoD) based on Art. 716b of the Swiss Code of Obligations and articles 25 and 27 of the Articles of Association of UBS Group AG (the AoA), constitute UBS Group AG's primary corporate governance guidelines.

- › Refer to the Articles of Association of UBS Group AG and to the Organization Regulations of UBS Group AG, available at ubs.com/governance, for more information
- › The SIX Swiss Exchange Corporate Governance Directive is available at ser-ag.com/dam/downloads/regulation/listing/directives/dcg-en.pdf, the Swiss Code of Best Practice for Corporate Governance at economiesuisse.ch/en/publications/swiss-code-best-practice-corporate-governance and the NYSE rules at nyseguide.srornrules.com/listed-company-manual

Differences from corporate governance standards relevant to US-listed companies

The NYSE standards on corporate governance require foreign private issuers to disclose any significant ways in which their corporate governance practices differ from those that have to be followed by US companies. The key differences are discussed below.

Responsibility of the Audit Committee regarding independent auditors

Our Audit Committee is responsible for the compensation, retention and oversight of independent auditors. It assesses the performance and qualifications of external auditors and submits proposals for appointment, reappointment or removal of independent auditors to the BoD. As required by the Swiss Code of Obligations, the BoD submits its proposals for a shareholder vote at the Annual General Meeting (the AGM). Under NYSE standards audit committees are responsible for appointing independent auditors.

Discussion of risk assessment and risk management policies by the Risk Committee

As per the Organization Regulations of UBS Group AG, the Risk Committee, instead of the Audit Committee, as per NYSE standards, oversees our risk principles and risk capacity on behalf of the BoD. The Risk Committee is responsible for monitoring our adherence to those risk principles and monitoring whether business divisions and control units maintain appropriate systems of risk management and control.

Supervision of the internal audit function

Although under NYSE standards only audit committees supervise internal audit functions, the Chairman of the BoD (the Chairman) and the Audit Committee share the supervisory responsibility and authority with respect to the internal audit function.

Responsibility of the Compensation Committee for performance evaluations of senior management of UBS Group AG

In line with Swiss law, our Compensation Committee, together with the BoD, proposes for shareholder approval at the AGM the maximum aggregate amount of compensation for the BoD, the maximum aggregate amount of fixed compensation for the Group Executive Board (the GEB) and the aggregate amount of variable compensation for the GEB. The members of the Compensation Committee are elected by the AGM. Under NYSE standards it is the responsibility of compensation committees to evaluate senior management's performance and to determine and approve, as a committee or together with the other independent directors, the compensation thereof.

Proxy statement reports of the Audit Committee and the Compensation Committee

NYSE standards require the aforementioned committees to submit their reports directly to shareholders. However, under Swiss law all reports to shareholders, including those from the aforementioned committees, are provided to and approved by the BoD, which has ultimate responsibility to the shareholders.

Shareholder votes on equity compensation plans

NYSE standards require shareholder approval for establishing equity compensation plans and material revisions thereto. However, as per Swiss law, the BoD approves compensation plans. Shareholder approval is only mandatory if equity-based compensation plans require an increase in capital. No shareholder approval is required if shares for such plans are purchased in the market.

Independence of board members

NYSE standards require a majority of the members of the board of directors of a listed company to be independent, which includes the requirement not to have been an employee of the company within the last three years. In contrast, FINMA Circular 2017/1 "Corporate Governance – Banks" requires at least one third of the BoD members to be independent, which includes the requirement not to have been employed in any other function within the Group in the two years prior to taking office. Swiss rules also do not require us to publish the criteria for determining the independence of board members on our website.

Independence requirements of committee members

NYSE standards require the Audit Committee, Compensation Committee and the Governance and Nominating Committee to be composed entirely of independent members. However, under Swiss law and regulations only the majority of the Audit Committee members need to be independent, and there is no independence requirement for the members of the Compensation Committee and the Governance and Nominating Committee.

Group structure and shareholders

Operational Group structure

As at 31 December 2025, the operational structure of the UBS Group is composed of the Global Wealth Management, Personal & Corporate Banking, Asset Management, Investment Bank, and Non-core and Legacy business divisions, as well as Group functions.

- › Refer to the "Our businesses" section of this report for more information about our business divisions and Group functions
- › Refer to "Financial and operating performance" and to "Note 2a Segment reporting" in the "Consolidated financial statements" section of this report for more information
- › Refer to the "Our evolution" section of this report for more information

Listed and non-listed companies belonging to the Group

The Group includes a number of consolidated entities, of which only UBS Group AG shares are listed.

UBS Group AG's registered office is at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland. UBS Group AG shares are listed on the SIX Swiss Exchange (ISIN CH0244767585) and on the NYSE (CUSIP H42097107).

- › Refer to the "UBS shares" section of this report for information about UBS Group AG's market capitalization and shares held by Group entities
- › Refer to "Note 27 Interests in subsidiaries and other entities" in the "Consolidated financial statements" section of this report for more information about the significant subsidiaries of the Group

Significant shareholders

General rules

Under the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015 (the FMIA), anyone who directly, indirectly or acting in concert with third parties, acquires or disposes of shares in a company listed in Switzerland or holds other purchase or sale positions relating to such shares, and, thereby, reaches, falls below or exceeds one of the following percentage thresholds: 3, 5, 10, 15, 20, 25, 33⅓, 50 or 66⅔% of the voting rights in such company, regardless of whether or not such rights may be exercised, must notify the company and the Swiss stock exchange on which such shares are listed. Nominees that cannot autonomously decide how voting rights are exercised are not required to notify the company and such stock exchange if they reach, exceed or fall below the aforementioned thresholds.

Shareholders subject to FMIA disclosure notifications

According to the mandatory FMIA disclosure notifications filed with UBS Group AG and the SIX Swiss Exchange (SIX), on 31 December 2025, the following entities held more than 3% of the total voting rights of UBS Group AG: Norges Bank, Oslo, which disclosed a holding of 4.90% on 22 January 2025; and BlackRock Inc., New York, which disclosed a holding of 5.01% on 30 November 2023.

On 17 February 2026, Norges Bank, Oslo, disclosed a holding of less than 3% of the total share capital of UBS Group AG. No new disclosures of significant shareholdings have been made since that date.

In accordance with the FMIA, the aforementioned holdings are calculated in relation to the voting rights associated with the total share capital of UBS Group AG entered into the commercial register at the time of the respective disclosure notification.

As registration in the UBS share register is optional, the aforementioned shareholders that crossed the indicated percentage thresholds and were required to notify their holding to UBS and SIX do not necessarily appear in the "Distribution of UBS shares" table below, as such table only discloses registered shareholders.

Information on disclosures under the FMIA is available at ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html.

Cross-shareholdings

UBS Group AG has no cross-shareholdings where reciprocal ownership would be in excess of 5% of capital or voting rights with any other company.

Share capital structure

Ordinary share capital

At the end of 2025, UBS Group AG had 3,341,581,714 issued fully paid registered shares with a nominal value of USD 0.10 each, equating to a share capital of USD 334,158,171.40.

Under Swiss company law, shareholders must approve, in a general meeting of shareholders, any increase or reduction in the ordinary share capital, the creation of conditional capital or the introduction of a capital band. In addition, under the Swiss Banking Act, shareholders of a Swiss top holding company of a financial group or of a Swiss bank must approve, in a general meeting of shareholders, the introduction of, or changes to, conversion capital or reserve capital.

In 2025, the shareholders of UBS Group AG were not asked to approve the creation of conditional or conversion capital, or the introduction of a capital band or reserve capital. As of the date of this report, UBS Group AG has no capital band or reserve capital.

No shares were issued out of UBS Group AG's existing conditional or conversion capital in 2025.

Distribution of UBS Group AG shares

As of 31 December 2025	Shareholders registered		Shares registered	
<i>Number of shares registered in the UBS share register</i>	Number	%	Number	% of shares issued
1–100	59,443	25.9	2,368,604	0.1
101–1,000	107,676	46.9	46,439,844	1.4
1,001–10,000	56,670	24.7	156,862,549	4.7
10,001–100,000	5,022	2.2	116,805,923	3.5
100,001–1,000,000	463	0.2	134,513,778	4.0
1,000,001–5,000,000	89	0.0	193,201,547	5.8
5,000,001–33,415,817 (1%)	20	0.0	206,454,273	6.2
1–2%	2	0.0	84,281,740	2.5
2–3%	0	0.0	0	0.0
3–4%	2	0.0	217,044,887	6.5
4–5%	0	0.0	0	0.0
Over 5%	1 ¹	0.0	257,042,707	7.7
Total shares registered	229,388	100.0	1,415,015,852 ²	42.3
Shares not registered ³			1,926,565,862	57.7
Total		100.0	3,341,581,714	100.0

¹ On 31 December 2025, the US securities clearing organization DTC (Cede & Co.), New York, was registered with 7.69% of all UBS Group AG shares issued and is not subject to the 5% voting limit as a securities clearing organization. ² Of the total shares registered, 93,121,130 shares did not carry voting rights. ³ Shares not entered in the UBS share register as of 31 December 2025.

Conditional capital

At the end of 2025, the following conditional capital was available to the BoD.

- Conditional capital in the amount of USD 38,000,000 for the issuance of a maximum of 380,000,000 fully paid registered shares with a nominal value of USD 0.10 each, to be issued through the voluntary or mandatory exercise of conversion rights and / or warrants granted in connection with the issuance of bonds or similar financial instruments by UBS Group AG or another member of the Group on national or international capital markets. This conditional capital allowance was approved at the Extraordinary General Meeting (the EGM) held on 26 November 2014, having originally been approved at the AGM of UBS AG on 14 April 2010. The BoD has not made use of such allowance.
- Conditional capital in the amount of USD 12,170,583 for the issuance of a maximum of 121,705,830 fully paid registered shares with a nominal value of USD 0.10 each, to be issued upon exercise of employee options and stock appreciation rights issued to employees and members of the management and of the BoD of UBS Group AG and its subsidiaries; however, there were no employee options or stock appreciation rights outstanding. This conditional capital allowance was approved by the shareholders at the same EGM in 2014.

› Refer to article 4a of the AoA for more information about the terms and conditions of the issue of shares out of existing conditional capital. The AoA are available at ubs.com/governance

› Refer to the "Our evolution" section of this report for more information

Conversion capital

On 31 December 2025, UBS Group AG had conversion capital in the amount of USD 70,000,000, for the issuance of a maximum of 700,000,000 fully paid registered shares with a nominal value of USD 0.10 each. The issuance of fully paid registered shares only occurs through the mandatory conversion of claims arising upon the occurrence of one or more trigger events under financial market instruments with contingent conversion features issued by UBS Group AG. The creation of this conversion capital was approved at the AGM held on 24 April 2024.

- › Refer to article 4b of the AoA for more information about the terms and conditions of the issue of shares out of existing conversion capital – the AoA are available at ubs.com/governance

Capital band and reserve capital

As of the date of this report, UBS Group AG had not introduced any capital band or any reserve capital.

Changes in capital

In accordance with IFRS Accounting Standards, Group equity attributable to shareholders was USD 90.2bn on 31 December 2025 (2024: USD 85.1bn; 2023: USD 85.6bn). The equity of UBS Group AG shareholders was represented by 3,341,581,714 issued shares on 31 December 2025 (31 December 2024: 3,462,087,722; 31 December 2023: 3,462,087,722 issued shares).

- › Refer to "Statement of changes in equity" in the "Consolidated financial statements" section of this report for more information about changes in shareholders' equity over the last three years

Ownership

Ownership of UBS Group AG shares is widely spread. The tables in this section provide information about the distribution of UBS Group AG shareholders by category and geographic location. This information relates only to shareholders registered in the UBS share register and cannot be assumed to be representative of UBS Group AG's entire investor base or the actual beneficial ownership. Only shareholders registered in the UBS share register as "shareholders with voting rights" are entitled to exercise voting rights.

- › Refer to "Shareholders' participation rights" in this section for more information

On 31 December 2025, 1,321,894,722 UBS Group AG shares were registered in the UBS share register and carried voting rights, 93,121,130 shares were registered in the UBS share register without voting rights, and 1,926,565,862 shares were not registered in the UBS share register. As of the same date, all such shares were fully paid and eligible for dividends. There are no preferential rights for shareholders, and no other classes of shares have been issued by UBS Group AG.

Shareholders, legal entities and nominees: type and geographical distribution (Shareholders registered)

As of 31 December 2025	Shareholders registered							
	Individual shareholders		Legal entities		Nominees		Total	
	Number	%	Number	%	Number	%	Number	%
Individual shareholders	224,832	98.0						
Legal entities	4,433	1.9						
Nominees, fiduciaries					123	0.1		
Total shareholders registered	229,388	100.0						
	Individual shareholders		Legal entities		Nominees		Total	
	Number	%	Number	%	Number	%	Number	%
Americas	2,275	1.0	121	0.1	68	0.0	2,464	1.1
of which: US	1,774	0.8	81	0.0	62	0.0	1,917	0.8
Asia Pacific	6,419	2.8	107	0.0	2	0.0	6,528	2.8
Europe, Middle East and Africa	14,970	6.5	288	0.1	21	0.0	15,279	6.7
of which: Germany	4,425	1.9	56	0.0	2	0.0	4,483	2.0
of which: UK	5,439	2.4	4	0.0	4	0.0	5,447	2.4
of which: rest of Europe	4,676	2.0	221	0.1	14	0.0	4,911	2.1
of which: Middle East and Africa	430	0.2	7	0.0	1	0.0	438	0.2
Switzerland	201,168	87.7	3,917	1.7	32	0.0	205,117	89.4
Total shareholders registered	224,832	98.0	4,433	1.9	123	0.1	229,388	100.0

Shareholders, legal entities and nominees: type and geographical distribution (Shares registered)

As of 31 December 2025	Shares registered	
	Number	%
Individual shareholders	329,945,577	9.9
Legal entities	516,336,356	15.5
Nominees, fiduciaries	568,733,919	17.0
Total shares registered	1,415,015,852	42.3
Total shares not registered	1,926,565,862	57.7
Total shares	3,341,581,714	100.0

	Individual shareholders		Legal entities		Nominees		Total	
	Number	%	Number	%	Number	%	Number	%
Americas	2,075,663	0.1	58,596,540	1.8	368,260,304	11.0	428,932,507	12.8
of which: US	975,373	0.0	48,312,950	1.4	367,958,058	11.0	417,246,381	12.5
Asia Pacific	17,754,277	0.5	7,671,071	0.2	9,979,683	0.3	35,405,031	1.1
Europe, Middle East and Africa	37,162,280	1.1	33,497,648	1.0	183,707,201	5.5	254,367,129	7.6
of which: Germany	10,741,558	0.3	1,522,356	0.0	4,849,594	0.1	17,113,508	0.5
of which: UK	15,901,167	0.5	15,822	0.0	143,674,230	4.3	159,591,219	4.8
of which: rest of Europe	8,967,558	0.3	31,571,060	0.9	35,118,117	1.1	75,656,735	2.3
of which: Middle East and Africa	1,551,997	0.0	388,410	0.0	65,260	0.0	2,005,667	0.1
Switzerland	272,953,357	8.2	416,571,097	12.5	6,786,731	0.2	696,311,185	20.8
Total shares registered	329,945,577	9.9	516,336,356	15.5	568,733,919	17.0	1,415,015,852	42.3
Total shares not registered	0	0.0	0	0.0	0	0.0	1,926,565,862	57.7
Total shares	329,945,577	9.9	516,336,356	15.5	568,733,919	17.0	3,341,581,714	100.0

At year-end 2025, UBS owned 249,882,523 UBS Group AG treasury shares, which corresponded to 7.48% of the total share capital of UBS Group AG. At the same time, UBS had acquisition positions relating to 275,102,479 voting rights of UBS Group AG, including the aforementioned treasury shares, and disposal positions relating to 643,775,392 such rights, corresponding to 8.23% and 19.27% of the total voting rights of UBS Group AG, respectively. Of the disposal positions, 160,092,701 related to voting rights on shares deliverable in respect of employee awards. The calculation methodology for the acquisition and disposal positions is based on the Ordinance of the Swiss Financial Market Supervisory Authority on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading, which states that all future potential share delivery obligations, irrespective of the contingent nature of the delivery, must be considered.

› Refer to the “UBS shares” section of this report for more information about UBS Group shares

Employee share ownership

Employee share ownership is encouraged and made possible in a variety of ways. Our Equity Plus Plan is a voluntary plan that provides eligible employees with the opportunity to purchase UBS Group AG shares at market value and receive, at no additional cost, one notional UBS Group AG share for every three shares purchased. Additional shares vest after a maximum of three years, provided the employee remains employed by UBS and has retained the purchased shares throughout the holding period. The Equity Ownership Plan (the EOP) is a mandatory deferral plan for all employees that are subject to deferral requirements (regulatory-driven or total compensation greater than USD / CHF 300,000) but do not receive LTIP awards. EOP recipients receive a portion of their deferred performance award in notional shares (or notional funds under the Fund Ownership Plan for employees in Investment Areas within Asset Management). GEB members and most Managing Directors reporting to the GEB and their direct reports at MD level¹ receive the equity-based Long-Term Incentive Plan (the LTIP) instead of the EOP. Both the EOP and LTIP include employment conditions and malus conditions that allow the firm to reduce or fully forfeit unvested deferred awards under certain circumstances, pursuant to performance and harmful acts provisions. In addition, forfeiture is triggered in cases where employment has been terminated for cause. Underlining our emphasis on sustainable performance and risk management, and to support delivering on our ambitious integration goals and business / financial targets, LTIP awards will only vest if predetermined performance conditions are met.

On 31 December 2025, UBS employees held at least 6.94% of UBS shares outstanding (including approximately 4.55% in unvested deferred notional shares from our compensation programs). These figures are based on known shareholding information from employee participation plans, personal holdings with UBS and selected individual retirement plans. At the end of 2025, at least 28.24% of all employees held UBS shares through the firm’s employee share participation plans.

› Refer to the “Compensation” section of this report for more information

Trading restrictions in UBS shares

UBS employees with regular access to unpublished price-sensitive information about the firm are subject to specific restrictions in respect to UBS financial instruments, including, but not limited to, pre-clearance requirements and regular blackout periods. Such UBS employees are not permitted to trade UBS financial instruments in the period starting from the close of business in New York on the seventh business day of the final month of the financial quarter of UBS Group AG and ending at close of business on the day of the publication of the quarterly financial results.

Shares and participation certificates

UBS Group AG has a single class of shares, which are registered shares in the form of uncertificated securities (in the sense of the Swiss Code of Obligations). Each registered share has a nominal value of CHF 0.10 and carries one vote, subject to the restrictions set out under "Transferability, voting rights and nominee registration" below.

We have no participation certificates outstanding.

UBS Group AG shares are listed on SIX and also on the New York Stock Exchange (the NYSE) as global registered shares. As such, they can be traded and transferred across applicable borders, without the need for conversion, with identical shares traded on different stock exchanges in different currencies.

› Refer to the "UBS shares" section of this report for more information

Distributions to shareholders

The decision to pay a dividend and the amount of any dividend depend on a variety of factors, including our profits, cash flow generation and capital ratios.

At the 2026 AGM, the BoD is proposing to shareholders for approval a dividend of USD 1.10 per share for the 2025 financial year. Shareholders whose shares are held through SIX SIS AG will receive dividends in Swiss francs, based on an exchange rate published on the day prior to the ex-dividend date. Shareholders holding shares through The Depository Trust Company in New York or Computershare will be paid dividends in US dollars.

In compliance with Swiss tax law, 50% of the dividend will be paid out of retained earnings and the balance will be paid out of the capital contribution reserve. Dividends paid out of capital contribution reserves are not subject to Swiss withholding tax. The portion of the dividend paid out of retained earnings will be subject to a 35% Swiss withholding tax. For US federal income tax purposes, we expect that the dividend will be paid out of current or accumulated earnings and profits.

If the proposed dividend distribution out of retained earnings and out of the capital contribution reserve is approved at the AGM on 15 April 2026, the payment of USD 1.10 (or the Swiss franc equivalent) per share will be made on 23 April 2026 to holders of shares on the record date 22 April 2026 on SIX and the NYSE. However, on SIX the shares will be traded ex-dividend as of 21 April 2026, and, accordingly, the last day on which the shares may be traded with entitlement to receive the dividend will be 20 April 2026. On the NYSE the shares will be traded ex-dividend as of 22 April 2026, and the last day on which the shares may be traded with entitlement to receive the dividend will be 21 April 2026.

The 2022 share repurchase program was concluded at the end of its two-year term on 28 March 2024. In total, 298,537,950 UBS Group AG shares were repurchased, representing 8.62% of the registered share capital of UBS Group AG at the time. The total repurchase volume amounted to CHF 5,009,665,264 (USD 5,244,697,247). On 12 April 2023, the Swiss Takeover Board had approved the use of up to 178,031,942 shares repurchased under the 2022 program, and originally intended for cancellation, for the acquisition of the Credit Suisse Group. The remaining 120,506,008 shares repurchased were canceled by means of a capital reduction, as approved by the shareholders at the 2025 Annual General Meeting (the AGM). On 3 April 2024, UBS launched a two-year 2024 share repurchase program of up to USD 2bn and completed it on 23 May 2025. In total, 63,776,550 UBS Group AG shares were repurchased, representing 1.91% of the current registered share capital of UBS Group AG. The total repurchase volume amounted to CHF 1,738,798,331 (USD 1,999,932,111). All shares repurchased under this program are intended to be canceled by way of capital reduction, which will be subject to shareholder approval at the AGM on 15 April 2026.

On 1 July 2025, UBS launched a two-year 2025 share repurchase program of up to USD 2bn in UBS Group AG shares and completed it on 20 November 2025. In total, 52,582,575 UBS Group AG shares were repurchased, representing 1.6% of the current registered share capital of UBS Group AG. The total repurchase volume amounted to CHF 1,601,650,555 (USD 1,999,994,509). All shares repurchased under this program are intended to be canceled by way of capital reduction, which will be subject to shareholder approval at a future AGM.

On 4 February 2026, UBS launched a share repurchase program of up to USD 3bn in UBS Group AG shares. The program started on 5 February 2026 and will end at the latest on 4 February 2028 or earlier if either the maximum amount of USD 3bn has been reached or 10% of the registered share capital has been repurchased. UBS intends to repurchase USD 3bn of shares in 2026 with the aim to do more. The amount of additional repurchases is subject to further clarity around the future regulatory regime in Switzerland, UBS's financial performance and maintaining a CET1 capital ratio of around 14%. Beyond 2026, UBS intends to continue to pursue share repurchases that will be calibrated based on UBS's financial results and capital ratio and the final outcome and timing of the implementation of the new regulatory regime in Switzerland.

› Refer to the "UBS shares" section of this report for more information about the share repurchase programs

Transferability, voting rights and nominee registration

We do not apply any restrictions or limitations on the transferability of UBS Group AG shares. Voting rights may be exercised without any restrictions by shareholders entered into the UBS share register if they expressly render a declaration of beneficial ownership according to the provisions of the AoA.

We have special provisions for the registration of nominees. Nominees are entered in the UBS share register with voting rights up to a total of 5% of all issued UBS Group AG shares if they agree to disclose, upon our request, beneficial owners holding 0.3% or more of all issued UBS Group AG shares. An exception to the 5% voting limit rule is in place for securities clearing organizations, such as The Depository Trust Company in New York.

› Refer to “Shareholders’ participation rights” in this section for more information

Convertible bonds and options

UBS Group AG has issued additional tier 1 (AT1) instruments that have terms providing an equity conversion feature; on 31 December 2025, such instruments with an aggregate principal amount of USD 12.9bn equivalent were outstanding.

› Refer to the “Capital management” section of this report for more information about our outstanding capital instruments

On 31 December 2025, there were no employee options or stock appreciation rights outstanding. Option-based compensation plans are sourced by issuing new shares out of UBS Group AG’s conditional capital. On 31 December 2025, UBS Group AG had USD 12,170,583 in conditional capital available for the issuance of new shares for this purpose.

› Refer to “Conditional capital” in this section for more information

› Refer to “Note 26 Employee benefits: variable compensation” in the “Consolidated financial statements” section of this report for more information about outstanding options and stock appreciation rights

¹ Includes senior managers who received LTIP awards for the 2023 and 2024 performance year and who are no longer reporting to the GEB or their direct reports at MD level, excludes MDs in Asset Management Investment Areas (who receive the Fund Ownership Plan instead of the LTIP).

Shareholders’ participation rights

We are committed to shareholder participation in decision-making processes. Our online voting platform offers registered shareholders a convenient log-in and online voting process. For the 2026 AGM, registered shareholders will for the first time be sent a personal invitation without the comprehensive invitation materials but containing the forms for an admission card and voting instructions, as well as a personal one-time password and a QR code to easily log into the online voting platform, where they can enter their voting instructions or order an admission card for the general meeting electronically.

Shareholders who do not explicitly choose to receive the invitation with the forms for an admission card and voting instructions, as well as the personal one-time password are informed of upcoming general meetings by a short letter only containing a personal one-time password, a QR code for online voting and a reference to ubs.com/agm, where all information for the upcoming meeting is available.

General meetings offer shareholders the opportunity to raise questions for the BoD, the GEB and internal and external auditors.

Voting rights, restrictions and representation

We place no restrictions on share ownership and voting rights. However, certain limitations apply to nominees pursuant to general principles formulated by the BoD. Nominees normally represent a large number of individual shareholders and may hold an unlimited number of shares. Nominees have voting rights limited to a maximum of 5% of all issued UBS Group AG shares if they agree to disclose, upon our request, beneficial owners holding 0.3% or more of all issued UBS Group AG shares. Any shares above the 5% limit, or for which no agreement exists to disclose the beneficiaries, are entered in the share register without voting rights. This 5% limit has been implemented to avoid large shareholders being entered in the UBS share register via nominees so as to exercise influence without directly registering their shares with UBS. An exception to the 5% voting limit rule is in place for securities clearing organizations, such as The Depository Trust Company in New York.

Shareholders can exercise voting rights conferred by shares only if they are registered in our share register with voting rights. To register, shareholders must confirm that they have acquired UBS Group AG shares in their own name and for their own account.

All shareholders registered with voting rights are entitled to participate in general meetings. If they do not wish to attend in person, they may issue instructions to support, reject or abstain for each individual item on the meeting agenda, either by giving instructions to an independent proxy in accordance with article 14 of the AoA or by granting a written power of attorney to a third person of their choice (which does not need to be a shareholder) to vote on their behalf. Alternatively, registered shareholders may issue their voting instructions to the independent proxy electronically through our online voting platform. Nominees normally submit the proxy material to the beneficial owners and forward the collected votes to the independent proxy.

› Refer to article 14 of the AoA, available at ubs.com/governance, for more information about the issuing of instructions to independent voting right representatives

Statutory quorums

Motions are decided at a general meeting by a majority of the votes represented, excluding blank and invalid ballots. For the approval of certain specific issues, the Swiss Code of Obligations requires a positive vote from a two-thirds majority of the votes represented at the given general meeting and from a majority of the nominal value of shares represented thereat. Such issues include creating shares with privileged voting rights, introducing restrictions on the transferability of registered shares, creating conditional capital or introducing a capital band or reserve capital and restricting or excluding shareholders' preemptive rights.

The AoA also require a two-thirds majority of votes represented for approval of any change to their provisions regarding the number of BoD members, any decision to remove one-quarter or more of the BoD members and any modification to the provision establishing this qualified quorum.

Votes and elections are generally conducted electronically to ascertain the exact number of votes represented. Voting by a show of hands is possible if a clear majority is predictable. Shareholders representing at least 3% of the votes represented may request that a vote or election be carried out electronically or by written ballot. To allow shareholders to clearly express their views on all individual topics, each agenda item is separately put to a vote and BoD members are elected on a person-by-person basis.

Convocation of general meetings of shareholders

The AGM must be held within six months of the close of the financial year (i.e. 31 December). In 2026, the AGM will take place on 15 April.

Extraordinary general meetings (EGMs) may be convened whenever the BoD or the auditors consider it necessary. Shareholders individually or jointly representing at least 5% of the share capital may at any time, including during an AGM, require, by way of a written statement, that an EGM be convened to address a specific issue they put forward.

A personal invitation, including a detailed agenda, is made available to every registered shareholder at least 20 days ahead of each scheduled general meeting. The items on the agenda are also published in the Swiss Official Gazette of Commerce, as well as at ubs.com/agm.

Placing of items on the agenda

Pursuant to the AoA, shareholders individually or jointly representing shares with an aggregate minimum nominal value of USD 62,500 may submit requests for items to be placed on the agenda for consideration at the next general meeting of shareholders or for motions relating to agenda items to be included in the notice to convene the general meeting.

In January of each year, the invitation to submit such agenda items or motions relating to agenda items is published in the Swiss Official Gazette of Commerce and at ubs.com/agm. Requests for motions relating to agenda items and items to be placed on the agenda must include the actual motions to be put forward, together with a short explanation. Such requests must be submitted to the BoD no later than the deadline published by UBS Group AG, including a statement from the depository bank confirming the number of shares held by the requesting shareholder(s) and that these shares are blocked from sale until the end of the general meeting of shareholders. The BoD formulates opinions on such requests from shareholders, which are published together with the motions from the BoD.

Registrations in the UBS share register

The UBS share register, where around 241,578 UBS Group AG shareholders are directly registered on 24 February 2026, is an internal, non-public register subject to statutory confidentiality, secrecy, privacy and data protection regulations protecting registered shareholders. In general, third parties and shareholders have no inspection rights with regard to data related to other shareholders. Disclosure of such data is permitted only in specific and limited instances. In line with the Swiss Federal Act on Data Protection, the disclosure of personal data as defined thereunder is only allowed with the consent of the registered shareholder and in cases where there is an overriding private or public interest or if explicitly provided for by Swiss law. The Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading contains specific reporting duties, such as in relation to significant shareholders (refer to "Significant shareholders" in this section for more information). Disclosure may also be required or requested by a court of a competent jurisdiction, by any regulatory body that regulates the conduct of UBS Group AG or by other statutory provisions.

The general rules for entry into our Swiss share register with voting rights are described in article 5 of our AoA. The same rules apply to our US transfer agent that operates the US share register for all UBS Group AG shares in a custodian account in the US, where some 634,439 US shareholders are indirectly registered via nominees on 22 January 2026. In order to determine the voting rights of each shareholder, our share register generally closes two business days prior to a general meeting. Our independent proxy agent processes voting instructions from shareholders as long as technically possible, generally also until two business days before a general meeting. Such technical closure of our share register facilitates the determination of the actual voting rights of every shareholder that issued a voting instruction. Irrespective of this technical closure, shares that are registered in our share register are never immobilized and such closure does not affect the tradability of such shares at any time, irrespective of any issued voting instructions.

- › Refer to article 5 of our AoA, available at ubs.com/governance, for more information about the general rules for entry into the UBS share register

Board of Directors

The Board of Directors of UBS Group AG (the BoD), led by the Chairman, consists of between 6 and 12 members, as per our AoA.

The BoD decides on the strategy of the Group, upon recommendation by the Group Chief Executive Officer (the Group CEO), and is responsible for the overall direction, supervision and control of the Group and its management. It is also responsible for supervising compliance with applicable laws, rules and regulations. The BoD exercises oversight over UBS Group AG and its subsidiaries, and is responsible for establishing a clear Group governance framework to provide effective steering and supervision of the Group, taking into account the material risks to which UBS Group AG and its subsidiaries are exposed. The BoD has ultimate responsibility for the success of the Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. It approves all financial statements and appoints and removes all members of the Group Executive Board.

Members of the Board of Directors

At the AGM on 10 April 2025, Colm Kelleher was re-elected as Chairman of the Board and Lukas Gähwiler, Jeremy Anderson, William C. Dudley, Patrick Firmenich, Fred Hu, Mark Hughes, Gail Kelly, Julie G. Richardson and Jeanette Wong were re-elected as members of the BoD. Renata Jungo Brüngger and Lila Tretikov were elected to the BoD as new members. At that same AGM, Julie G. Richardson and Jeanette Wong were re-elected and Gail Kelly elected as members of the Compensation Committee. ADB Altorfer Duss & Beilstein AG was re-elected as independent proxy agent. Following their election, the BoD appointed Lukas Gähwiler as Vice Chairman and Jeremy Anderson as Senior Independent Director of UBS Group AG. On 1 July 2025, Markus Baumann retired as the Group Company Secretary of UBS Group AG, and the BoD appointed Michael Schoch as the new Group Company Secretary of UBS Group AG.

On 24 October 2025, the BoD announced that Lukas Gähwiler would not stand for re-election at the forthcoming AGM, deciding to retire after a 45-year career in financial services and serving on the BoD for four years, and that Markus Ronner would be nominated for election to the BoD at the same AGM. Markus Ronner has been a member of the GEB since 2018 and was Group Chief Compliance and Governance Officer until 31 December 2025.

On 27 February 2026, the BoD announced that William C. Dudley and Jeanette Wong had decided to not stand for re-election, each after seven years of service on the BoD. At the forthcoming AGM, Agustín Carstens and Luca Maestri will be nominated for election to the BoD. Agustín Carstens served as General Manager of the Bank of International Settlements from 2017 to 2025 and formerly was Governor of the Bank of Mexico. Luca Maestri currently holds the position of Vice President of Corporate Services at Apple Inc. and earlier served as its CFO for over 10 years.

Article 31 of our AoA limits the number of mandates that members of the BoD may hold outside UBS Group to four mandates in listed companies and five additional mandates in non-listed companies. Mandates in companies that are controlled by us or that control us are not subject to this limitation. In addition, members of the BoD may hold no more than 10 mandates at UBS's request and 10 mandates in associations, charitable organizations, foundations, trusts, and employee welfare foundations without commercial purpose. On 31 December 2025, no member of the BoD reached any of these thresholds.

The following biographies provide information about the BoD members who were in office after the 2025 AGM. In addition to information on mandates, the biographies include information on memberships or other activities or functions, as required by the SIX Swiss Exchange Corporate Governance Directive.



Colm Kelleher

Chairman of the Board of Directors, independent and non-executive member of the Board since 2022

- Chairperson of the Corporate Culture and Responsibility Committee of UBS Group AG since 2022
- Chairperson of the Governance and Nominating Committee of UBS Group AG since 2022

Nationality: Irish | **Year of birth:** 1957

Colm Kelleher was elected Chairman of UBS in April 2022. In March 2023, he led the successful negotiations for UBS to acquire the Credit Suisse Group. He served as President of Morgan Stanley until retiring from that firm in 2019, overseeing both the Institutional Securities Business and Wealth Management. Before that, he was Co-President and then President of Morgan Stanley Institutional Securities. During the global financial crisis, he held the position of CFO and Co-Head Corporate Strategy from 2007 to 2009. Mr. Kelleher is a well-respected leader in the financial services sector. His 30-year career with Morgan Stanley attests to his solid leadership experience in banking and excellent relationships around the world. He has a deep understanding of the global banking landscape and broad banking experience across all the geographical regions and major business areas in which UBS operates.

Professional experience

2016 – 2019	President, Morgan Stanley, responsible for Institutional Securities and Wealth Management
2011 – 2016	CEO of Morgan Stanley International, Morgan Stanley
2013 – 2015	President, Institutional Securities, Morgan Stanley
2010 – 2012	Co-President, Institutional Securities, Morgan Stanley
2007 – 2009	CFO and Co-Head Corporate Strategy, Morgan Stanley
2006 – 2007	Head Global Capital Markets, Morgan Stanley
2004 – 2006	Co-Head Fixed Income, Europe, Morgan Stanley
1989 – 2004	Various roles, Morgan Stanley

Education

- Master's degree, modern history, the University of Oxford
- Fellow of the Institute of Chartered Accountants in England and Wales

Other activities and functions

- Chairman of the Board of Directors of UBS AG
- Member of the Board of Directors of the Bretton Woods Committee
- Member of the Board of the Swiss Finance Council
- Member of the Board of the International Monetary Conference
- Member of the Board of the Bank Policy Institute
- Member of the Board of Americans for Oxford
- Visiting Professor of Banking and Finance, Loughborough Business School
- Member of the European Financial Services Round Table
- Member of the European Banking Group
- Member of the International Advisory Council of the China Securities Regulatory Commission
- Member of the Chief Executive's Advisory Council (Hong Kong)

Key competencies

- Banking (wealth management, asset management, personal and corporate banking) and insurance
- Investment banking, capital markets
- Finance, audit, accounting
- Risk management, compliance and legal

Leadership experience

- CEO, Chairman



Lukas Gähwiler

Vice Chairman, non-independent and non-executive member of the Board since 2022

- Member of the Governance and Nominating Committee of UBS Group AG since 2023
- Member of the Risk Committee of UBS Group AG and UBS AG since 2023

Nationality: Swiss | **Year of birth:** 1965

Lukas Gähwiler brings a wealth of industry experience and an in-depth understanding of UBS to the Board of Directors of UBS. He served as Chairman of the Board of UBS Switzerland AG for five years and was previously a member of the Group Executive Board of UBS and President UBS Switzerland, responsible for the private clients, wealth management, corporate and institutional clients, investment banking, and asset management businesses in UBS's home market. Before joining UBS, Mr. Gähwiler worked for Credit Suisse for over twenty years, his last role being Chief Credit Officer, Global Private and Corporate Banking. In addition to his leadership and industry experience across all parts of the banking business, his strong connections and network, particularly in Switzerland, are instrumental for the firm. After the acquisition of the Credit Suisse Group in 2023, Mr. Gähwiler served as Chairman of Credit Suisse AG.

Professional experience

2023 – 2024	Chairman of the Board of Directors of Credit Suisse AG
2017 – 2022	Chairman of the Board of Directors of UBS Switzerland AG
2010 – 2016	Member of the Group Executive Board, UBS and President UBS Switzerland
2003 – 2010	Chief Credit Officer, Global Private and Corporate Banking, Credit Suisse
2002 – 2003	Head Credit Risk Management, Corporate Clients Switzerland, Credit Suisse
1998 – 2001	Chief of Staff to CEO, Private and Corporate Clients, Credit Suisse
1990 – 1998	Various senior front office roles in Corporate Clients in Switzerland and North America, Credit Suisse
1981 – 1986	Client Advisor Retail and Wealth Management, St.Galler Kantonalbank

Education

- Advanced Management Program, Harvard Business School
- MBA program, International Bankers School, New York
- Bachelor's degree, business administration, University of Applied Sciences, St. Gallen

Non-listed company boards

- Vice Chairman of the Board of Directors of Pilatus Aircraft Ltd
- Member of the Board of Directors of Ringier AG

Other activities and functions

- Vice Chairman of the Board of Directors of UBS AG
- Member of the Board and Board Committee of economiesuisse
- Chairman of the Employers Association of Banks in Switzerland
- Member of the Board of Directors of the Swiss Employers Association
- Member of the Board of Directors and the Board of Directors Committee of the Swiss Bankers Association
- Member of the Board of the Swiss Finance Council
- Member of the Board of Trustees of Avenir Suisse

Key competencies

- Banking (wealth management, asset management, personal and corporate banking) and insurance
- Finance, audit, accounting
- Risk management, compliance and legal
- Human resources management, including compensation

Leadership experience

- CEO, Chairman



Jeremy Anderson

Senior Independent Director since 2020, independent and non-executive member of the Board since 2018

- Chairperson of the Audit Committee of UBS Group AG and UBS AG since 2018
- Member of the Governance and Nominating Committee of UBS Group AG since 2019

Nationality: British | **Year of birth:** 1958

Jeremy Anderson is a financial services veteran, with more than 30 years' experience working in the banking and insurance sector in an advisory capacity, covering a broad range of topics, including strategy, audit and risk management, technology-enabled transformation, mergers, and bank restructuring. Before retiring from KPMG in 2017, he was its Chairman of Global Financial Services. Mr. Anderson is also an IT expert, having started out as a software developer in the early 1980s, before working in IT consulting and developing a broad knowledge of systems integration and IT outsourcing services, as well as software development. He cemented his reputation as a tech specialist by becoming a founding sponsor of KPMG's Global Fintech Network in 2014.

Professional experience

2010 – 2017	Chairman of Global Financial Services, KPMG International
2008 – 2011	Head of Clients and Markets KPMG Europe, KPMG International
2006 – 2011	Head of Financial Services KPMG Europe, KPMG International
2004 – 2006	Head of Financial Services KPMG UK, KPMG International
2002 – 2004	Member of the Group Management Board and Head of UK operations, Atos Origin SA
1985 – 2002	KPMG consulting UK, KPMG
1980 – 1985	Software developer, Triad Computing Systems

Education

- Bachelor's degree, economics, University College London

Listed company boards

- Member of the Board of Prudential plc (chair of the risk committee)

Non-listed company boards

- Chairman of Lamb's Passage Holding Ltd

Other activities and functions

- Member of the Board of Directors of UBS AG
- Member of the Board of Credit Suisse International
- Trustee of the UK's Productivity Leadership Group

Key competencies

- Banking (wealth management, asset management, personal and corporate banking) and insurance
- Finance, audit, accounting
- Risk management, compliance and legal
- Technology, including artificial intelligence and cybersecurity

Leadership experience

- Executive board leadership



William C. Dudley

Independent and non-executive member of the Board since 2019

- Member of the Corporate Culture and Responsibility Committee of UBS Group AG since 2019
- Member of the Risk Committee of UBS Group AG and UBS AG since 2019

Nationality: American (US) | **Year of birth:** 1953

William C. Dudley served as the President and CEO of the Federal Reserve Bank of New York for nine years. He demonstrated exceptional leadership in monetary policy and as a top regulator, including during the years of the global financial crisis. During that period, his additional area of focus included cultural behavior and social and governance topics in the financial services industry. He also served as the Vice Chairman and a permanent member of the Federal Open Market Committee. Mr. Dudley brings a wealth of experience in banking and research thanks to his former management positions at Goldman Sachs Group and Morgan Guaranty Trust.

Professional experience

2009 – 2018	President and CEO, the Federal Reserve Bank of New York
2007 – 2009	Executive Vice President and Head Markets Group, the Federal Reserve Bank of New York
2006	Senior advisor (part-time), Goldman Sachs Group
2002 – 2005	Partner and Director US Economic Research Group, Goldman Sachs Group
1996 – 2002	Managing Director and Director US Economic Research Group, Goldman Sachs Group
1983 – 1996	Economist at Goldman Sachs Group, Morgan Guaranty Trust Company, and Board of Governors of the Federal Reserve System

Education

- Bachelor of Arts, New College of Florida
- Doctorate, economics, University of California, Berkeley

Listed company boards

- Member of the Global Advisory Council of Coinbase

Non-listed company boards

- Member of the Advisory Board of Suade Labs

Other activities and functions

- Member of the Board of Directors of UBS AG
- Senior Advisor to the Griswold Center for Economic Policy Studies, Princeton University
- Member of the Group of Thirty
- Member of the Council on Foreign Relations
- Chairman of the Bretton Woods Committee Board of Directors
- Member of the Board of the Council for Economic Education

Key competencies

- Investment banking, capital markets
- Risk management, compliance and legal
- Regulatory authority, central bank
- Environmental, social and governance (ESG)

Leadership experience

- CEO, Chairman



Patrick Firmenich

Independent and non-executive member of the Board since 2021

- Member of the Audit Committee of UBS Group AG and UBS AG since 2021
- Member of the Corporate Culture and Responsibility Committee of UBS Group AG since 2021

Nationality: Swiss | **Year of birth:** 1962

Patrick Firmenich was Chairman of the Board of Firmenich International SA, a privately owned fragrances and flavorings company, from 2016 to 2023 and its CEO for 12 years. In 2023, he became Vice Chairman of dsm–firmenich, a listed company. He has demonstrated his entrepreneurial leadership by significantly advancing the Firmenich group's global position through organic and in-organic growth and succeeded in transforming the organization to continuously respond to client needs and the market environment. He developed an ambitious sustainability strategy for the group to lead the industry in health, safety and environmental performance. Before joining Firmenich, he held several positions in the legal and banking sectors, including working as an international investment banking analyst.

Professional experience

2016 – 2023	Chairman of the Board of Firmenich International SA, Geneva
2014 – 2016	Vice Chairman of the Board, Firmenich International SA, Geneva
2002 – 2014	CEO, Firmenich SA, Geneva
2001 – 2002	Corporate Vice President, Special Operations, Firmenich SA, Geneva
1997 – 2001	Vice President Fine Fragrance worldwide and Président Directeur Général, Firmenich & Cie, Paris, and Firmenich Inc, New York
1993 – 1997	Vice President Fine Fragrance North America, Firmenich Inc, New York
1990 – 1993	Account Manager, Firmenich & Cie, Paris
1988 – 1989	Analyst, International Investment Banking, Credit Suisse First Boston
1988	Production administrator, Firmenich SA de CV, Mexico
1984 – 1986	Attorney, Business Law, Patry, Junet, Simon & Le Fort, Geneva

Education

- Master's degree, law, University of Geneva, admitted to the bar in Geneva
- MBA, INSEAD Fontainebleau

Listed company boards

- Vice Chairman of the Board of dsm–firmenich (chair of the governance and nomination committee)

Other activities and functions

- Member of the Board of Directors of UBS AG
- Member of the Advisory Council of the Swiss Board Institute

Key competencies

- Finance, audit, accounting
- Risk management, compliance and legal
- Human resources management, including compensation
- Environmental, social and governance (ESG)

Leadership experience

- CEO, Chairman



Fred Hu

Independent and non-executive member of the Board since 2018

- Member of the Governance and Nominating Committee of UBS Group AG since 2020

Nationality: Chinese | **Year of birth:** 1963

Fred Hu has been the Chairman and CEO of Primavera Capital Group, an Asia-based private investment firm focused on emerging technology and innovative industries, since founding it in 2010. In that role he oversees the overall strategy, talent development, and culture and assumes the primary responsibilities for establishing and maintaining the long-term partnerships with global investors. Prior to that, he was a Partner and Chairman for Greater China at Goldman Sachs. Mr. Hu has a profound understanding of China's economy and rapidly developing financial system, and a vast amount of experience in founding, advising and investing in leading firms in the tech, consumer and health-care sectors in China and globally. He has worked at the IMF and advised the Chinese government on economic policy.

Professional experience

2010 – date	Founder, Chairman and CEO, Primavera Capital Group, China
2008 – 2010	Partner and Chairman of Greater China, Goldman Sachs
2004 – 2008	Partner and Co-Head, Investment Banking, China, Goldman Sachs

Education

- Master's degree, engineering science, Tsinghua University
- Master's degree and doctorate, economics, Harvard University

Listed company boards

- Non-executive Chairman of the Board of Yum China Holdings (chair of the nomination and governance committee)
- Member of the Board of Chubb Limited

Non-listed company boards

- Chairman of Primavera Capital Ltd

Other activities and functions

- Member of the Board of Directors of UBS AG
- Trustee of the China Medical Board
- Member of the Global Board of The Nature Conservancy and Co-Chairman of its Asia Pacific Council
- Member of the Board of Trustees, the Institute for Advanced Study

Key competencies

- Banking (wealth management, asset management, personal and corporate banking) and insurance
- Investment banking, capital markets
- Technology, including artificial intelligence and cybersecurity
- Regulatory authority, central bank

Leadership experience

- CEO, Chairman



Mark Hughes

Independent and non-executive member of the Board since 2020

- Chairperson of the Risk Committee of UBS Group AG and UBS AG since 2020
- Member of the Corporate Culture and Responsibility Committee of UBS Group AG since 2020

Nationality: Canadian, British and American (US) | **Year of birth:** 1958

Mark Hughes is a highly experienced professional in the financial services sector, having spent more than 35 years working for RBC (the Royal Bank of Canada) in Canada, the US and the UK. In his final role as Group Chief Risk Officer of RBC, he was responsible for the strategic management of risk on an enterprise-wide basis and oversaw all risk functions. During his career, Mr. Hughes has also held senior management positions in the front office and key operational roles. Currently, he is a frequent lecturer at the University of Leeds and the University of Manchester (both in England) and is Director Emeritus of the Global Risk Institute, bringing an enormous amount of experience as a risk specialist to the Board of Directors of UBS.

Professional experience

2014 – 2018	Group Chief Risk Officer and member Group Executive Committee, RBC
2013	Deputy Chief Risk Officer, RBC
2008 – 2013	COO, RBC Capital Markets, RBC
2001 – 2008	Head of Global Credit, RBC
1999 – 2001	Head of Debt Products, RBC
1998 – 1999	Senior Vice President and General Manager USA, RBC
1997 – 1998	Senior Vice President Financial Services, RBC
1982 – 1996	Various positions, RBC

Education

- Bachelor of Laws (LL.B.), University of Leeds
- MBA, finance, University of Manchester

Other activities and functions

- Member of the Board of Directors of UBS AG
- Senior advisor to McKinsey & Company

Key competencies

- Banking (wealth management, asset management, personal and corporate banking) and insurance
- Investment banking, capital markets
- Risk management, compliance and legal
- Technology, including artificial intelligence and cybersecurity

Leadership experience

- Executive board leadership



Renata Jungo Brüngger

Independent and non-executive member of the Board since 2025

- Member of the Corporate Culture and Responsibility Committee of UBS Group AG since 2025

Nationality: Swiss | **Year of birth:** 1961

Renata Jungo Brüngger is a highly respected professional with extensive experience in legal affairs, governance, integrity and sustainability. She was a member of the Board of Management of Daimler AG (now Mercedes-Benz Group AG) from 2016 to October 2025. Her responsibilities include the areas of integrity, governance and sustainability throughout the Mercedes-Benz Group AG, its group's legal department and the compliance, legal product and technology organization, as well as corporate data protection and corporate audit. She was also responsible for overseeing the implementation of integrity and sustainability management across the company. Ms. Jungo Brüngger joined the former Daimler AG as Head of Legal and Executive Vice President in 2011. Previously, she was General Counsel for Corporate EMEA and Vice President / General Counsel for Emerson Process Management EMEA, Emerson Electric (Switzerland and the US) and before that worked for the legal department of Metro Holding AG and the Swiss law firm Bär & Karrer.

Professional experience

2019 – October 2025	Member of the Board of Management for Integrity, Governance & Sustainability, Mercedes Benz Group AG (formerly Daimler AG) and Mercedes Benz AG
2016 – 2019	Member of the Board of Management for Integrity & Legal Affairs, Daimler AG
2011 – 2015	Head of Legal and Executive Vice President, Daimler AG
2000 – 2011	General Counsel Corporate EMEA & Vice President / General Counsel Emerson Process Management EMEA, Emerson Electric
1995 – 2000	Corporate Legal Counsel, Divisional Director, Metro Holding AG
1994	Secondment, Sidley & Austin
1990 – 1994	Lawyer (associate), Bär & Karrer

Education

- Masters of Laws (LL.M.) in international commercial law, University of Zurich
- Admission to the bar
- Licentiate (bilingual German / French) in Law (Lic. iur.), University of Fribourg

Listed company boards

- Member of the Supervisory Board of Daimler Truck Holding AG
- Member of the Supervisory Board of Daimler Truck AG
- Member of the Supervisory Board of Munich Re (chair of remuneration committee)

Other activities and functions

- Member of the Board of Directors of UBS AG
- Member of the Board of Trustees of Internationale Bachakademie Stuttgart
- Member of the Board of Trustees of Gesellschaft der Freunde von Bayreuth e. V. (Friends of Bayreuth)

Key competencies

- Finance, audit, accounting
- Risk management, compliance and legal
- Human resources management, including compensation
- Environmental, social and governance (ESG)

Leadership experience

- Executive board leadership



Gail Kelly

Independent and non-executive member of the Board since 2024

- Member of the Compensation Committee of UBS Group AG and UBS AG since 2025
- Member of the Governance and Nominating Committee of UBS Group AG since 2024

Nationality: Australian | **Year of birth:** 1956

Gail Kelly brings to the board more than 35 years of executive financial services experience in South Africa and Australia. She served as the Group CEO and Managing Director for two banks in Australia: St. George Bank, from 2002 to 2007, followed by Westpac Banking Corporation, from 2008 to 2015. During her tenure as CEO, Ms. Kelly navigated Westpac through the challenges of the global financial crisis in 2008 and 2009 and the successful merger with St. George Bank in 2008, the largest in-market financial services merger in Australia. Westpac's market capitalization more than doubled over her tenure as CEO. After her executive career, Ms. Kelly continues to hold a portfolio of roles, leveraging her experience and insights as a global leader. She was a Senior Global Advisor for UBS from 2016 to 2023.

Professional experience

2008 – 2015	Group CEO and Managing Director, Westpac Banking Corporation
2002 – 2007	Group CEO and Managing Director, St. George Bank
1999 – 2001	Group Executive, Customer Service Division, Commonwealth Bank of Australia
1997 – 1999	Group Manager, Strategic Marketing, Commonwealth Bank of Australia
1990 – 1997	Various General Manager positions, Nedbank Group, South Africa

Education

- Bachelor of Arts, the University of Cape Town
- MBA, University of Witwatersrand, Johannesburg

Listed company boards

- Member of the Board of Singtel Communications (chair of the executive resource and compensation committee)

Other activities and functions

- Member of the Board of Directors of UBS AG
- Member of the Group of Thirty
- Member of the Board of Directors of the Bretton Woods Committee
- Member of the Australian American Leadership Dialogue Advisory Board
- Senior advisor to McKinsey & Company

Key competencies

- Banking (wealth management, asset management, personal and corporate banking) and insurance
- Investment banking, capital markets
- Human resources management, including compensation
- Regulatory authority, central bank

Leadership experience

- CEO, Chairman



Julie G. Richardson

Independent and non-executive member of the Board since 2017

- Chairperson of the Compensation Committee of UBS Group AG and UBS AG since 2019
- Member of the Risk Committee of UBS Group AG and UBS AG since 2017

Nationality: American (US) | **Year of birth:** 1963

Julie G. Richardson spent more than 25 years on Wall Street as a senior investment banker and private equity investor, with a focus on telecom, media and technology. She began her career at Merrill Lynch, before moving to JPMorgan Chase, where she headed the telecommunications, media and technology investment banking group. Later, she moved into private equity, as head, and subsequently senior advisor, of the New York office of Providence Equity Partners, where she spearheaded many important investments and buyouts. Throughout her career, Ms. Richardson has spent substantial amounts of time with both incumbent and new technology companies, acting as an independent board member of a digital knowledge management company, a leading cloud monitoring firm and a cyber insurance company.

Professional experience

2012 – 2014	Senior advisor, Providence Equity Partners, New York
2003 – 2012	Partner and Head of the New York office, Providence Equity Partners, New York
1998 – 2003	Vice Chairman of the Investment Banking division of JPMorgan Chase & Co. and Head of its Global Telecommunications, Media and Technology group
1986 – 1998	Various positions at Merrill Lynch, final position: Managing Director Media and Communications Investment Banking

Education

- Bachelor's degree, business administration, University of Wisconsin–Madison

Listed company boards

- Member of the Board of BXP
- Member of the Board of Datadog (chair of the audit committee)

Non-listed company boards

- Member of the Board of Fivetran
- Member of the Board of Coalition, Inc.

Other activities and functions

- Member of the Board of Directors of UBS AG

Key competencies

- Investment banking, capital markets
- Risk management, compliance and legal
- Human resources management, including compensation
- Technology, including artificial intelligence and cybersecurity



Lila Tretikov

Independent and non-executive member of the Board since 2025

- Member of the Audit Committee of UBS Group AG and UBS AG since 2025

Nationality: American (US) and French | **Year of birth:** 1978

Lila Tretikov is widely recognized as a leading authority on artificial intelligence (AI) and technology-driven business transformation. She currently serves as a Partner at New Enterprise Associates, Inc. (NEA), a prominent Silicon Valley venture capital firm, where she leads AI strategy. From 2018 to 2024, Ms. Tretikov held senior executive roles at Microsoft Corporation, culminating in her position as Deputy Chief Technology Officer, overseeing major AI initiatives that drove significant strategic transformation. Prior to that, she served as Senior Vice President and CEO & Vice Chair Terrawatt at Engie SA, a global energy company headquartered in France. Earlier in her career, Ms. Tretikov was CEO of the Wikimedia Foundation & Wikipedia Endowment, where she pioneered Wikipedia's AI strategy. A distinguished software engineer and programmer, she continues to shape the landscape of AI adoption, innovation and policy worldwide.

Professional experience

2024 – date	Partner and Head of Artificial Intelligence Strategy, New Enterprise Associates, Inc.
2020 – 2024	Corporate Vice President and Deputy Chief Technology Officer, Microsoft Corporation
2018 – 2020	Corporate Vice President, Artificial Intelligence, Perception and Mixed Reality, Microsoft Corporation
2016 – 2018	Senior Vice President and CEO & Vice Chair Terrawatt, Engie SA / Terrawatt initiative
2014 – 2016	CEO, Wikimedia Foundation & Wikipedia Endowment
2007 – 2014	Chief Product Officer and Chief Officer of product, marketing, cloud infrastructure, IT, support and services, SugarCRM
2005 – 2007	General Manager, mobile and software, Evolving Systems
2004 – 2005	General Manager, risk & compliance, SOX digital, Bank of America Corporation
1993 – 2004	Various technical roles, early career

Education

- Computer science (specializing in AI) and visual art, the University of California, Berkeley
- Post-graduate-level studies at the University of Oxford Saïd Business School and University of Stanford Directors' College

Listed company boards

- Member of the Board of Capgemini SE
- Member of the Board of Volvo Car Corporation
- Member of the Board of Xylem Inc.

Non-listed company boards

- Member of the Board of Zendesk Inc.
- Member of the Board of Backflip AI, Inc.
- Member of the Board of Cusp AI Limited
- Member of the Board of Horizon 3 AI, Inc.

Other activities and functions

- Member of the Board of Directors of UBS AG

Key competencies

- Finance, audit, accounting
- Risk management, compliance and legal
- Technology, including artificial intelligence and cybersecurity
- Environmental, social and governance (ESG)



Jeanette Wong

Independent and non-executive member of the Board since 2019

- Member of the Audit Committee of UBS Group AG and UBS AG since 2019
- Member of the Compensation Committee of UBS Group AG and UBS AG since 2020

Nationality: Singaporean | **Year of birth:** 1960

Jeanette Wong has more than 30 years of operational experience in the financial sector in Singapore. She retired from DBS Group in 2019, where she was Group Executive responsible for the institutional banking business, a post that encompassed corporate banking, global transaction services, strategic advisory, and mergers and acquisitions. She has also held the positions of Director of DBS Bank (China) Limited, Chairperson of DBS Bank (Taiwan) Ltd and CFO of DBS Group. During a 16-year career with JPMorgan, Ms. Wong helped build up its Asia FX, fixed income and emerging markets business. She brings extensive experience from serving as a member of the board of directors of two high-value listed companies.

Professional experience

- 2008 – 2019 Group Executive institutional banking business, DBS Bank, Singapore
- 2003 – 2008 CFO, DBS Bank, Singapore
- 2003 Chief Administration Officer, DBS Bank, Singapore
- 1997 – 2002 Country Manager Singapore, JPMorgan, Singapore
- 1986 – 1997 Various roles in Global Markets and Emerging Markets Sales and Trading business, Asia, JPMorgan, Singapore
- 1984 – 1986 Manager, Private Banking, Citibank, Singapore
- 1982 – 1984 Manager, Corporate Banking, Paribas, Singapore

Education

- Bachelor's degree, business administration, the National University of Singapore
- MBA, University of Chicago

Listed company boards

- Member of the Board of Prudential plc (chair of the audit committee)
- Member of the Board of Singapore Airlines Limited (chair of the board compensation and industrial relations committee)

Non-listed company boards

- Member of the Board of GIC Pte Ltd
- Member of the Board of PSA International

Other activities and functions

- Member of the Board of Directors of UBS AG
- Chairman of the CareShield Life Council
- Member of the Securities Industry Council
- Member of the Board of Trustees of the National University of Singapore

Key competencies

- Banking (wealth management, asset management, personal and corporate banking) and insurance
- Investment banking, capital markets
- Finance, audit, accounting
- Environmental, social and governance (ESG)

Leadership experience

- Executive board leadership

Elections and terms of office

Shareholders annually elect each member of the BoD individually, as well as the Chairman and the members of the Compensation Committee, based on proposals from the BoD.

As set out in the Organization Regulations, BoD members are normally expected to serve for at least three years. BoD members are limited to serving for a maximum of 10 consecutive terms of office; in exceptional circumstances, the BoD may extend that limit.

› Refer to “Skills, expertise and training of the Board of Directors” in this section for more information

Organizational principles and structure

Following each AGM, the BoD meets to appoint one or more Vice Chairmen, a Senior Independent Director, the BoD committee members (other than the Compensation Committee members, who are elected by the shareholders) and the respective committee Chairpersons. At the same meeting, the BoD appoints the Group Company Secretary, who, pursuant to the Organization Regulations, acts as secretary to the BoD and its committees.

Pursuant to the AoA and the Organization Regulations, the BoD meets as often as business requires but at least six times a year. The presence of either the Chairman, one of the Vice Chairmen or the Senior Independent Director, as well as the majority of the members of the BoD, is required to pass valid BoD resolutions. In 2025, the majority of the meetings of the BoD were held in person. During 2025, a total of 38 BoD meetings were held, 13 of which were attended by GEB members. The average participation in the BoD meetings was 97%. In addition to the BoD meetings attended by GEB members, the Group CEO regularly attended some of the meetings of the BoD without the participation of other GEB members. The meetings had an average duration of 110 minutes.

The BoD held a two-day strategy workshop, which focused on reconfirming the firm’s key strategic priorities, including the integration of Credit Suisse. These were further discussed in meetings throughout the year, with deep dives on the Asia Pacific and Americas regions. The progress of the integration of Credit Suisse was covered regularly.

Board of Directors

Members in 2025	Meeting attendance without GEB ¹		Meeting attendance with GEB		Key responsibilities include:
Colm Kelleher, Chairman	25/25	100%	13/13	100%	The BoD has ultimate responsibility for the success of the Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. It decides on the Group’s strategy and the necessary financial and human resources, upon recommendation of the Group CEO, and sets the Group’s values and standards to ensure that the Group’s obligations to shareholders and other stakeholders are met. › Refer to the Organization Regulations of UBS Group AG, available at ubs.com/governance, for more information
Lukas Gähwiler	25/25	100%	13/13	100%	
Jeremy Anderson	25/25	100%	13/13	100%	
Claudia Böckstiegel ²	4/5	80%	4/6	67%	
William C. Dudley	25/25	100%	13/13	100%	
Patrick Firmenich	25/25	100%	13/13	100%	
Fred Hu	23/25	92%	10/13	77%	
Mark Hughes	25/25	100%	13/13	100%	
Renata Jungo Brüngger ³	21/21	100%	8/8	100%	
Gail Kelly	23/25	92%	13/13	100%	
Nathalie Rachou ²	5/5	100%	6/6	100%	
Julie G. Richardson	25/25	100%	13/13	100%	
Lila Tretikov ³	20/21	95%	7/8	88%	
Jeanette Wong	25/25	100%	13/13	100%	

¹ Additionally, five ad hoc video calls took place in 2025. ² At the 2025 AGM, Claudia Böckstiegel and Nathalie Rachou did not stand for re-election; indicated are their attended and total meetings. ³ At the 2025 AGM, Renata Jungo Brüngger and Lila Tretikov were newly elected to the Board of Directors; indicated are their attended and total meetings.

At the BoD meetings, each committee chair provides the BoD with an update on the committee’s activities and important issues. We also continued with the coordination and exchange of information between the BoD of UBS Group AG and its significant group entities, including between the respective chairs of the risk and audit committees. As in prior years, an annual workshop was held for non-executive board members of all significant group entities.

Performance assessment

In spring 2025, the BoD self-assessment was conducted in-house, with an extensive questionnaire. The results confirmed that the BoD operated efficiently and effectively. Every three years, an external review assesses the effectiveness of the BoD. The most recent review was conducted with the support of an external vendor between September 2025 and January 2026. The process included interviews with selected members of the GEB and the Head Group Internal Audit, a detailed questionnaire completed by all members of the BoD and in-depth individual interviews with all members of the BoD and the Group Company Secretary. In addition, a detailed benchmarking of the composition of the BoD against relevant peer companies was conducted. Drawing on these analytical inputs and its experience from more than 300 comparable projects across Europe, the vendor assessed the BoD as ranking in the top 10% of boards in terms of effectiveness. Overall BoD and committee composition is considered fit for purpose. The BoD is characterized by strong corporate oversight, proactive risk anticipation, in-depth strategic discussions and a sustained commitment to best practices through regular evaluations and external benchmarking. Its culture is characterized by high levels of trust. The BoD has strong relationships with management, maintains an effective Chairman–CEO partnership and takes a systematic approach to CEO and BoD succession. The BoD also ensures sustained engagement with investors, reflecting its focus on transparency and alignment.

BoD committees

The committees listed below assist the BoD with fulfilling its responsibilities. These committees and their charters are described in our Organization Regulations, available at ubs.com/governance. The committees meet as often as their business requires but no less than four times a year in the case of the Audit Committee, the Risk Committee and the Compensation Committee and no less than twice a year in the case of the Corporate Culture and Responsibility Committee (the CCRC) and the Governance and Nominating Committee.

Topics of common interest or affecting more than one committee are discussed at joint committee sessions. During 2025, a total of 12 joint committee sessions were held. The Audit Committee met four times with the Risk Committee and five times with the CCRC. The Risk Committee met twice with the CCRC and once with the Compensation Committee.

Audit Committee

Throughout 2025, the Audit Committee consisted of four independent BoD members; after the 2025 AGM Lila Tretikov joined the committee and Nathalie Rachou stepped down. All Audit Committee members have accounting or related financial management expertise and, in compliance with the rules established pursuant to the 2002 US Sarbanes–Oxley Act, at least one member qualifies as a financial expert. The NYSE standards on corporate governance regarding independence of board members are applicable to the Audit Committee of UBS Group AG. In addition, Rule 10A-3 under the US Securities Exchange Act sets more stringent independence requirements for members of audit committees, in that they should not receive, directly or indirectly, any consulting, advisory or compensatory fees from any member of the Group other than in their capacity as a BoD member, should not hold, directly or indirectly, UBS Group AG shares in excess of 5% of the outstanding capital thereof and should not serve on the audit committees of more than two other public companies. Throughout 2025 all members of the Audit Committee satisfied the applicable requirements.

During 2025, the Audit Committee held 12 committee meetings, with a participation rate of 98%. The meetings had an average duration of approximately 145 minutes. Additional attendees included the Group CFO, the Group Controller, the Chief Accounting Officer, the Head Group Internal Audit and the external auditors. The Chairman of the BoD, the Vice Chairman and the Group CEO attended most meetings. The Chairperson and the committee continued to maintain regular contact with core supervisory authorities.

Audit Committee

Members in 2025	Meeting attendance		Key responsibilities include:
Jeremy Anderson (Chairperson)	12/12	100%	The function of the Audit Committee is to support the BoD in fulfilling its oversight duty relating to financial reporting and internal controls over financial reporting, the effectiveness of the external and internal audit functions, and the effectiveness of whistleblowing procedures.
Patrick Firmenich	12/12	100%	
Nathalie Rachou ¹	4/4	100%	Management is responsible for the preparation, presentation and integrity of the financial statements, while the external auditors are responsible for auditing financial statements. The Audit Committee's responsibility is one of oversight and review.
Lila Tretikov ²	7/8	88%	
Jeanette Wong	12/12	100%	

➤ Refer to the Organization Regulations of UBS Group AG, available at ubs.com/governance, for more information

¹ Nathalie Rachou stepped down at the 2025 AGM; indicated are her attended and total meetings. ² Lila Tretikov became a member of this committee after the 2025 AGM; indicated are her attended and total meetings.

Compensation Committee

Throughout 2025, the Compensation Committee consisted of three members; at the 2025 AGM Gail Kelly was newly elected to the committee replacing Fred Hu. In addition to the key responsibilities indicated in the table below, the Compensation Committee reviews the compensation disclosures included in this report.

During 2025, the Compensation Committee held eight meetings, with a participation rate of 100%. The meetings had an average duration of approximately 75 minutes. All meetings in 2025 were held in the presence of the Chairman and the Group CEO. External advisors were present when required. In 2025, the Chairperson met regularly with core supervisory authorities.

› Refer to “Compensation for the Board of Directors” in the “Compensation” section of this report for more information about the Compensation Committee’s decision-making procedures

Compensation Committee

Members in 2025	Meeting attendance		Key responsibilities include:
Julie G. Richardson (Chairperson)	8/8	100%	The Compensation Committee is responsible for: (i) supporting the BoD in its duties to set guidelines on compensation and benefits; (ii) approving the total compensation for the Chairman and the non-independent BoD members; (iii) proposing, upon proposal of the Chairman, financial and non-financial performance targets and objectives for the Group CEO for approval by the BoD and reviewing, upon the proposal of the Group CEO, the performance framework for the other GEB members; (iv) proposing, upon proposal of the Chairman, the Group CEO’s performance assessment for approval by the BoD, as well as informing the BoD of the performance assessments of all GEB members; (v) proposing, upon proposal of the Chairman, the total compensation for the Group CEO for approval by the BoD; and (vi) proposing, upon proposal of the Group CEO, the individual total compensation for the other GEB members for approval by the BoD. › Refer to the Organization Regulations of UBS Group AG, available at ubs.com/governance, for more information
Fred Hu ¹	2/2	100%	
Gail Kelly ²	6/6	100%	
Jeanette Wong	8/8	100%	

¹ At the 2025 AGM, Fred Hu stepped down from this committee; indicated are his attended and total meetings. ² At the 2025 AGM, Gail Kelly was elected to this committee; indicated are her attended and total meetings.

Corporate Culture and Responsibility Committee

Throughout 2025, the CCRC consisted of five independent BoD members; after the 2025 AGM Renata Jungo Brüngger joined the committee, replacing Claudia Böckstiegel. The Chairman chaired the committee. Additional attendees included the Group CEO, the Group Chief Risk Officer, the GEB Lead for Sustainability and Impact, the Group General Counsel and the Chief Sustainability Officer. During 2025, seven meetings were held, with a participation rate of 97%. The average duration of each of the meetings was approximately 65 minutes.

Corporate Culture and Responsibility Committee

Members in 2025	Meeting attendance		Key responsibilities include:
Colm Kelleher (Chairperson)	7/7	100%	The CCRC supports the BoD in its duties to safeguard and advance the Group’s reputation for responsible and sustainable conduct. Its function is forward-looking in that it monitors and reviews societal trends and transformational developments and assesses their potential relevance for the Group.
Claudia Böckstiegel ¹	3/4	75%	
William C. Dudley	7/7	100%	In undertaking this assessment, it reviews stakeholder concerns and expectations pertaining to the societal performance of UBS and to the development of its corporate culture. The CCRC’s function also encompasses the monitoring of the current state and implementation of the programs and initiatives within the Group pertaining to corporate culture and corporate responsibility, including sustainability. › Refer to the Organization Regulations of UBS Group AG, available at ubs.com/governance, for more information
Patrick Firmenich	7/7	100%	
Mark Hughes	7/7	100%	
Renata Jungo Brüngger ²	3/3	100%	

¹ At the 2025 AGM, Claudia Böckstiegel stepped down from this committee; indicated are her attended and total meetings. ² Renata Jungo Brüngger became a member of this committee after the 2025 AGM; indicated are her attended and total meetings.

Governance and Nominating Committee

Before the 2025 AGM, the Governance and Nominating Committee, chaired by the Chairman, consisted of four independent members and the Vice Chairman, and, at the 2025 AGM, Nathalie Rachou stepped down. During 2025, six meetings were held, with a participation rate of 97%. The average duration of each of the meetings was approximately 30 minutes. The Group CEO attended meetings as appropriate.

Governance and Nominating Committee

Members in 2025	Meeting attendance ¹		Key responsibilities include:
Colm Kelleher (Chairperson)	6/6	100%	The function of the Governance and Nominating Committee is to support the BoD in fulfilling its duty to establish best practices in corporate governance across the Group, including conducting a BoD assessment, establishing and maintaining a process for appointing new BoD and GEB members, as well as for the annual performance assessment of the BoD. ➤ Refer to the Organization Regulations of UBS Group AG, available at ubs.com/governance, for more information
Lukas Gähwiler	6/6	100%	
Jeremy Anderson	6/6	100%	
Fred Hu	5/6	83%	
Gail Kelly	6/6	100%	
Nathalie Rachou ²	2/2	100%	

¹ Additionally, one ad hoc call took place in 2025. ² Nathalie Rachou did not stand for re-election; indicated are her attended and total meetings.

Risk Committee

Throughout 2025, the Risk Committee consisted of three independent members and the Vice Chairman. It held eleven committee meetings, with a participation rate of 100%. The average duration of each of the meetings was approximately 165 minutes. The Chairman of the BoD, the Group CEO, the Group CFO, the Group Chief Risk Officer, the Group Chief Operations and Technology Officer, the Group Treasurer, the Group Chief Compliance and Governance Officer, the Group General Counsel, the Head Group Internal Audit, and the external auditors attended the meetings as required. The Chairperson and the committee continued to maintain regular contact with core supervisory authorities.

Risk Committee

Members in 2025	Meeting attendance		Key responsibilities include:
Mark Hughes (Chairperson)	11/11	100%	The function of the Risk Committee is to oversee and support the BoD in fulfilling its duty to set and supervise an appropriate risk management and control framework in the areas of: (i) financial and non-financial risks; (ii) balance sheet, treasury and capital management, including funding, liquidity and equity attribution. ➤ Refer to the Organization Regulations of UBS Group AG, available at ubs.com/governance, for more information
Lukas Gähwiler	11/11	100%	
William C. Dudley	11/11	100%	
Julie G. Richardson	11/11	100%	

Ad hoc committees

The Strategy Committee is an ad hoc committee, which holds meetings as and when required. Its primary purpose is to support the BoD with the assessment of strategic considerations. The Strategy Committee held one meeting in 2025. The Special Committee was an ad hoc committee, which held meetings as and when required. Its primary purpose was to support the BoD with overseeing activities related to selected litigation matters. In 2025, the Special Committee held no meetings and was dissolved.

Roles and responsibilities of the Chairman of the Board of Directors

At the 2025 AGM, Colm Kelleher was re-elected as the Chairman of the BoD. The Chairman coordinates tasks within the BoD, calls BoD meetings and sets the meeting agendas. He presides over all general meetings of shareholders, chairs the Governance and Nominating Committee, as well as the CCRC, and works with the committee Chairpersons to coordinate the work of all BoD committees. Together with the Group CEO, the Chairman undertakes responsibility for UBS's reputation, and is responsible for effective communication with shareholders and other stakeholders, including government officials, regulators and public organizations. This is in addition to establishing and maintaining close working relationships with the Group CEO and other GEB members, and providing advice and support when appropriate.

› Refer to “Employees” in the “Our stakeholders” section of this report for information about our Pillars, Principles and Behaviors

In 2025, the Chairman met regularly with core supervisors in all major locations where UBS is active. Meetings with other important supervisory authorities were scheduled on an ad hoc or needs-driven basis.

Roles and responsibilities of the Vice Chairmen and the Senior Independent Director

The BoD appoints one or more Vice Chairmen and a Senior Independent Director. If the BoD appoints more than one Vice Chairman, at least one of them must be independent. Both the Vice Chairman and the Senior Independent Director support and advise the Chairman. In conjunction with the Chairman and the Governance and Nominating Committee, they facilitate good Group-wide corporate governance, as well as balanced leadership and control within the Group, the BoD and the committees.

After the 2025 AGM, Lukas Gähwiler was re-appointed by the BoD as Vice Chairman and has held that post since 2022. Jeremy Anderson was re-appointed the Senior Independent Director after that same meeting and has held that post since 2020. The Vice Chairman is required to lead meetings of the BoD in the temporary absence of the Chairman. Together with the Governance and Nominating Committee, either the Senior Independent Director or the Vice Chairman is tasked with the ongoing monitoring and the annual evaluation of the Chairman. The Vice Chairman also represents UBS on behalf of the Chairman in meetings with internal or external stakeholders. In particular, Lukas Gähwiler represents UBS across a broad range of associations and industry bodies in Switzerland.

The Senior Independent Director enables and supports communication and the flow of information among the independent BoD members. At least twice a year, he organizes and leads a meeting of the independent BoD members without the participation of the Chairman. In 2025, two independent BoD meetings were held with a participation rate of 90% and an average duration of approximately 100 minutes. The Senior Independent Director also relays to the Chairman any issues or concerns raised by the independent BoD members and acts as a point of contact for shareholders and stakeholders seeking discussions with an independent BoD member.

Important business connections of independent members of the Board of Directors

As a global financial services provider and a major Swiss bank, UBS has business relationships with many large companies, including some in which BoD members have management or independent board responsibilities. The Governance and Nominating Committee determines in each instance whether the nature of the Group's business relationship with such a company might compromise our BoD members' capacity to express independent judgment.

Our Organization Regulations require three-quarters of the members of the BoD to be independent. For this purpose, independence is determined in accordance with FINMA Circular 2017/1 “Corporate governance – banks” and taking into account the relevant NYSE rules.

› Refer to the “Differences from corporate governance standards relevant to US-listed companies” section of this report for more information

In 2025, our BoD met the standards of the Organization Regulations for the percentage of directors who are considered independent under the criteria described above. No current BoD member has either an employment contract or a significant business connection to UBS or any of its subsidiaries. No BoD member currently carries out operational management tasks within the Group. On 31 December 2025, except for the Vice Chairman, who was Chairman of UBS Switzerland AG until April 2022, no BoD member has carried out operational management tasks within the Group over the past three years.

All relationships and transactions with UBS Group AG's independent BoD members are conducted in the ordinary course of business and are on the same terms as those prevailing at the time for comparable transactions with non-affiliated persons. All relationships and transactions with BoD members' associated companies are conducted at arm's length.

› Refer to “Note 29 Related parties” in the “Consolidated financial statements” section of this report for more information

Checks and balances: the Board of Directors and the Group Executive Board

We operate under a strict dual board structure, as mandated by Swiss banking law. The separation of responsibilities between the BoD and the GEB is clearly defined in the Organization Regulations. The BoD decides on the strategy of the Group, upon recommendations by the Group CEO, and exercises ultimate supervision over management; whereas the GEB, headed by the Group CEO, has executive management responsibility. The functions of Chairman and Group CEO are assigned to two different persons, leading to a separation of powers. This structure establishes checks and balances and preserves the institutional independence of the BoD from the executive management of the Group, for which responsibility is delegated to the GEB. No member of one board may simultaneously be a member of the other.

Supervision and control of the GEB remain with the BoD. The authorities and responsibilities of the two bodies are governed by the AoA and the Organization Regulations.

Skills, expertise and training of the Board of Directors

The BoD is well-diversified and composed of members with a broad spectrum of skills, educational backgrounds, experience, and expertise from a range of sectors that reflect the nature and scope of the firm's business. The Governance and Nominating Committee maintains a competencies and experience matrix to identify gaps in the competencies and experiences considered most relevant to the BoD, taking into consideration the firm's business exposure, risk profile, strategy and geographic reach.

In recent years, the composition of the BoD has been systematically shaped to meet changing requirements. Recent nominations, including Gail Kelly in 2024, Renata Jungo Brüngger and Lila Tretikov in 2025, and additional candidates proposed in February 2026, reflect a continuous process that aims to strengthen and ensure the long-term and enhanced composition of the Board.

Key competencies

- banking (wealth management, asset management, personal and corporate banking) and insurance
- investment banking, capital markets
- finance, audit, accounting
- risk management, compliance and legal
- human resources management, including compensation
- technology, including artificial intelligence and cybersecurity
- regulatory authority, central bank
- environmental, social and governance (ESG)

Leadership experience

- experience as a CEO or chairperson
- executive board leadership experience (e.g. as CFO, chief risk officer or COO of a listed company)

The Governance and Nominating Committee reviews these categories and ratings annually to confirm that the BoD continues to possess the most relevant experience and competencies to perform its duties.

With regard to the composition of the BoD after the 2025 AGM, the BoD members thereof identified all of the target competencies as being their key competencies. Particularly strong levels of experience and expertise existed in these areas:

- financial services;
- risk management, compliance and legal; and
- finance, audit, accounting.

Furthermore, 10 of the 12 BoD members have held or currently hold chairperson, CEO or other executive board-level leadership positions.

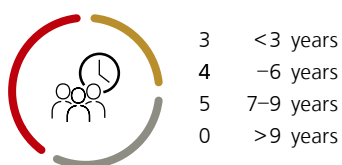
Moreover, we consider the continuous education of our BoD members to be an important priority and support their attendance of various training sessions. In addition to a comprehensive induction program for new BoD members, continuous training and topical deep dives are part of the BoD agenda.

Cybersecurity governance

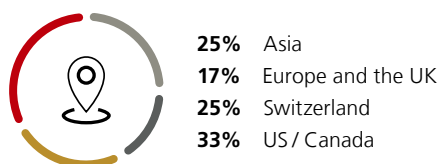
Cybersecurity, as one of the inherently highest and most rapidly evolving non-financial risks, is a key focus for the BoD. It is primarily covered at the joint meetings between the Risk Committee and the Audit Committee with the Quarterly Cyber Risk Updates. These quarterly updates, combined with dedicated deep dives for the full BoD, provide the BoD with assessments of the firm's cyber-risk posture, cyber-attack surfaces and vectors and security measures, cyber maturity, and associated improvement measures, as well as updates on the cybersecurity threat environment and lessons learned from cybersecurity incidents across the globe and industries. Cyber risk is also covered in the quarterly Group Technology Risk Taxonomies Report discussed at the Risk Committee.

- › Refer to "Risk governance" in the "Risk management and control" section of this report for information about our risk governance framework
- › Refer to "Non-financial risk" in the "Risk management and control" section of this report for information about cybersecurity

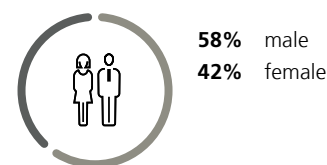
Terms of office¹



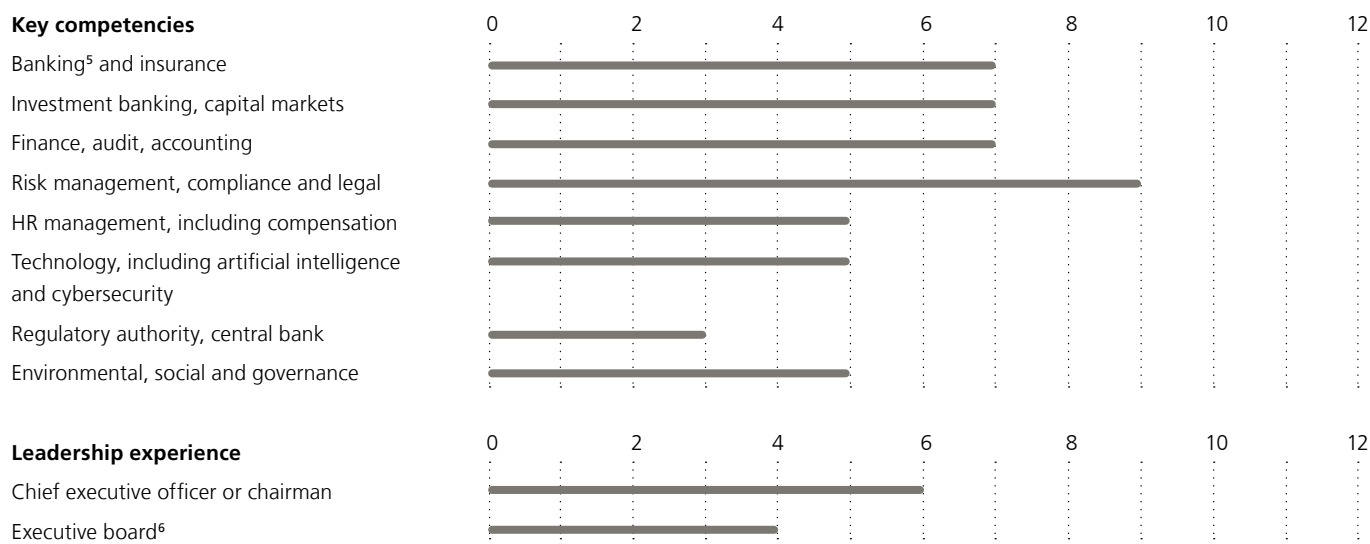
Geographical diversity²



Gender³



Competencies and experience⁴



¹ Terms of office until the 2026 AGM. ² In the case of dual-nationals, the domicile applies. ³ In accordance with the 30% gender quota of the revised Swiss Corporate Law. ⁴ The number of BoD members identifying a key competency as one of their key competencies; each member identified up to four key competencies (although not every sub-area of the respective competency might be applicable), plus one leadership experience. ⁵ Wealth management, asset management, and personal and corporate banking. ⁶ For example, a CFO, chief risk officer or COO of a listed company.

Succession planning

Succession planning is one of the key responsibilities of both the BoD and the GEB. Across all divisions and regions, an inclusive talent development and succession planning process is in place that aims to foster the personal development and Group-wide mobility of our employees. Although the recruiting process for BoD and GEB members takes into account a broad spectrum of factors, such as skills, backgrounds, experience and expertise, our approach with regard to diversity considerations does not constitute a diversity policy within the meaning of the EU Directive on Non-Financial Reporting, and Swiss law does not require UBS to maintain such a policy.

With the close involvement of the BoD, the GEB continues to further strengthen internal succession planning at UBS. This includes the early identification of talents and their systematic development, including international and cross-divisional rotations. The succession plans for the GEB and the management layers below it are managed under the lead of the Group CEO and are reviewed and approved annually by the BoD.

For the BoD, the Chairman leads a systematic succession planning process as illustrated in the chart below. Our strategy and the business environment constitute the main drivers in our succession planning process for new BoD members, as they define the key competencies required on the BoD. Taking the diversity and the tenure of the existing BoD into account, the Governance and Nominating Committee defines the recruiting profile for the search. Both external and internal sources contribute to identifying suitable candidates. The Chairman and the members of the Governance and Nominating Committee meet with potential candidates and, with the support of the full BoD, nominations are submitted to the AGM for approval. New BoD members follow an in-depth onboarding process designed to enable them to integrate efficiently and become effective in their new role. Due to this succession planning process, the composition of the BoD is in line with the demanding requirements of a leading global financial services firm.

The smooth and effective succession at the GEB level and the appointments of internal talent as new GEB members demonstrates the strength of the succession planning at UBS. The BoD and the GEB remain committed to the continuous focus on developing a high-quality bench of succession candidates at all levels in the organization.



Information and control instruments with regard to the Group Executive Board

The BoD is informed about the GEB's activities in various ways, including meetings between the Chairman, the Group CEO and GEB members. At BoD meetings the Group CEO and other GEB members provide updates about significant issues. The BoD receives reports about major developments, performance and forecasts and its members are updated between meetings about highly important matters. The Chairman reviews the meeting material and minutes of GEB meetings. BoD members may request from other BoD or GEB members any information about matters that they need. The BoD is supported with its responsibilities by Group Internal Audit, which independently assesses whether risk management, control and governance processes are designed and operating sustainably and effectively.

The Head Group Internal Audit reports directly to the Chairman and the function has a reporting line to the Audit Committee, as per our Organization Regulations. The Audit Committee assesses the independence and performance of the function and the effectiveness of both its Head and its organization, approves its annual audit plan and objectives, and monitors its delivery thereof.

Group Internal Audit issues quarterly and annual reports about significant audit results and key issues, as well as themes and trends, based on individual audits, continuous risk assessment and issue assurance. The reports are sent to the Chairman, the Audit and the Risk Committees, the GEB and other stakeholders. The function Head regularly updates the Chairman and the Audit Committee about its activities, processes, audit plan execution, resourcing requirements and other important developments.

- › Refer to "Group Internal Audit" in this section for more information
- › Refer to "Internal risk reporting" in the "Risk management and control" section of this report for information about reporting to the BoD

Group Executive Board

The BoD delegates the management of the business to the Group Executive Board (the GEB).

Responsibilities, authorities and organizational principles of the Group Executive Board

On 31 December 2025, the GEB, under the leadership of the Group CEO, consisted of 15 members. It has executive management responsibility for the steering of the Group and its business, develops the strategies of the Group, business divisions and Group functions, and implements the BoD-approved strategies. The GEB is also the risk council of the Group, with overall responsibility for establishing and supervising the implementation of risk management and control principles, as well as for managing the risk profile of the Group, as determined by the BoD and the Risk Committee.

In 2025, the GEB held a total of 27 meetings.

- › Refer to the Organization Regulations of UBS Group AG, available at ubs.com/governance, for more information about the authorities of the Group Executive Board

Changes to the Group Executive Board

On 24 October 2025, UBS announced a number of changes to the GEB, effective on 1 January 2026. As covered in the BoD section, Markus Ronner stepped down as Group Chief Compliance and Governance Officer and will be nominated as a member of the BoD at the AGM in April 2026. Michelle Bereaux, previously Group Integration Officer, became Group Chief Compliance and Operational Risk Control Officer. Beatriz Martin took on the role of Group Chief Operating Officer in addition to her existing responsibilities and continued to act as President EMEA. The Governmental and Regulatory Affairs and Group Security functions, previously part of the Group Compliance, Regulatory and Governance function, now reports to Group CFO Todd Tuckner and Head Group Human Resources and Corporate Services Stefan Seiler, respectively.

On 15 December 2025, UBS announced that Mike Dargan had decided to step down as Group Chief Operations and Technology Officer at the end of December to pursue an opportunity outside of UBS. The Group Technology function now reports to Beatriz Martin after she took up her new role as Group Chief Operating Officer on 1 January 2026.

The biographies below provide information about the GEB members in office on 31 December 2025. In addition to information on mandates, the biographies include memberships and other activities or functions, as required by the SIX Swiss Exchange Corporate Governance Directive.

In line with Swiss law, article 36 of our AoA limits the number of mandates that GEB members may hold outside UBS Group to one mandate in a listed company and five additional mandates in non-listed companies. Mandates in companies that are controlled by UBS or that control UBS are not subject to this limitation. In addition, GEB members may not hold more than 10 mandates at one time at the request of the company and more than eight mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations without commercial purpose. On 31 December 2025, no member of the GEB reached the aforementioned thresholds.

Responsibilities and authorities of the Asset and Liability Committee

The Asset and Liability Committee of UBS Group AG (the GALCO) is responsible for managing assets and liabilities in line with the strategy, risk appetite, regulatory commitments and the interests of shareholders and other stakeholders. The GALCO proposes the framework for capital management, capital allocation, and liquidity and funding risk, and proposes limits and indicators for the Group to the BoD for approval. It oversees the balance sheet management of the Group, its business divisions and Group functions. In 2025, the GALCO held 12 meetings.

Management contracts

We have not entered into management contracts with any companies or natural persons that do not belong to the Group.



Sergio P. Ermotti

Group Chief Executive Officer, member of the GEB from 2011 to 2020 and since 2023

Nationality: Swiss | **Year of birth:** 1960

Sergio P. Ermotti has been Group CEO of UBS Group AG and President of the Executive Board of UBS AG since 2023. He was also the Group CEO from 2011 to 2020. He re-joined UBS from Swiss Re, where he was Chairman of the Board of Directors until 2023. Prior to joining UBS in 2011, he was at UniCredit Group, where from 2007 to 2010 he served as Group Deputy CEO and Head of Corporate & Investment Banking and Private Banking, prior to which he served as Head of the Markets & Investment Banking Division. Before that, he held various positions at Merrill Lynch & Co. in the areas of equity derivatives and capital markets. He became Co-Head of Global Equity Markets and a member of the Executive Management Committee for Global Markets & Investment Banking in 2001.

Professional experience

2023 – date	Group CEO, UBS Group AG, and President of the Executive Board, UBS AG
2021 – 2023	Chairman of the Board of Directors, Swiss Re
2020 – 2021	Member of the Board of Directors, Swiss Re
2011 – 2020	Group CEO, UBS
2011	Chairman and CEO UBS Group Europe, Middle East and Africa, and member of the Group Executive Board, UBS
2007 – 2010	Group Deputy CEO and Head Corporate & Investment Banking and Private Banking, UniCredit
2005 – 2007	Head Markets & Investment Banking Division, UniCredit
1987 – 2004	Various senior management positions, Merrill Lynch & Co

Education

- Swiss-certified banking expert
- Advanced Management Programme, the University of Oxford

Listed company boards

- Member of the Board of Ermenegildo Zegna N.V. (Lead Non-Executive Director)

Non-listed company boards

- Member of the Board of Società Editrice del Corriere del Ticino SA

Other activities and functions

- President of the Executive Board of UBS AG
- Member of the Board of Innosuisse, the Swiss Innovation Agency
- Member of Institut International d'Etudes Bancaires
- Member of the WEF International Business Council and Governor of the Financial Services / Banking Community
- Member of the MAS International Advisory Panel
- Member of the Board of the Institute of International Finance
- Member of the Board of the Swiss-American Chamber of Commerce



George Athanasopoulos

Co-President Investment Bank, member of the GEB since 2024

Nationality: Greek and British | **Year of birth:** 1969

George Athanasopoulos became Co-President of the Investment Bank in 2024. He jointly manages the Investment Bank with Marco Valla across all regions to ensure an unparalleled global offering for our client franchise. Since joining UBS in 2010, Mr. Athanasopoulos has held various senior roles, including Co-Head of Global Markets from 2020 to 2024 and Head of Global Family and Institutional Wealth from 2022 to 2024. Before joining UBS in 2010, he was General Manager at Eurobank EFG and previously worked for Barclays Capital, most recently responsible for Global Foreign Exchange and Global Emerging Markets Distribution. He started his career in 1992, working in Europe and Asia for NatWest Markets and Merrill Lynch.

Professional experience

2024 – date	Co-President of the Investment Bank, UBS Group AG and UBS AG
2022 – 2024	Head Global Family and Institutional Wealth, UBS
2020 – 2024	Co-Head of Global Markets, UBS
2016 – 2019	Global Head of Foreign Exchange, Rates and Credit and Head of Non-Core, UBS
2013 – 2016	Global Co-Head of Foreign Exchange, Rates and Credit, UBS
2011 – 2013	Co-Head of Global Foreign Exchange and Precious Metals, UBS
2010 – 2011	Head of Global Foreign Exchange Distribution, UBS
2009 – 2010	General Manager, Group Head of Trading, Sales and Structuring, Eurobank EFG
2008 – 2009	Global Head of Foreign Exchange and Emerging Markets Distribution, Barclays Capital
2004 – 2008	Various management positions in FX Markets, Barclays Capital

Education

- Master's degree, shipping, trade and finance, Bayes Business School
- Diploma in mechanical engineering, the National Technical University of Athens

Other activities and functions

- Member of the Executive Board of UBS AG



Michelle Bereaux

Group Integration Officer until December 2025, Group Chief Compliance and Operational Risk Control Officer since January 2026, member of the GEB since 2023

Nationality: British and Trinidadian & Tobagonian | **Year of birth:** 1964

Michelle Bereaux was appointed Group Chief Compliance and Operational Risk Control Officer in January 2026. In this role, she is responsible for developing UBS's risk management and control framework for non-financial risks and implementing the independent control framework for these non-financial risks. Ms. Bereaux has been at UBS for more than 25 years and has held various leadership roles across the firm. She has been a member of the GEB since 2023 and acted as Group Integration Officer from 2023 to 2025 to integrate Credit Suisse into UBS. Previously, she served as both COO and UK Country Head of Asset Management and, prior to that, as COO and Head HR for our Investment Bank.

Professional experience

January 2026 – date	Group Chief Compliance and Operational Risk Control Officer, UBS Group AG and Chief Compliance and Operational Risk Control Officer, UBS AG
2023 – December 2025	Group Integration Officer, UBS Group AG and Integration Officer, UBS AG
2021 – 2023	Country Head UBS Asset Management UK and CEO Asset Management UK Ltd
2020 – 2023	COO, UBS Asset Management
2018 – 2020	Head of Group Efficiency and Cost Management, UBS Business Solutions AG
2015 – 2018	Non-Executive Director and Chairman Remuneration Committee, UBS Limited
2011 – 2014	Global Head Human Resources, UBS Investment Bank
2011	Global Strategic Projects at CEO Management Office, UBS Investment Bank
2009 – 2010	Chief of Staff and Joint Global COO, UBS Investment Bank

Education

- Bachelor's degree, law, the University of Cambridge
- Bachelor's degree, politics, economics and law, the University of Buckingham

Other activities and functions

- Member of the Executive Board of UBS AG



Mike Dargan

Group Chief Operations and Technology Officer, member of the GEB since 2021 (stepped down on 31 December 2025)

Nationality: British | **Year of birth:** 1977

Mike Dargan was appointed Group Chief Operations and Technology Officer in 2023 and was accountable for delivering digital platforms, technology services, infrastructure and operations, including cybersecurity and information security, until he stepped down in December 2025. In his role, he drove Group-wide innovative and emerging technology solutions and digitalization and delivered technology services, tools and infrastructure, including cyber protection and technology security. Previously, he was Group Chief Digital and Information Officer (CDIO), having lead Group Technology since joining UBS in 2016. Prior to joining UBS, he held various senior roles in technology, corporate strategy and investment banking at Standard Chartered Bank, Merrill Lynch and Oliver Wyman.

Professional experience

2023 – December 2025	Group Chief Operations and Technology Officer, UBS Group AG, and Chief Operations and Technology Officer, UBS AG
2021 – December 2025	President of the Executive Board, UBS Business Solutions AG
2021 – 2023	Group CDIO, UBS Group AG, and CDIO, UBS AG
2016 – 2021	Head Group Technology, UBS
2015 – 2016	CIO for Corporate and Institutional Banking, Standard Chartered Bank
2014 – 2015	Global Group Technology and Operations Head for Global Markets, Wealth Management, Private Banking and Securities Services, Group Technology and Operations Engineering, Standard Chartered Bank
2013 – 2014	CIO for Financial Markets, Standard Chartered Bank
2009 – 2013	Global Head of Strategy and Corporate M&A, Global Markets, Standard Chartered Bank
2005 – 2009	Head Corporate Strategy & M&A, EMEA and Pacific Rim, Merrill Lynch

Education

- Master's degree, politics, philosophy and economics, St. John's College, the University of Oxford

Other activities and functions

- Member of the Executive Board of UBS AG
- Member of the Board of Directors and President of the Executive Board of UBS Business Solutions AG
- Member of the Board of the UBS Optimus Foundation
- Member of the Advisory Board of SCION Association



Aleksandar Ivanovic

President Asset Management, member of the GEB since 2024

Nationality: Swiss | **Year of birth:** 1976

Aleksandar Ivanovic was appointed President Asset Management in 2024. With his experience and broad network across the UBS Group, he is leading the Asset Management business division forward, creating an even stronger organization through integration and offering investment capabilities and investment styles with industry-leading capabilities on a truly global scale. Before joining the GEB, he was Head Client Coverage and Head of the Europe, Middle East and Africa and Switzerland regions for Asset Management at UBS. Starting as an apprentice at UBS in 1992, he has worked in all our business divisions and later held various leadership roles at Credit Suisse and Morgan Stanley.

Professional experience

2024 – date	President Asset Management, UBS Group AG and UBS AG
2019 – 2024	Head Region Europe, Middle East and Africa, Asset Management, UBS
2018 – 2024	Head Client Coverage, Asset Management, UBS
2018 – 2024	Head Region Switzerland, Asset Management, UBS
2017 – 2018	Head Institutional Client Coverage, Asset Management, UBS
2011 – 2016	Head of Europe, Middle East and Africa, Distribution, Financial Engineering, Structured Products, Institutional Equity Derivatives, London, Morgan Stanley
2008 – 2011	Head of Distribution Northern Europe, Structured Products, Institutional Equity Derivatives, London, Credit Suisse
2000 – 2008	Various positions in Global Markets, UBS Investment Bank, London / Switzerland, UBS

Education

- Master's degree, finance, London Business School
- Bachelor's degree, Economics and Business Administration, Hochschule für Wirtschaft Zurich

Other activities and functions

- Member of the Executive Board of UBS AG
- Chairman of UBS Asset Management AG
- Chairman of UBS Asset Management Switzerland AG
- Member of the Board of the UBS Optimus Foundation



Robert Karofsky

Co-President Global Wealth Management and President UBS Americas, member of the GEB since 2018

Nationality: American (US) | **Year of birth:** 1967

Robert Karofsky became Co-President Global Wealth Management and President UBS Americas in 2024. He jointly manages Global Wealth Management across all regions to ensure an unparalleled global offering for our wealth management client franchise. As President UBS Americas, he is responsible for the cross-divisional collaboration and represents the Group to the broader public in the Americas. Mr. Karofsky was President Investment Bank from 2021 to 2024 and previously Co-President Investment Bank from 2018 to 2021. Before that, he was President UBS Securities LLC from 2015 to 2021. Prior to joining UBS, he acquired know-how in investment banking as an analyst and trader, working for various financial institutions, including Morgan Stanley, Deutsche Bank and AllianceBernstein.

Professional experience

2024 – date	Co-President Global Wealth Management and President UBS Americas, UBS Group AG and UBS AG
2021 – 2024	President Investment Bank, UBS
2018 – 2021	Co-President Investment Bank, UBS
2015 – 2021	President UBS Securities LLC, UBS
2014 – 2018	Global Head Equities, UBS
2011 – 2014	Global Head of Equity Trading, AllianceBernstein
2008 – 2010	Co-Head of Global Equities, Deutsche Bank
2005 – 2008	Head of North American Equities, Deutsche Bank

Education

- Bachelor's degree, economics, Hobart and William Smith Colleges, New York
- MBA, finance and statistics, the University of Chicago Booth School of Business

Other activities and functions

- Member of the Executive Board of UBS AG
- Member of the Board of UBS Americas Holding LLC
- Chair of the Board of the UBS Optimus Foundation US
- Member of the Board of the American Swiss Foundation



Sabine Keller-Busse

President Personal & Corporate Banking and President UBS Switzerland, member of the GEB since 2016

Nationality: Swiss and German | **Year of birth:** 1965

Sabine Keller-Busse was appointed President Personal & Corporate Banking and President UBS Switzerland in 2021, heading the leading universal bank in Switzerland. In her role, she oversees our comprehensive offering in retail and corporate and institutional banking in Switzerland, selected financial services to businesses and financial institutions globally, and wealth management services to individuals in Switzerland, which are provided jointly with Global Wealth Management. She has been a member of the GEB since 2016 and has served as Group COO, overseeing technology, operations, human resources and corporate services, and as President UBS Europe, Middle East and Africa.

Professional experience

2021 – date	President Personal & Corporate Banking and President UBS Switzerland, UBS Group AG
2021 – date	President of the Executive Board, UBS Switzerland AG
2019 – 2021	President UBS Europe, Middle East and Africa, UBS
2018 – 2021	Group COO of UBS and President of the Executive Board, UBS Business Solutions AG
2016 – 2021	Member of the Executive Board of UBS AG
2014 – 2017	Group Head Human Resources, UBS
2010 – 2014	COO UBS Switzerland, UBS

Education

- Master's degree, economic sciences, University of St. Gallen
- Ph.D., economic sciences (Dr. oec.), University of St. Gallen

Listed company boards

- Member of the Board of Zurich Insurance Group

Other activities and functions

- President of the Executive Board of UBS Switzerland AG
- Chairwoman of the Foundation Board of the Pension Fund of UBS
- Chairwoman of the Board of the UBS Optimus Foundation
- Member of the Board and Board Committee of Zurich Chamber of Commerce
- Member of the Foundation Council of the UBS Center for Economics in Society, University of Zurich
- Member of the Board of Trustees of the HSG Foundation (University of St. Gallen)
- Member of the Foundation Board of Deep Tech Nation Switzerland
- Member of the Board of the University Hospital Zurich Foundation



Iqbal Khan

Co-President Global Wealth Management and President UBS Asia Pacific, member of the GEB since 2019

Nationality: Swiss | **Year of birth:** 1976

Iqbal Khan became Co-President Global Wealth Management and President UBS Asia Pacific in 2024. He jointly manages Global Wealth Management across all regions to ensure an unparalleled global offering for our wealth management client franchise. As Regional President UBS Asia Pacific, he is responsible for the cross-divisional collaboration and represents the Group to the broader public in the Asia Pacific region. Previously, he was President Global Wealth Management from 2022 to 2024 and President UBS Europe, Middle East and Africa from 2021 to 2023. He joined UBS in 2019 as Co-President Global Wealth Management. Prior to UBS, Mr. Khan was at Credit Suisse, holding senior leadership positions as CFO Private Banking & Wealth Management and CEO International Wealth Management. He joined Ernst & Young in 2001, where he held numerous leadership positions and, upon leaving that company, he served as lead auditor of UBS.

Professional experience

2024 – date	President UBS Asia Pacific, UBS Group AG and UBS AG
2024 – date	Co-President Global Wealth Management, UBS Group AG and UBS AG
2022 – 2024	President Global Wealth Management, UBS
2021 – 2023	President UBS Europe, Middle East and Africa, UBS
2019 – 2022	Co-President Global Wealth Management, UBS
2015 – 2019	CEO International Wealth Management, Credit Suisse
2013 – 2015	CFO Private Banking & Wealth Management, Credit Suisse
2011 – 2013	Managing Partner Assurance and Advisory Services – Financial Services, Ernst & Young
2009 – 2011	Industry Lead Partner Banking and Capital Markets, Switzerland and EMEA Private Banking, Ernst & Young
2001 – 2009	Various positions in Ernst & Young

Education

- Swiss Certified Public Accountant
- Advanced Master of International Business Law (LL.M.) degree, University of Zurich

Other activities and functions

- Member of the Executive Board of UBS AG



Barbara Levi

Group General Counsel, member of the GEB since 2021

Nationality: Italian | **Year of birth:** 1971

Barbara Levi has been Group General Counsel since 2021. In her role, she provides legal advice and manages the Group's legal affairs, ensuring effective and timely assessment of legal matters impacting the Group and its businesses. Before joining UBS, she served as Chief Legal Officer & External Affairs at Rio Tinto Group and, before that, as General Counsel, based in London. In both roles, she was a member of that company's executive committee. Ms. Levi began her corporate career with Novartis Group in 2004 and worked there for 16 years, holding a number of senior legal roles across Europe.

Professional experience

2021 – date	Group General Counsel, UBS Group AG, and General Counsel, UBS AG
2021	Chief Legal Officer & External Affairs, Rio Tinto Group
2020 – 2021	Group General Counsel, Rio Tinto Group
2019	Group Legal Head, M&A and Strategic Transactions, Novartis
2016 – 2019	Global General Counsel, Sandoz International GmbH, Novartis
2014 – 2016	Global Legal Head, Product Strategy & Commercialization, Novartis
2013 – 2014	Global Legal Head, TechOps, Primary Care and Established Medicines, Novartis
2009 – 2013	Head of Legal & Compliance, Region Asia-Pacific, Middle East, and African Countries, Region Group Emerging Markets, Novartis

Education

- Law degree, the University of Milan
- Master of Laws (LL.M.), banking, corporate and finance law, Fordham University School of Law, New York

Other activities and functions

- Member of the Executive Board of UBS AG
- Member of the Board of Directors of the European General Counsel Association
- Member of the Legal Committee of the Swiss-American Chamber of Commerce



Beatriz Martin Jimenez

Group Chief Operating Officer since January 2026, Head Non-Core and Legacy and President UBS Europe, Middle East and Africa since 2023, member of the GEB since 2023

Nationality: Spanish | **Year of birth:** 1973

Beatriz Martin Jimenez became Group COO in January 2026, with the Group Technology function reporting to her. Since 2023, she has served as President UBS Europe, Middle East, and Africa and Head Non-Core and Legacy. As Group COO, her responsibilities encompass developing and coordinating the Group-wide operational integration, driving Group-wide innovative technology solutions and digitalization, delivering technology services, and overseeing technology enabled change initiatives. The Group COO is also responsible for the implementation of the Group's sustainability and impact strategy, which has been led by Ms. Martin Jimenez since 2024. Her regional position as President UBS Europe, Middle East and Africa involves promoting collaboration across business divisions and representing UBS throughout the region. In addition, Ms. Martin Jimenez also serves as the Chief Executive for UBS in the UK. As Head Non-Core and Legacy, she focuses on managing derisking and cost-reduction efforts tied to the integration process. Before joining UBS, Ms. Martin Jimenez held a variety of leadership roles in fixed income sales and trading at both Morgan Stanley and Deutsche Bank.

Professional experience

January 2026 – date	Group Chief Operating Officer; UBS Group AG and Chief Operating Officer, UBS AG
2023 – date	President UBS Europe, Middle East and Africa, UBS Group AG and UBS AG
2023 – date	Head Non-core and Legacy, UBS Group AG and UBS AG
2019 – date	UK Chief Executive, UBS AG London Branch
2024 – 2026	UBS GEB Lead for Sustainability and Impact, UBS Group AG (transitioned to Group COO responsibilities in 2026)
2022 – 2023	Chief Transformation Officer, UBS Group AG
2020 – 2023	Group Treasurer, UBS Group AG
2015 – 2020	COO, UBS Investment Bank
2015 – 2019	UK COO, UBS AG London Branch and UBS Limited
2012 – 2015	Chief of Staff to CEO, UBS Investment Bank
1996 – 2012	Various positions in Global Markets, Morgan Stanley and Deutsche Bank

Education

- Master of Business Administration, Universidad Autónoma de Madrid, Madrid
- Erasmus Exchange programme, Hochschule für Bankwirtschaft, Frankfurt

Other activities and functions

- Member of the Executive Board of UBS AG
- Member of the Board of Directors and President of the Executive Board of UBS Business Solutions AG (as of February 2026)
- Member of the Supervisory Board of UBS Europe SE
- Member of the Board of Directors of Credit Suisse International



Markus Ronner

Group Chief Compliance and Governance Officer, member of the GEB since 2018 (stepped down on 31 December 2025)

Nationality: Swiss | **Year of birth:** 1965

Markus Ronner has served as Group Chief Compliance and Governance Officer from 2018 to December 2025, overseeing compliance, financial crime prevention and operational risk control as well as regulatory and governance functions at the Group level. In more than 40 years at UBS, he acquired deep expertise across businesses and in non-financial risk management and control. In that time, Mr. Ronner held a variety of senior positions across the firm, including managing the Group-wide too-big-to-fail program, COO Wealth Management & Swiss Bank, Head Products and Services of Wealth Management & Swiss Bank, COO Asset Management, and Head Group Internal Audit. From 2022 until 2023, he served as Chairman of UBS Switzerland AG, the leading Swiss universal bank.

Professional experience

2018 – December 2025	Group Chief Compliance and Governance Officer, UBS Group AG, and Chief Compliance and Governance Officer, UBS AG
2022 – 2023	Chairman of UBS Switzerland AG
2012 – 2018	Head Group Regulatory and Governance, UBS
2011 – 2013	Manager Group-wide too-big-to-fail program, UBS
2010 – 2011	COO Wealth Management & Swiss Bank, UBS
2009 – 2010	Head Products and Services of Wealth Management & Swiss Bank, UBS
2007 – 2009	COO Asset Management, UBS
2001 – 2007	Head Group Internal Audit, UBS

Education

- Swiss Banking Diploma

Other activities and functions

- Member of the Executive Board of UBS AG



Stefan Seiler

Head Group Human Resources and Corporate Services, member of the GEB since 2023

Nationality: Swiss | **Year of birth:** 1974

Stefan Seiler was appointed Head Group Human Resources and Corporate Services in 2023. In this role, he manages the people, real estate, vendor management, communications, branding and marketing, and security functions that support the firm's long-term success. Since joining UBS in 2011, he has held several key leadership roles, including Head HR for Switzerland and Group Functions, Global Head Talent and Recruiting, and Group Head HR since 2018. He started his career at the Swiss Military Academy at the Swiss Federal Institute of Technology (ETH) Zurich, where he later returned as Department Head of Leadership and Communication after broadening his experience in the financial sector at Credit Suisse from 2002 to 2006. He has worked in Switzerland, the UK, the US and Singapore.

Professional experience

2023 – date	Head Group Human Resources and Corporate Services, UBS Group AG and Head Human Resources & Corporate Services, UBS AG
2018 – 2023	Group Head Human Resources, UBS
2016 – 2018	Global Head Talent & Recruiting, UBS
2014 – 2016	Head HR UBS Switzerland and Global Head HR Group Control & CEO Functions, UBS
2012 – 2016	Head HR UBS Switzerland, UBS
2011 – 2012	Global Head HR Corporate Center, UBS
2010 – 2011	Visiting Professor, Nanyang Business School, Singapore
2006 – 2011	Department Head of Leadership and Communication, Swiss Military Academy, ETH Zurich
2002 – 2006	Assessment specialist, HR Transformation Manager and Global Lead for Human Capital Management Implementation Group Functions, Credit Suisse, Zurich and New York

Education

- Master of Science (lic. Phil.), Educational Psychology, University of Fribourg
- PhD in Educational Psychology, University of Fribourg

Other activities and functions

- Member of the Executive Board of UBS AG
- Member of the Board of the UBS Optimus Foundation
- Member of the Foundation Board of the Pension Fund of UBS
- Member of the Foundation Council of the UBS Center for Economics in Society, University of Zurich
- Chairman of the Foundation Board of the Swiss Finance Institute
- Member of the IMD Foundation Board
- Adjunct Professor for Leadership and Strategic Human Resource Management, Nanyang Technological University (NTU), Singapore



Todd Tuckner

Group Chief Financial Officer, member of the GEB since 2023

Nationality: American (US) | **Year of birth:** 1965

Todd Tuckner became Group CFO in 2023. In January 2026, he also took over responsibility for overseeing the Group's governmental and regulatory affairs, including developing and maintaining the Group's recovery and resolution plans. As Group CFO, he oversees the Group's financial accounting, controlling, forecasting, planning and reporting processes, ensuring the transparency in and the assessment of the financial performance of the Group and the business divisions. He is also responsible for managing and controlling the Group's tax affairs, treasury and capital management, including funding and liquidity risk, and regulatory capital ratios. Additionally, he coordinates relations with analysts and investors alongside the Group CEO. He was previously CFO and Head Business Performance and Risk Management for our Global Wealth Management business. Mr. Tuckner joined UBS in 2004 after working for KPMG for 17 years and has since held various leadership roles across the Group Finance function.

Professional experience

2023 – date	Group CFO, UBS Group AG and CFO, UBS AG
2020 – 2023	CFO and Head Business Performance and Risk Management, Global Wealth Management, UBS
2016 – 2021	Group Controller and Chief Accounting Officer, UBS
2012 – 2019	Group Finance COO, UBS
2009 – 2012	Group Head Tax & Accounting Policy, UBS
2004 – 2009	Group Head Tax – Americas, UBS
1987 – 2004	Various management positions, KPMG LLP, New York

Education

- Bachelor's degree, economics, Princeton University
- MBA, accounting, New York University

Other activities and functions

- Member of the Executive Board of UBS AG
- Member of the Financial Services Chapter Board of the Swiss-American Chamber of Commerce



Marco Valla

Co-President Investment Bank, member of the GEB since 2024

Nationality: American (US) | **Year of birth:** 1972

Marco Valla became Co-President of the Investment Bank in 2024 and Head of Global Banking in September 2025. He jointly manages the Investment Bank with George Athanasopoulos across all regions to ensure an unparalleled global offering for our client franchise. He began his career at Credit Suisse First Boston in 1994 as an Investment Banking analyst, before working for Lehman Brothers and Barclays. During his tenure at Barclays, he was the Global Head of Technology, Media and Telecommunications (TMT) and Consumer Retail Investment Banking, overseeing the coverage of technology, media, telecommunications, consumer and retail clients, and a member of the Investment Banking Management Committee.

Professional experience

2024 – date	Co-President of the Investment Bank, UBS Group AG and UBS AG
September 2025 – date	Head of Global Banking
2023 – 2024	Co-Head of Global Banking, Investment Banking, UBS
2020 – 2023	Global Head of TMT and Consumer Retail, Investment Banking Member of the Investment Banking Management Committee, Barclays
2013 – 2019	Global Co-Head of Consumer Retail Group, Investment Banking, Barclays
2008 – 2013	Managing Director, Retail Group, Investment Banking, Barclays
2005 – 2008	Managing Director, Retail Group, Investment Banking, Lehman Brothers
1994 – 2005	Investment Banking, Credit Suisse First Boston

Education

- Bachelor's degree, economics and Italian literature, University of California, Berkeley

Other activities and functions

- Member of the Executive Board of UBS AG
- Member of the Board of Directors of Good Shepherd Services
- Member of the Board of the Mount Sinai Department of Urology



Damian Vogel

Group Chief Risk Officer, member of the GEB since 2024

Nationality: Swiss | **Year of birth:** 1972

Damian Vogel was appointed Group Chief Risk Officer in 2024 and is responsible for the development of the Group's risk management and control framework for various risk categories and the implementation of its independent control frameworks. Since joining UBS in 2010, he held various risk-related leadership roles across Global Wealth Management, Personal & Corporate Banking and the Switzerland region before being appointed Chief Risk Officer for Credit Suisse and Group Risk Control Head of Integration in 2023. Previously, he worked for Credit Suisse as Credit Risk Manager and Head Structured Lombard Solutions.

Professional experience

2024 – date	Group Chief Risk Officer, UBS Group AG and Chief Risk Officer, UBS AG
2023 – 2024	Chief Risk Officer, Credit Suisse AG Group Risk Control Head Integration, UBS
2018 – 2023	Chief Risk Officer Global Wealth Management, UBS
2016 – 2018	Chief Risk Officer Personal & Corporate Banking and Region Switzerland, Zurich, UBS
2012 – 2016	Portfolio Underwriter and Head Risk Control Swiss Corporates, Zurich, UBS
2010 – 2011	Project Manager within Chief Risk Officer Wealth Management and Swiss Bank, Zurich, UBS
2009 – 2010	Credit Risk Manager, Credit Risk Management Investment Banking, New York, Credit Suisse
2008 – 2009	Head Structured Lombard Solutions, Credit Risk Management Private Banking, Zurich, Credit Suisse
1999 – 2008	Various management positions in Credit Suisse

Education

- Bachelor's degree, business and administration, University of Applied Sciences, Visp
- Executive Program, Stanford University Graduate School of Business
- Master of Advanced Study, corporate finance, University of Lucerne

Other activities and functions

- Member of the Executive Board of UBS AG
- Member of the Board of Directors of UBS Switzerland AG
- Member of Foundation Board of the International Financial Risk Institute

Change of control and defense measures

Our Articles of Association (the AoA) do not provide any measures for delaying, deferring or preventing a change of control.

Duty to make an offer

Pursuant to the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015, anyone who has acquired (whether directly, indirectly or acting in concert with third parties) more than 33⅓% of all voting rights of a company with at least one class of equity securities listed on a Swiss stock exchange, whether such rights are exercisable or not, is required to submit a takeover offer to acquire all other listed equity securities of such company. We have not elected to change or opt out of this rule.

Clauses on change of control

Neither the terms regulating the BoD members' mandate nor any employment contracts with GEB members or employees holding key functions within the Group contain change of control clauses.

All employment contracts with GEB members stipulate a notice period of six to twelve months. During the notice period, GEB members are entitled to their salaries and the continuation of existing employment benefits and may be eligible to be considered for a discretionary performance award based on their contribution during their tenure.

In case of a change of control, we may, at our discretion, accelerate the vesting of and / or relax applicable forfeiture provisions of employees' awards.

› **Refer to the "Compensation" section of this report for more information**

Auditors

Audit is an integral part of corporate governance. While safeguarding their independence, the external auditors closely coordinate their work with Group Internal Audit. The Audit Committee and, ultimately, the BoD supervises the effectiveness of audit work.

› **Refer to "Board of Directors" in this section for more information about the Audit Committee**

External independent auditors

The 2025 Annual General Meeting (the AGM) re-elected Ernst & Young Ltd (EY) as auditors for the Group for the 2025 financial year. EY assumes virtually all auditing functions according to laws, regulatory requests and the AoA. In 2025, Isabelle Santenac became the EY lead partner in charge of the UBS Group financial and regulatory audits and the lead audit partner for the Group financial statement audit, with an incumbency limit of five years. Since 2023, Robert Wadley has been a partner on the financial statement audit, and in 2025 he became the co-signing partner, with an incumbency limit of seven years. In 2021, Hannes Smit became the Lead Auditor to the Swiss Financial Market Supervisory Authority (FINMA), with an incumbency limit of seven years. Daniel Martin has been the co-signing partner for the FINMA audit since 2019, with an incumbency limit of seven years. Mr. Martin will be succeeded in 2026 by Martin Waurick, who will assume the role of co-signing partner for the FINMA audits, with an incumbency limit of seven years.

During 2025, the Audit Committee held 12 meetings with the external auditors.

Audit effectiveness assessment

The Audit Committee assesses the performance, effectiveness and independence of the external auditors on an annual basis. The assessment is generally based on interviews with senior management and survey feedback from stakeholders across the Group. Assessment criteria include quality of service delivery, quality and competence of the audit team, value added as part of the audit, insightfulness, and the overall relationship with EY. Based on its own analysis and the assessment results, including feedback received as part of the review of the Group audit engagement described above, the Audit Committee concluded that EY's audit has been effective.

Services performed by EY and related fees

The Audit Committee oversees all services provided to UBS by the external auditors. For services requiring the approval from the Audit Committee, a preapproval may be granted either for a specific mandate or in the form of a blanket preapproval authorizing a limited and well-defined type and scope of services. The fees (including expenses) paid to EY are set forth in the table below.

Audit work includes all services necessary to perform the audit for the Group in accordance with applicable laws and generally accepted auditing standards, as well as other assurance services that conventionally only the auditor can provide. These include statutory and regulatory audits, attestation services and the review of documents to be filed with regulatory bodies. The additional services classified as audit in 2025 included several engagements for which EY was mandated at the request of FINMA.

Audit-related work consists of assurance and related services traditionally performed by auditors, such as attestation services related to financial reporting, internal control reviews and performance standard reviews, as well as consultation concerning financial accounting and reporting standards.

Tax work involves services performed by professional staff in EY's tax division and includes tax compliance and tax consultation with respect to our own affairs.

"Other" services are permitted services, which include technical IT security control reviews and assessments.

In addition, EY received USD 53m in 2025 (USD 52m in 2024) for services performed on behalf of our investment funds, many of which have independent fund boards or trustees.

Fees paid to EY

UBS Group AG and its subsidiaries paid the following fees (including expenses) to EY.

USD m	For the year ended	
	31.12.25	31.12.24
Audit		
Global audit fees	100	121
Additional services classified as audit (services required by law or statute, including work of a non-recurring nature mandated by regulators)	51	24
Total audit	151	145
Non-audit		
Audit-related fees	20	18
<i>of which: assurance and attestation services</i>	13	14
<i>of which: control and performance reports</i>	7	5
<i>of which: consultation concerning financial accounting and reporting standards</i>	0	0
Tax fees	2	3
All other fees	0	1
Total non-audit	22	22

Special auditors for potential capital increases

At the AGM on 24 April 2024, BDO AG was reappointed as special auditors for a three-year term of office. Special auditors provide audit opinions in connection with potential capital increases independently from other auditors.

Group Internal Audit

Group Internal Audit performs the internal auditing role for the Group. It is an independent function that provides expertise and insights to confirm controls are functioning correctly and highlight where UBS needs to better manage current and emerging risks. In 2025, Group Internal Audit operated with an average headcount of 775 full-time equivalent employees.

Group Internal Audit supports the BoD in discharging its governance responsibilities by taking a dynamic approach to audit, issue assurance and risk assessment, confirming where controls are functioning well and highlighting where UBS needs to better manage current and emerging risks. By doing so, it drives action to prevent unexpected loss or damage to the firm's reputation. To support the achievement of UBS's objectives, Group Internal Audit independently, objectively and systematically assesses the:

- (i) soundness of the Group's risk and control culture;
- (ii) reliability and integrity of financial and operational information, including whether activities are properly, accurately and completely recorded, and the quality of underlying data and models; and
- (iii) design, operating effectiveness and sustainability of:
 - processes to define strategy and risk appetite, as well as the overall adherence to the approved strategy;
 - governance processes;
 - risk management, including whether risks are appropriately identified and managed;
 - internal controls, specifically whether they are commensurate with the approved risk appetite;
 - remediation activities; and
 - processes to comply with legal and regulatory requirements, internal policies, and the Group's constitutional documents and contracts.

Audit reports that include significant issues are provided to the Group CEO, relevant GEB members and other responsible management. The Chairman, the Audit Committee and the Risk Committee of the BoD are regularly informed of such issues.

In addition, Group Internal Audit provides independent assurance on the effective and sustainable remediation of control deficiencies within its mandate, taking a prudent and conservative risk-based approach and assessing at the issue level whether the root cause and the potential exposure for the firm have been holistically and sustainably addressed. Group Internal Audit also cooperates closely with risk control functions and internal and external legal advisors on investigations into major control issues.

To ensure Group Internal Audit's independence from management, the Head Group Internal Audit reports to the Chairman of the BoD and to the Audit Committee, which assesses annually whether Group Internal Audit has sufficient resources to perform its function, as well as its independence and performance. In the Audit Committee's assessment, Group Internal Audit is sufficiently resourced to fulfill its mandate and complete its auditing objectives. Group Internal Audit's role, position, responsibilities and accountability are set out in our Organization Regulations and the Charter for Group Internal Audit, available at ubs.com/governance. Group Internal Audit has unrestricted access to all accounts, books, records, systems, property and personnel, and must be provided with all information and data that it needs to fulfill its auditing responsibilities. Group Internal Audit also conducts special audits at the request of the Audit Committee, or other BoD members, committees or the Group CEO in consultation with the Audit Committee.

Group Internal Audit enhances the efficiency of its work through coordination and close cooperation with the external auditors.

Information policy

We provide regular information to our shareholders and to the wider financial community.

Financial reports for UBS Group AG are expected to be published on the following dates:

First quarter 2026	29 April 2026
Second quarter 2026	29 July 2026
Third quarter 2026	28 October 2026

The annual general meetings of the shareholders of UBS Group AG will take place on the following dates:

2026	15 April 2026
2027	8 April 2027

- › Refer to the corporate calendar available at ubs.com/investors for the dates of the publication of financial reports and other key dates, including the dates of the publication of UBS AG's financial reports

We meet with institutional investors worldwide throughout the year and regularly hold results presentations, attend and present at investor conferences, and, from time to time, host investor days. When appropriate, investor meetings are hosted by senior management and are attended by members of our Investor Relations team. We use various technologies, such as webcasting, audio links and cross-location videoconferencing, to widen our audience and maintain contact with shareholders globally.

We make our publications available to all shareholders simultaneously to provide them with equal access to our financial information.

Our annual and quarterly publications are available in a fully digital and .pdf format at ubs.com/investors, under “Financial information”. We no longer provide printed copies of our Annual Report and our Compensation Report in any language.

- › Refer to ubs.com/investors for a complete set of published reporting documents and a selection of senior management industry conference presentations
- › Refer to the “Information sources” section of this report for more information
- › Refer to “Corporate information” and “Contacts” in this report for more information

Financial disclosure principles

We fully support transparency and consistent and informative disclosure. We aim to communicate our strategy and results in a manner that enables stakeholders to gain a good understanding of how our Group operates, what our growth prospects are, and the risks that our businesses and our strategy entail. We assess feedback from analysts and investors on a regular basis and, where appropriate, reflect this in our disclosures. To continue achieving these goals, we apply the following principles in our financial reporting and disclosure:

- *transparency*, which enhances the understanding of economic drivers and builds trust and credibility;
- *consistency*, within each reporting period and between reporting periods;
- *simplicity*, which enables readers to gain a good understanding of the performance of our businesses;
- *relevance*, by focusing not only on what is required by regulation or statute but also on what is relevant to our stakeholders; and
- *best practice*, which leads to improved standards.

We regard the continuous improvement of our disclosures as an ongoing commitment.

Financial reporting policies

We report our Group’s results for each financial quarter, including a breakdown of results by business division and disclosures or key developments relating to risk management and control, capital, liquidity and funding management. Each quarter, we publish quarterly financial reports for UBS Group AG, on the same day as the earnings releases.

The consolidated financial statements of UBS Group AG and UBS AG are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

- › Refer to “Note 1 Summary of material accounting policies” in the “Consolidated financial statements” section of this report for more information about the basis of accounting

We are committed to maintaining the transparency of our reported results and allowing analysts and investors to make meaningful comparisons with prior periods. If there is a major reorganization of our business divisions or if changes to accounting standards or interpretations lead to a material change in the Group’s reported results, our results are restated for previous periods as required by applicable accounting standards. These restatements show how our results would have been reported on the new basis and provide clear explanations of all relevant changes.

US disclosure requirements

As a foreign private issuer, we must file reports and other information, including certain financial reports, with the US Securities and Exchange Commission (the SEC) under the US federal securities laws.

An evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a–15e) under the US Securities Exchange Act of 1934 has been carried out, under the supervision of management, including the Group CEO, the Group CFO and the Group Controller. Based on that evaluation, and reflecting the determination that our internal control over financial reporting was effective as of 31 December 2025, the Group CEO and the Group CFO concluded that our disclosure controls and procedures were effective as of 31 December 2025.

No significant changes have been made to our internal controls or to other factors that could significantly affect these controls subsequent to the date of their evaluation.

- › Refer to the “Consolidated financial statements” section of this report for more information

Compensation

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Compensation



Julie G. Richardson
Chairperson of the
Compensation Committee
of the Board of Directors

Dear Shareholders,

The Board of Directors (the BoD) and I wish to thank you for your support once again at last year's Annual General Meeting (the AGM) and for sharing your views on our compensation practices over the past year.

Throughout 2025, the BoD Compensation Committee continued to oversee the compensation process, aiming to ensure that reward reflects performance, risk-taking is appropriate and employees' interests are aligned with those of our stakeholders. Following these reviews, we concluded that our compensation framework remains well suited to support us in achieving our ambitions for the Group and that it provides strong alignment with shareholders' interests. As the Chairperson of the Compensation Committee, I am pleased to present our Compensation Report for 2025.

Key achievements highlight the power of our globally diversified business model

In 2025, we delivered excellent financial performance, demonstrating strong client relationships and our franchise strength as we captured client momentum and drove revenue growth. We helped clients navigate an unpredictable market environment while making significant progress on one of the most complex integrations in banking history and facing ongoing regulatory uncertainty in Switzerland. Our Group invested assets rose 15% compared with 2024, exceeding the USD 7trn mark for the first time.

As a key pillar of our strategy, our balance sheet remains strong, as we continue to make further progress on integration while creating value by capturing long-term growth opportunities. Our risk aware approach and highly robust business model is reflected in the Group's loan-to-deposit ratio of 83% and low credit risk.

We also maintained our commitment to being a reliable partner for the Swiss economy. We granted or renewed around CHF 80bn of loans during 2025. Throughout the year, we continued to support clients and the communities where we live and work, while further investing in talent and capabilities. This includes artificial intelligence, where we have transformational projects that are designed to bolster our operational resilience, enhance client experience and unlock higher levels of efficiency and effectiveness across the organization. We remain firmly focused on disciplined execution, bringing the full power of UBS to our clients and investing to sustain growth momentum, supporting continued value creation in the years ahead.

On track to substantially complete the integration of Credit Suisse by the end of 2026

This year will be an important milestone in our integration progress with complex tasks at hand and focus on fully realizing the combined synergies resulting from the integration of Credit Suisse. Building on our success in 2023 and 2024, we continued to make excellent progress on the integration, which we expect to substantially complete by the end of 2026. By the end of 2025, 85% of Swiss-booked accounts had been migrated, and the migration of Personal & Corporate Banking client accounts was substantially complete. We remain on track to complete the Swiss-booked account migrations by the end of the first quarter of 2026. In addition, we have completed the integration of Asset Management, including the final portfolio migrations onto UBS platforms.

In 2025, we realized an additional USD 3.2bn in gross cost savings. Cumulative gross cost savings at the end of 2025 amounted to USD 10.7bn compared with the 2022 combined cost base of UBS and Credit Suisse. We have identified additional synergies that have enabled us to increase our ambition for annualized exit rate gross cost savings by the end of 2026 from around USD 13bn to approximately USD 13.5bn.

At the end of 2025, our Non-core and Legacy business division had reduced its risk weighted assets (RWA) by 67% since the second quarter of 2023 and its underlying operating expenses excluding litigation by approximately 80% compared with the full-year 2022 combined baseline. We achieved our ambition to reduce credit and market risk RWA to below USD 8bn, and we are well positioned to meet our ambition of around USD 4bn by the end of 2026.

Leadership Development

Over the last few years, significant progress has been made in developing the depth of key talent at senior leadership levels. Our Group Chief Executive Officer (the Group CEO) has successfully adjusted the composition of the Group Executive Board (the GEB) in line with the future strategic demands, as well as making several proactive moves that have increased the strength of our senior leadership.

These changes have supported the success of both our operational and integration initiatives while also enhancing capability through internal mobility and exposure in the organization. This concerted effort to develop senior leadership has produced an even stronger and more cohesive senior leadership team and GEB.

Financial performance

Underlying profit before tax excluding litigation increased in all core regions, demonstrating the power of our global franchise and positioning the firm for continued success. Net profit attributable to shareholders was USD 7,767m, up 53% YoY. During 2025, we successfully resolved several significant legal matters.

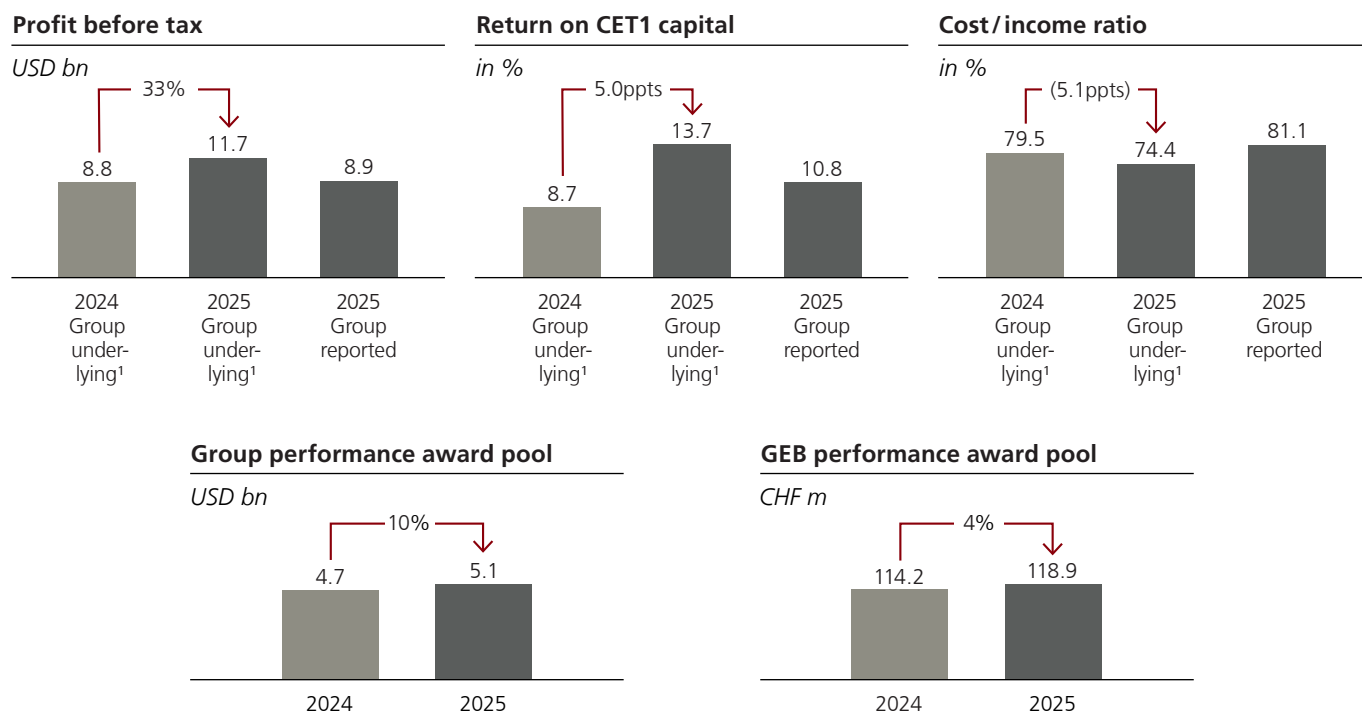
Underlying revenues from our core businesses increased 8%, reflecting the enduring advantages of our diversified global platform and broad-based client momentum amid constructive markets. Underlying revenues in Non-core and Legacy decreased by USD 1,455m from 2024, driven by the progress by that division in significantly reducing the size of its portfolio.

Commitment to return capital to shareholders

We remain committed to maintaining a balance sheet for all seasons. Our capital position was further strengthened in 2025. Both our common equity tier 1 (CET1) capital ratio (14.4%) and our CET1 leverage ratio (4.4%) remained comfortably above our guidance of ~14% and >4.0%, respectively.

Our business momentum further supported our capital position, enabling us to deliver on our capital return plans. For 2025, the BoD plans to propose a dividend to UBS Group AG shareholders of USD 1.10 per share, an increase of 22% YoY.

In 2025, we completed our planned share repurchases of USD 3bn. In 2026, we intend to repurchase USD 3bn of shares, with the aim to do more. The amount of additional repurchases is subject to further clarity around the future regulatory regime in Switzerland, our financial performance and maintaining a CET1 capital ratio of ~14%.



¹ Underlying results exclude items of profit or loss that management believes are not representative of the underlying performance. Underlying results are a non-GAAP financial measure and alternative performance measure (APM).

2025 Group performance award pool

For 2025, the Group performance award pool was determined based on financial performance, along with consideration of other non-financial factors, such as specific focus on risk management, achieving of strategic objectives and market position and trends. As a result, the overall pool of USD 5.1bn reflects our strong financial performance compared with 2024, the progress with the integration and the resolution of litigation matters, as well as market-competitive considerations.

In line with our long-standing approach, our pool determination includes consideration of the impact of both financial and non-financial risk (including reputation) matters. We further consider the firm's risk profile and culture, the extent to and the success of risk reduction initiatives at a pool level. In 2025, we reviewed certain significant events in detail with respect to individual accountability and performance and compensation outcomes, including individual disciplinary consequences where relevant.

Compensation decisions continued to be guided by our robust pay-for-performance philosophy, ensuring significant differentiation of compensation that reflects individual and business performance. This is essential to support driving our high performance culture, as well as attracting and retaining a talented workforce that delivers on our integration and strategic objectives.

Compensation for each GEB member is based on a robust assessment of their financial and non-financial performance, which is predominantly based on the achievements relative to concrete quantitative and measurable key performance indicators. Awards for 2025 reflect the outstanding performance of the GEB, including the Group CEO, in the context of excellent overall Group performance, significant progress on our integration and the resolution of legacy litigation matters.

Continuity of our overall compensation framework

Since 2012, our compensation framework has been fundamentally consistent and is considered well established and tested over time. After a careful review of investor feedback and competitive practice, the Compensation Committee confirmed that our Total Reward Principles and overall compensation framework continue to support the alignment of compensation with the execution of our strategy, sustainable performance and the delivery of our integration objectives.

Overall, the GEB compensation framework remains consistent with prior years. With respect to the Group CEO, the significant deferral level, structure and vesting schedule over five years remain unchanged.

For the other GEB members, the vesting schedule also remains unchanged. We have aligned the deferral level toward the competitive market, introducing an approach where deferral levels increase progressively with higher performance award levels, as well as differentiating the deferral mix between the Long-Term Incentive Plan (the LTIP) and the Deferred Contingent Capital Plan.

This approach provides greater potential for deferral into the LTIP, which, coupled with our significant GEB share ownership requirements, supports strong long-term alignment with our strategy and shareholder interests. We believe our revised deferral regime continues to be more stringent than the competitive market, with deferral levels and delivery schedules that exceed those typically observed in the industry.

Regarding our LTIP awards granted for 2025 performance, we have reviewed our three-year average (2026 through 2028) reported return on CET1 (RoCET1) performance metric to appropriately incentivize management to deliver on our evolving return ambitions reflecting our progress on the integration. We have therefore increased the RoCET1 performance range to require higher return levels for vesting:

- the required performance threshold for the minimum payout has been raised to 8%, compared with 7.5% last year; and
- the required performance for a maximum payout has been increased to 16%, compared with 14% last year.

Resolution of the French cross-border matter and impact on GEB deferred compensation

In 2019, the Compensation Committee determined that up to 30% (CHF 7.9m) of the 2019 LTIP awards for relevant GEB members and the share award of the former Chairman would remain at risk and held back from delivery until the French cross-border matter was resolved. Following its resolution and the better outcome relative to the previously disclosed potential outcomes, the Compensation Committee applied a fact-based reduction to the final value of the award of 10% of the shares at risk. As previously disclosed in the 2019 Compensation Report, the reduction is based on the final cost associated with the resolution of the matter, ensuring compensation outcomes reflected the final impact. The Compensation Committee also concluded that there was no new information that would have impacted our compensation decision in 2019.

These mechanisms underscore UBS's commitment to aligning management accountability with shareholder interests.

The 2026 Annual General Meeting

At the 2026 AGM on 15 April, we will seek your support on the following compensation-related items:

- the maximum aggregate amount of compensation for the BoD for the period from the 2026 AGM to the 2027 AGM;
- the maximum aggregate amount of fixed compensation for the GEB for 2027;
- the aggregate amount of variable compensation for the GEB for 2025; and
- shareholder endorsement in an advisory vote for this Compensation Report.

On behalf of the Compensation Committee and the BoD, I thank you again for your feedback and we respectfully ask for your continued support at the upcoming AGM.



Julie G. Richardson
Chairperson of the Compensation Committee of the Board of Directors

2025 key compensation themes

The feedback that we seek from our shareholders about compensation-related topics is very important to us, as we are committed to maintaining a strong link between the interests of our employees and those of our shareholders. We continued engaging with shareholders during 2025 and received overall positive feedback about our compensation framework. The below summarizes key compensation themes for 2025 and provides answers to the questions we most frequently receive from shareholders.

Summary of 2025 key compensation themes / responses to frequently asked questions

How does UBS reflect environmental and sustainability themes in the compensation determination process?

Environmental and sustainability objectives continue to be an integral part of our compensation determination process. Since 2011 we have embedded environmental, social and governance (ESG)-related objectives in our Pillars and Principles, and since 2021 we have explicit sustainability-related objectives in the non-financial goal category of the Group Chief Executive Officer and Group Executive Board (GEB) scorecards. Over time, we have refined our approach; for example, in 2023 we enhanced the GEB scorecard by establishing separate categories for Environmental and Sustainability as well as People and Governance. These categories are unchanged since 2023. This structure, with two out of five non-financial categories covering ESG-related objectives, underscores the importance and impact of sustainability on GEB compensation. All five non-financial categories are equally weighted (6% per category) and have a combined weight of 30% in the GEB performance assessment. This provides a combined weight of 12% for ESG-related themes.

For the 2025 performance assessment of the GEB, we maintain our strong focus on supporting our clients' activities related to the environment and sustainability. The following achievements demonstrate the strong progress made in this area:

- we exceeded our ambition of raising USD 400m per annum in donations (including UBS matching contributions) by 2027 with the UBS Optimus network of foundations raising USD 472m in such donations in 2025; and
- we exceeded our ambition of 20% with 23.4% of Asset Management's fund offering globally being sustainable-investing products, providing choice for clients (over a three-year rolling basis).

In addition, we achieved a top quartile position versus direct peers in three key ESG ratings in 2025. Furthermore, the following achievements demonstrate our 2025 progress to reducing our scope 1 and 2 emissions to net zero by 2035, as well as delivering against our lending sector decarbonization and financed emissions reduction targets:

- scope 1 and market-based scope 2 emissions reduced by 48% compared with 2023 baseline;
- absolute own energy consumption reduced by 19% compared with 2023 baseline;
- reduced emissions intensity associated with in-scope lending compared with 2021 levels – Swiss commercial real estate down 10%, Swiss residential real estate down 15%, power generation down 55%, iron and steel down 14%, and cement down 4%; and
- reduced absolute financed emissions associated with in-scope lending for fossil fuels by 83% compared with 2021 baseline.

How does UBS support pay fairness?

We pay for performance, and we take pay equity seriously. Across all our locations, we apply the same fair pay standards, reinforced by annual reviews of our approach and policies in line with established equal pay methodologies. In 2025, our statistical pay gap analyses reaffirmed that pay differences between male and female employees in similar roles across our core financial hubs remained below 1%, a difference consistent with that for 2024. If we find any gaps not explained by business or by appropriate employee factors, such as role, responsibility, experience, performance or location, we look at the root causes and address them.

- › Refer to the "Compensation philosophy and governance" section of this report for more information about pay fairness
- › Refer to the "People and culture make the difference" section of the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, for more information about workforce inclusion

How is UBS supporting employees during the ongoing integration period?

We are committed to being a responsible employer. We promote employee health and well-being, and, where possible, we offer flexible working arrangements. Social, physical, mental and financial well-being elements are woven into our HR policies and practices. For example, our support for employee well-being includes a range of programs, benefits and workplace resources, along with specialized eLearning curriculums and toolkits to help employees better manage their health, foster well-being and strengthen their resilience. A dedicated well-being portal consolidates our global offering and promotes regional networks, initiatives and resources.

To support employees during the integration, UBS offers a wide range of well-being sessions with internal and external experts on the themes of resilience, growth mindset, dealing with uncertainty and burnout prevention. Employees have ongoing access to confidential support from our global Employee Assistance and Care Programs.

Should business or organizational circumstances arise that lead to employee redundancy, we offer professional reorientation services with a focus on redeployment within UBS. We also have extensive action plans for redundancies that include provision for coaching services, reskilling programs, placements and / or redundancy payments.

- › Refer to the “Health and Safety Statement”, available at ubs.com/sustainability-reporting, for information about UBS’s health and safety statement
- › Refer to ubs.com/employees for more information about benefits and assistance

How does the 2025 Long-Term Incentive Plan work and what does the grant level of 50% of the maximum opportunity mean?

Consistent with our approach applied in 2023 and 2024, a portion of variable compensation granted to a broad group of senior leaders (including the GEB) is deferred into our Long-Term Incentive Plan (the LTIP) award. The LTIP is an equity-based award and the final value is subject to performance conditions as well as share price development. The 2025 LTIP continues with the same two equally weighted performance metrics (reported return on common equity tier 1 capital (RoCET1) and relative total shareholder return (rTSR)), which are assessed over a three-year performance period.

At grant, the value of the deferred portion is converted into an initial allocation of shares based on the grant share price. This initial share allocation represents 50% of the maximum opportunity, which is capped at 100%. The final performance outcome will range from 0% to 100% of this maximum, subject to the outlined performance conditions.

If the final performance outcome is 50%, the participant would receive exactly the initially allocated shares, which is also the same number of shares as for an individual who deferred compensation into equity shares.

Each participant has the potential to double the number of shares initially allocated, if reported RoCET1 over the three-year performance period is at or above 16% and relative total shareholder return (rTSR) is 25 percentage points or more above the peer group index. Similarly, each participant would lose 100% of the allocated shares if reported RoCET1 over the three-year performance period is less than 8% and rTSR is below the peer group index by more than 25 percentage points.

The initial share allocation at 50% of the maximum opportunity is not a share price discount but rather reflects the inherent risk of losing 100% of the initially allocated shares.

- › Refer to “2025 Group performance outcomes” in the “Group compensation” section of this report for more information

Illustrative example

An employee receives a deferral of compensation into an LTIP award with a value of CHF 100,000 granted at a share price of CHF 32.924 per share (based on the average closing price of UBS shares over the last ten trading days leading up to and including the award date in February). This represents the award allocation of 50% of the maximum opportunity. The actual LTIP value at the end of the performance period may vary between:

- CHF 0, i.e. no value, if the achievement level of the performance metrics at the end of the three-year performance period produce a weighted outcome that is below 33%; and
- CHF 200,000, if the achievement level of the performance metrics at the end of the three-year performance period produce a weighted outcome that is at or above 100%, assuming no change in share price.

Ultimately, the value of the deferral at the end of the performance period is determined by consideration of the performance achievement coupled with share price development (positive or negative). In this manner, management is incentivized to deliver on strategy, integration targets and financial objectives and to drive long-term growth while also being fully aligned with shareholders on share price development and relative shareholder returns.

What is the achievement level of the LTIP granted in 2023 for 2022 performance?

The performance award granted in 2023 for the 2022 financial performance year (the 2022 LTIP) to members of the GEB was in part delivered through the LTIP award. This award has been designed to support alignment of compensation with the execution of our strategy, financial performance and long-term growth.

The performance metrics of the 2022 LTIP are average reported RoCET1 and rTSR, both measured over a three-year performance period from 2023 to 2025.

In 2022, when the Compensation Committee set the relevant performance range of the reported RoCET1 metric (i.e. 8%–18% for the performance period 2023–2025), it considered several factors including our strategic plan, which at that time reflected a communicated reported RoCET1 target range of 15%–18%. However, the acquisition and integration of the Credit Suisse Group significantly impacted the financial results of UBS during the performance period of the 2022 LTIP.

Against this background, the Compensation Committee has carefully considered these integration-related aspects and made the following adjustments to the reported RoCET1 for 2023, 2024 and 2025 in order to determine the 2022 LTIP achievement level in line with our strict pay-for-performance approach and to remove both the positive and negative impacts related to the integration.

- For the assessment of the 2023 RoCET1 outcome, as already communicated in the Compensation Report 2023, we used UBS sub-group results as a starting point and excluded the positive and negative one-time financial impacts of the acquisition of the Credit Suisse Group (such as the negative goodwill, or gain, of USD 27.7bn for 2023).
- For the assessment of the 2024 and 2025 RoCET1 outcomes, we used UBS Group results and applied an adjustment based on a review of the plans before and after the integration in order to align the RoCET1 performance relative to the plan applicable at the time of grant.

The Compensation Committee has consistently applied the adjustment approach outlined above for the RoCET1 metric. As disclosed in 2023 and 2024, these adjustments reduced the three-year average RoCET1 metric outcomes and overall achievement levels of the 2020 and 2021 LTIP awards. For the 2022 LTIP, the Committee applied the same consistent approach, which resulted in a negative impact to the three-year average RoCET1 metric, which nonetheless still resulted in a 100% achievement level. No adjustments were made to the rTSR metric, which is –17.45 percentage points below the index, resulting in a rTSR achievement level of 43.12%.

Consequently, the combined achievement level of the 2022 LTIP resulted in 71.56% of the maximum opportunity (100%), aligned with the grant fair value of 71.45% in 2022. This outcome is 21.8 percentage points below the achievement level of the 2021 LTIP, primarily driven by the lower rTSR performance. This development demonstrates how our LTIP design consistently enforces a strict pay-for-performance approach and ensures alignment with the shareholder experience.

Performance achievement for the 2022 LTIP awarded in 2023

Performance metrics	Performance metric outcome		2022 LTIP achievement level	
	Threshold	Maximum	Threshold	Maximum
RoCET1 (Weight: 50%)	8%	18%	33%	100%
	Outcome: 18.2%		Outcome below threshold: full forfeiture	Achievement: 100%
				Outcome above maximum: achievement capped at 100%
rTSR (Weight: 50%)	–25ppts	+25ppts	33%	100%
	Outcome: –17.5ppts		Achievement: 43.1%	
Overall 2022 LTIP achievement level			Overall achievement: 71.6%	

Say-on-pay

Say-on-pay votes at the AGM

In line with the Swiss Code of Obligations, we seek binding shareholder approval for the aggregate compensation awarded to the Group Executive Board (the GEB) and the Board of Directors (the BoD). Prospective approval of the fixed compensation of the BoD and GEB provides the firm and its governing bodies with the certainty needed to operate effectively. Retrospective approval of the GEB's variable compensation aligns their compensation with performance and contribution.

The table below outlines our compensation proposals, including supporting rationales, that we plan to submit to the 2026 Annual General Meeting (the AGM) for binding votes, in line with the Swiss Code of Obligations and our Articles of Association.

These binding votes on compensation and the advisory vote on our Compensation Report reflect our commitment to shareholders having their say on pay.

- › Refer to "Provisions of the Articles of Association related to compensation" in the "Supplemental information" section of this report for more information

Audited I

Approved GEB fixed compensation and BoD compensation

At the 2024 AGM, the shareholders approved a maximum aggregate fixed compensation amount of CHF 33.0m for GEB members for the 2025 performance year. This amount reflects base salaries and estimated standard contributions to retirement benefit plans, as well as other benefits. The aggregate fixed compensation paid in 2025 to GEB members was below the approved amount for 2025.

At the 2025 AGM, the shareholders approved a maximum aggregate amount of compensation of CHF 15.0m for the members of the BoD for the period from the 2025 AGM to the 2026 AGM.▲

- › Refer to "2025 total compensation for the GEB members" in the "Compensation for GEB members" section of this report
- › Refer to "Remuneration details and additional information for BoD members" in the "Compensation for the Board of Directors" section of this report

Compensation-related proposals for binding and advisory votes at the 2026 AGM

Item	Approved at the 2025 AGM	BoD proposals for the 2026 AGM	Rationale
GEB variable compensation	Shareholders approved CHF 114,185,176 for the 2024 financial year ^{1,2,3} (vote "for": 89.71%)	The BoD proposes an aggregate amount of variable compensation of CHF 118,857,500 ⁴ for the members of the GEB for the 2025 financial year.	The GEB performance award pool reflects the outstanding performance of the GEB, including the Group Chief Executive Officer (the Group CEO), in the context of excellent overall Group performance, significant progress on our integration and the resolution of legacy litigation matters. The 2025 GEB performance award pool increased by 4%, which is below the Group performance award pool increase of 10% year on year.
GEB fixed compensation	Shareholders approved CHF 32,000,000 for the 2026 financial year ^{1,2,3} (vote "for": 92.68%)	The BoD proposes a maximum aggregate amount of fixed compensation of CHF 30,000,000 for the members of the GEB for the 2027 financial year.	The proposed amount for 2027 has been reduced by CHF 2m compared with the approved 2026 aggregate amount. This reduction is driven by changes in the GEB composition resulting in fewer GEB roles. The proposed amount includes the base salaries of the Group CEO and other GEB members, as well as estimated standard contributions to retirement benefit plans and other benefits. The amount further provides flexibility in light of potential changes in GEB composition or roles, competitive considerations and other factors (e.g. changes in foreign exchange rates or benefits).
BoD compensation	Shareholders approved CHF 15,000,000 for the period from the 2025 AGM to the 2026 AGM ^{1,2,5} (vote "for": 90.91%)	The BoD proposes a maximum aggregate amount of compensation of CHF 15,000,000 for the members of the BoD for the period from the 2026 AGM to the 2027 AGM.	The proposed amount is unchanged compared with the approved aggregate amount for the previous period from the 2025 AGM to the 2026 AGM. The amount includes the total compensation for the Chairman and the Vice Chairman, both with unchanged fixed fees. The fee structure for the other BoD members also remains unchanged.
Advisory vote on the Compensation Report	Shareholders approved the UBS Group AG Compensation Report 2024 in an advisory vote (vote "for": 86.70%)	The BoD proposes that the UBS Group AG Compensation Report 2025 be ratified in an advisory vote.	Our Total Reward Principles and compensation framework continue to support the alignment of compensation with the execution of our strategy and sustainable performance. Overall, the GEB compensation framework remains consistent with prior years. For the Group CEO the framework remains unchanged, while for the other GEB members we have introduced an approach where deferral levels increase progressively with higher performance award levels, as well as differentiating the deferral mix between the Long-Term Incentive Plan (the LTIP) and the Deferred Contingent Capital Plan. This approach provides greater potential for deferral into the LTIP, which supports strong long-term alignment with our strategy and shareholder interests. In addition, our compensation policies continue to reflect our strong commitment to pay for performance and pay equity.

¹ Local currencies are converted into Swiss francs at the 2025 performance award currency exchange rates. ² Excludes the portion related to the legally required employer's social security contributions. ³ As stated in "Group Executive Board" in the "Corporate governance" section of this report, 15 GEB members were in office on 31 December 2025 and on 31 December 2024. ⁴ Includes LTIP awards for the 2025 performance year with a communicated value of 50% of the maximum opportunity (100%). ⁵ Twelve BoD members were in office on 31 December 2025 and on 31 December 2024.

Compensation philosophy and governance

Our compensation philosophy

Total Reward Principles

Our Total Reward Principles are fully aligned with our strategy and encourage employees to live our strong and inclusive culture that is grounded in our three keys to success: our *Pillars, Principles and Behaviors*. These guiding principles underpin our approach to compensation and define our compensation framework. In 2025, we kept our Total Reward Principles largely unchanged, reaffirming their continued alignment with our strategy and our three keys to success. This aims to ensure that the interests of our employees are aligned with those of our clients and other stakeholders. In the short-to-medium term, they also enable UBS to drive the economic and cultural integration of Credit Suisse and the long-term value creation of the combined firm.

Therefore, our compensation approach supports our capital strength and risk management, and provides for simplification and efficiency. It encourages employees to focus on client centricity, connectivity and sustainable impact in everything we do. Moreover, we reward behaviors and conduct that help build and protect the firm's reputation, including Accountability with integrity, Collaboration and Innovation. Compensation for each employee is based on individual, team, business division and Group performance, within the context of the markets in which we operate.

Total Reward Principles

Our Total Reward Principles apply to all employees globally but vary in certain locations according to local legal requirements, regulations and practices. The table below provides a summary of our Total Reward Principles.

Reinforce our culture and strategy	Compensation reinforces and aligns with the firm's culture and strategy, fosters engagement among employees and aligns their long-term interests with those of clients and stakeholders.
Attract, retain and motivate a talented workforce	We provide competitive and fair pay to support our global workforce based on meritocracy. Pay at UBS reflects fair and equal treatment and is competitive. Our investment in a motivated workforce supports the sustainability of the organization.
Foster pay-for-performance aligned with sustainable achievement and our ways of working	We pay for sustainable and holistic performance. Clear objectives, as well as a thorough evaluation of what was achieved and how it was achieved, combined with effective communication, promote clarity, accountability and establish a strong link between pay and performance. This approach emphasizes behaviors and conduct, including Accountability with integrity, Collaboration and Innovation.
Reinforce sustainable long-term value creation and growth	Compensation is appropriately balanced between fixed and variable elements and delivered over an adequate period to support our growth ambitions and sustainable performance.
Support risk awareness and appropriate risk-taking	Our compensation structure encourages employees to have a focus on risk management and behave consistently with the firm's risk framework and appetite, thereby anticipating and managing risks effectively to protect our capital and reputation.

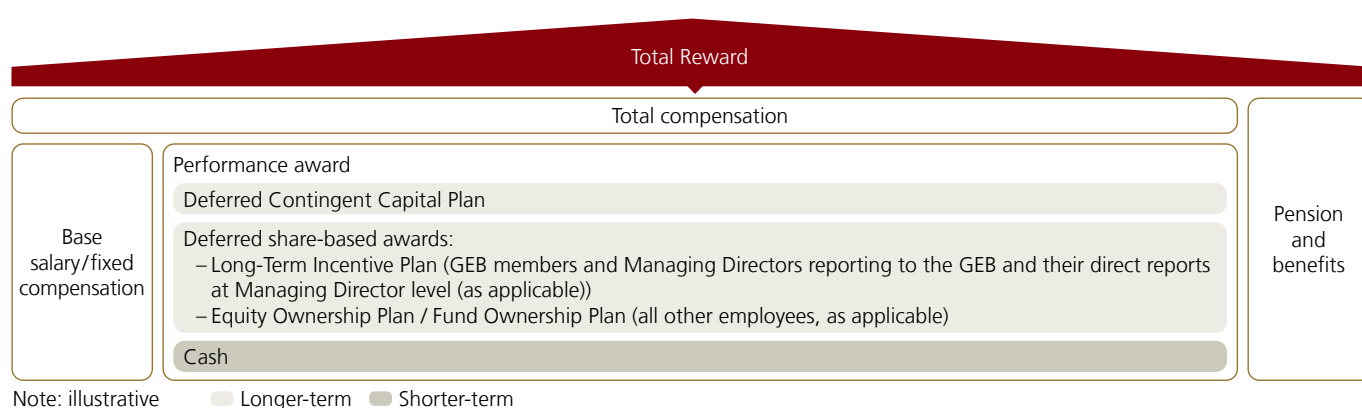
Our Total Reward approach

We apply a holistic Total Reward approach, generally consisting of fixed compensation (base salary and role-based allowances, if applicable), performance awards, pension contributions and benefits. Our Total Reward approach is structured to support sustainable results and growth ambitions.

For employees whose total compensation exceeds certain levels, performance awards are delivered in a combination of cash, deferred contingent capital awards and deferred share-based awards.

A substantial portion of performance awards is deferred and vests over a five-year period. This deferral approach supports alignment of employee and investor interests, our capital base and the creation of sustainable shareholder value.

› Refer to "Compensation elements for all employees" in the "Group compensation" section of this report for more information



Fair and equitable pay

Pay equity and equal opportunity are fundamental to support our strategy. Being an employer of choice and inclusive of all experiences, perspectives and backgrounds is critical to our success. Factors such as gender, culture, race, ethnicity, sexual orientation and identity, disability, family, veteran status, generations and part-time status should not impact opportunities available to our employees.

Fair and consistent pay practices are designed to ensure that employees are appropriately rewarded for their contribution. We pay for performance, and we take pay equity seriously. Across all our locations we apply the same fair pay standards, reinforced by annual reviews of our approach and policies in line with established equal pay methodologies.

In 2025, our statistical pay gap analyses reaffirmed that pay differences between male and female employees in similar roles across our core financial hubs remained below 1%, a difference consistent with that for 2024. If we find any gaps not explained by business or by appropriate employee factors, such as role, responsibility, experience, performance or location, we look at the root causes and address them.

We also aim to ensure that all employees are paid at least a living wage. We regularly assess employees' salaries against local living wages, using benchmarks defined by the Fair Wage Network. Our analysis in 2025 showed that employees' salaries were at or above the respective benchmarks.

› Refer to the "People and culture make the difference" section of the UBS Group Sustainability Report 2025, available under "Annual reporting" at ubs.com/investors, for more information about workplace inclusion

Compensation governance

Board of Directors and Compensation Committee

The Board of Directors (the BoD) is ultimately responsible for approving the compensation strategy and principles proposed by the Compensation Committee, which determines compensation-related matters in line with the principles set forth in the Articles of Association (the AoA).

As determined in the AoA and the firm's Organization Regulations, the Compensation Committee supports the BoD with its duties to set guidelines on compensation and benefits, to oversee implementation thereof, to approve certain compensation and to scrutinize executive performance. The Compensation Committee consists of independent BoD members, who are elected annually by shareholders at the Annual General Meeting (the AGM), and is responsible for governance and oversight of our compensation process and practices. This includes the alignment between pay and performance, and ensuring that the compensation framework supports appropriate risk awareness and management, as well as appropriate risk-taking. In 2025, to additionally support the connection between the Compensation Committee and the Risk Committee, the Compensation Committee Chairperson was also a member of the Risk Committee.

Annually, and on behalf of the BoD, the Compensation Committee:

- reviews our Total Reward Principles;
- approves key features of the compensation framework for the members of the Group Executive Board (the GEB);
- reviews performance award funding throughout the year and proposes, upon proposal of the Group Chief Executive Officer (the Group CEO), the final annual Group performance award pool to the BoD for approval;
- upon proposal of the Group CEO, approves the performance assessment framework for the other GEB members;
- upon proposal of the Group CEO, proposes the performance assessments and the individual total compensation for the other GEB members for approval by the BoD;
- upon proposal of the Chairman, for the Group CEO, proposes the financial performance targets and non-financial objectives, the performance assessment and the total compensation for approval by the BoD;
- approves the total compensation for the Chairman and the non-independent BoD members;
- proposes the remuneration / fee framework for BoD members for approval by the BoD;
- upon proposal of the Chairman and the Group CEO, approves the remuneration / fee frameworks for external supervisory board members of Significant Group Entities and is informed of remuneration / fee frameworks for external supervisory board members of Significant Regional Entities;
- proposes to the BoD for approval the annual compensation report and approves other material public disclosures on UBS compensation matters; and
- proposes to the BoD, for approval by the AGM, the maximum aggregate amounts of BoD compensation and GEB fixed compensation and the aggregate amount of variable compensation for the GEB.

The Compensation Committee is required to meet at least four times each year. All meetings in 2025 were held in the presence of the Chairman and the Group CEO. External advisors were present when required. Individuals, including the Chairman and the Group CEO, are not permitted to attend a meeting or participate in a discussion on their own performance and compensation.

After the meetings, the Chairperson of the Compensation Committee reports to the BoD on the Compensation Committee's activities and discussions and, if necessary, submits proposals for approval by the full BoD. Compensation Committee meeting minutes are also sent to all members of the BoD. On 31 December 2025, the members of the Compensation Committee were Julie G. Richardson (Chairperson), Gail Kelly and Jeanette Wong.

› Refer to "Board of Directors" in the "Corporate governance" section of this report for more information

External advisors

The Compensation Committee may retain external advisors to support it in fulfilling its duties. In 2025, HCM International Ltd. (HCM) provided independent advice on compensation matters. HCM holds no other mandates with UBS. Additionally, Willis Towers Watson plc (WTW) provided the Compensation Committee with data on market trends and pay levels. Various subsidiaries of WTW provide similar information to UBS's human resources department in relation to compensation for employees, including advisory services and secondments to UBS to support the ongoing integration. WTW holds no other compensation-related mandates with UBS.

The Risk Committee's role in compensation

The Risk Committee, a committee of the BoD, works closely with the Compensation Committee with the goal of ensuring that our compensation framework appropriately reflects risk awareness and management, and supports appropriate risk-taking. It supervises and sets appropriate risk management and risk control principles and is regularly briefed on how risk is factored into the compensation process. It also monitors the involvement of Group Risk Control and Compliance and Operational Risk Control in compensation and reviews risk-related aspects of the compensation process.

› Refer to ubs.com/governance for more information

Compensation Committee 2025 / 2026 key activities and timeline

	July	Sept	Oct	Nov	Dec ¹	Jan ¹	Feb
Strategy, policy and governance							
Total Reward Principles	●						
Integration-related compensation matters	●		●	●	●		●
Pay fairness and sustainability in the compensation process	●	●				●	●
Compensation disclosure and stakeholder communication matters	●	●			●		●
AGM reward-related items	●					●	
Compensation Committee governance	●						●
Annual compensation review							
Accruals and full-year forecast of the performance award pool funding	●		●	●	●	●	
Performance targets and performance assessment of the Group CEO and GEB members					●	●	●
Group CEO and GEB members' salaries and individual performance awards					●	●	
Update on market practice, trends and peer group matters	●			●			
Pay for performance, including governance on certain higher-paid employees, and formulaic compensation arrangements	●	●	●	●	●	●	●
Board of Directors remuneration					●		
Compensation framework							
Compensation framework and deferred compensation matters	●		●		●	●	●
Risk and regulatory							
Risk management in the compensation approach		●	●	●	●	●	
Joint meeting with the BoD Risk Committee		●					
Regulatory activities impacting employees and engagement with regulators	●	●	●		●	●	●

¹ The Compensation Committee held two meetings in December 2025 and in January 2026.

Compensation governance

The table below provides an overview of compensation governance by specific role.

Recipients	Compensation recommendations proposed by	Approved by
Chairman of the BoD and Vice Chairman of the BoD	Compensation Committee	Compensation Committee ¹
Other BoD members	Compensation Committee and Chairman of the BoD	BoD ¹
Group CEO	Compensation Committee and Chairman of the BoD	BoD ¹
Other GEB members	Compensation Committee and Group CEO	BoD ¹
Key Risk Takers (KRTs) / senior employees	Respective GEB member and functional management team	Individual compensation for KRTs and senior employees: Group CEO

¹ Aggregate variable compensation and the maximum aggregate amount of fixed compensation for the GEB, as well as maximum aggregate remuneration for the BoD, are subject to shareholder approval.

Performance award pool funding

Our compensation philosophy focuses on balancing performance with appropriate risk-taking, retaining talented employees and supporting shareholder returns. Our overall performance award pool funding percentage decreases as financial performance increases. In years of strong financial performance, this prevents excessive compensation and results in an increased proportion of profit before performance awards being available for distribution to shareholders or growing the Group's capital. In years where performance declines, the performance award pool will generally decrease; however, the funding percentage may increase.

Our performance award pool funding framework is based on Group and business division performance, including achievements against defined performance measures. In assessing performance, we also consider relative performance versus peers, market competitiveness of our pay position, as well as progress against our strategic and integration objectives, including returns, risk-weighted assets and cost efficiency. The Risk and Compliance functions support our holistic reflection and consideration of the financial and non-financial impact (including reputation) of risk matters. We further consider the firm's risk profile and culture, the extent to which operational risks and audit issues have been identified and resolved, and the success of risk reduction initiatives including accountability for significant events.

The funding for Group functions is linked to overall Group performance and also reflects factors such as headcount and workforce location. For each functional area, quantitative and qualitative assessments evaluate service quality, risk management and financial achievements.

Our decisions regarding the total Group performance award pool also balance consideration of financial performance with a range of factors, including the impact of litigation, regulatory costs, the effect of changes in financial accounting standards, capital returns and relative total shareholder return.

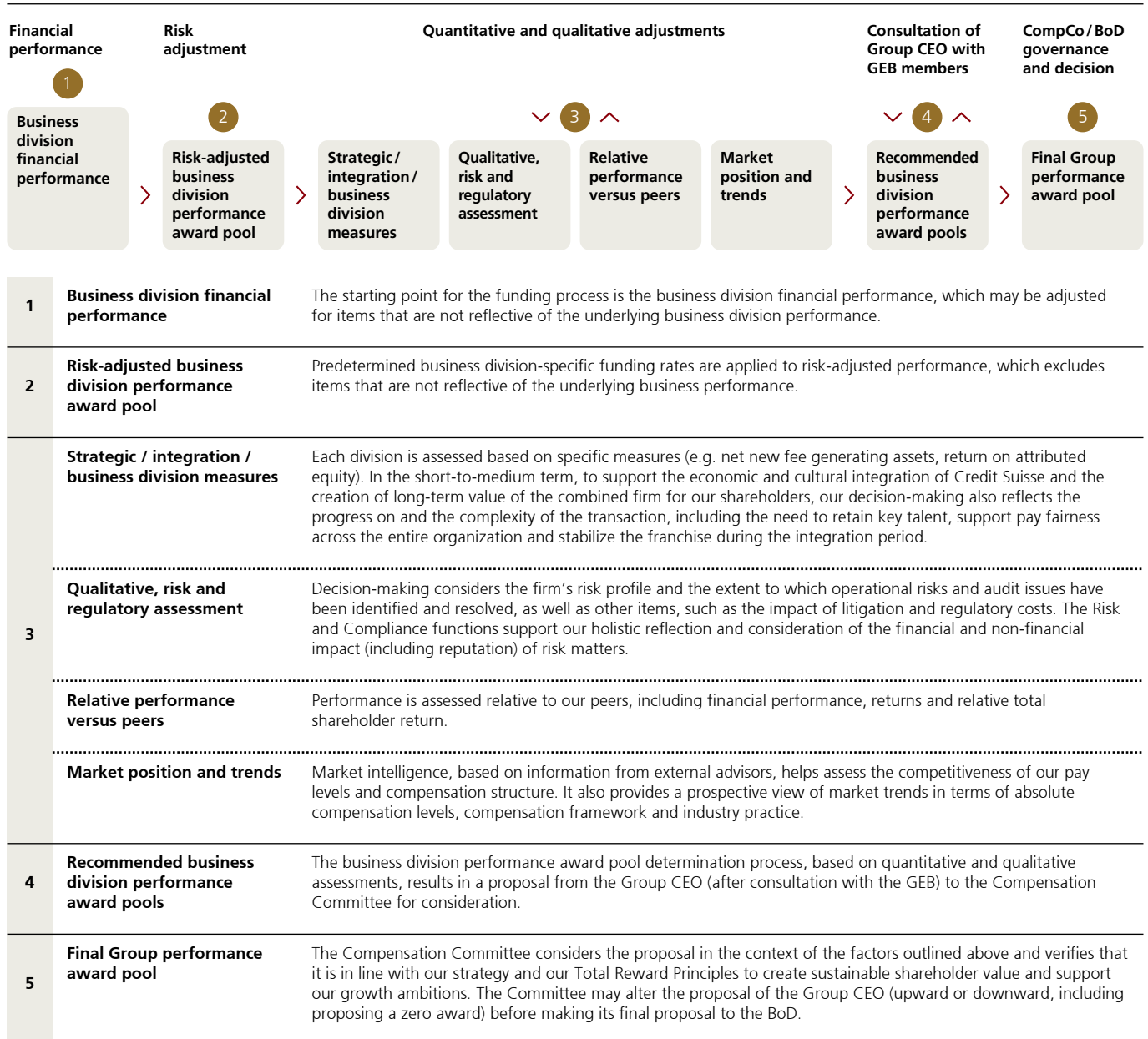
For 2025, the performance award pool was determined by applying our usual approach described above. Our decision-making reflects the progress and complexity of the economic and cultural integration and supports the creation of long-term value in the combined firm for our shareholders.

Sustainability is well embedded into the culture of our organization and our employee base across all levels. These topics, including serving our clients' needs, delivering on our reporting requirements and supporting an inclusive workplace based on meritocracy where all employees can be successful and thrive, continue to be a priority. Considering our standing in these areas over the last several years, for 2025 these had no impact in our decision-making.

Before making its final proposal to the BoD, the Compensation Committee considers the Group CEO's proposals and can apply a positive or negative adjustment to the performance award pool.

- › Refer to "2025 Group performance outcomes" in the "Group compensation" section of this report
- › Refer to the "Group performance" section of this report for more information about our results

Performance award funding process – illustrative overview



Compensation for GEB members

GEB compensation framework

After a careful review of investor feedback and competitive practice, the Compensation Committee confirmed that our Total Reward Principles and overall compensation framework continue to support the alignment of compensation with the execution of our strategy, sustainable performance and the delivery of our integration objectives.

Overall, the compensation framework remains consistent with prior years. With respect to the Group Chief Executive Officer (the Group CEO), the significant deferral level, structure and vesting schedule over five years remains unchanged.

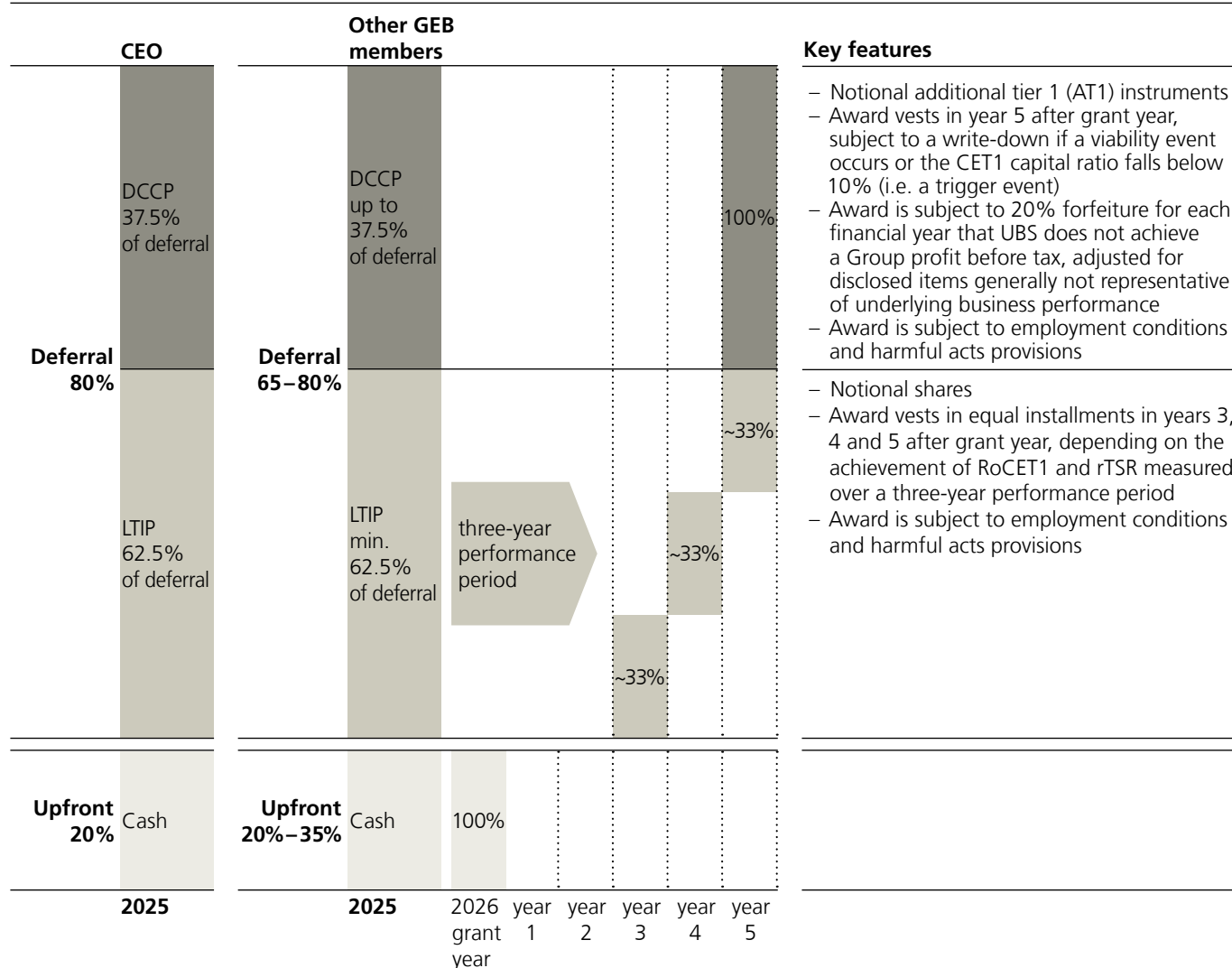
For the other Group Executive Board (GEB) members the vesting schedule also remains unchanged. We have aligned the deferral level toward the competitive market, introducing an approach where deferral levels increase progressively with higher performance award levels, as well as differentiating the deferral mix between the Long-Term Incentive Plan (the LTIP) and the Deferred Contingent Capital Plan (the DCCP).

Both the LTIP and the DCCP remain mandatory deferral plans with the majority of the deferral continuing to be equity-based (minimum of 62.5%). While our revised approach provides greater potential for deferral into the LTIP, which, coupled with our significant GEB share ownership requirements, supports strong long-term alignment with our strategy and shareholder interests, a portion of the variable compensation continues to be deferred into the DCCP. We believe our revised deferral regime continues to be more stringent than the competitive market, with deferral levels and delivery schedules that exceed those typically observed in the industry.

In context of the evolving UK remuneration rules, we have aligned the compensation framework for GEB members who are UK Material Risk Takers (UK MRTs) and UK Senior Management Functions (UK SMFs) with that of other GEB members. Over the course of 2025, two GEB members held a UK SMF role for one of our UK entities, and one additional GEB member was identified as a UK MRT.

- › Refer to **"Our deferred compensation plans"** in the **"Group compensation"** section of this report for more information
- › Refer to the **"Group compensation"** section of this report for more information
- › Refer to **"Regulated staff"** in the **"Supplemental information"** section of this report for more information

2025 variable compensation framework for GEB members (illustrative example)¹



¹ Performance awards to GEB members who are UK SMFs / UK MRTs include clawback requirements and their LTIP portion is subject to an additional non-financial metric based on a conduct assessment. The compensation framework may vary to comply with regulatory requirements as applicable.

Pay-for-performance safeguards for GEB members

Performance award caps	– Cap on the total GEB performance award pool (2.5% of profit before tax)¹ – Caps on individual performance awards for all GEB members, including the Group CEO, of seven times their annual fixed compensation rate; where the annual fixed compensation rate (i.e. salary) is delivered in currencies other than the Swiss franc, the maximum total compensation is aligned to the Swiss franc determined GEB members – Cap of 20% of performance award in cash for the Group CEO and 35% for other GEB members
Delivery and deferral	– 65% to 80% of performance awards are at risk of forfeiture – Long-term deferral over five years – Alignment with shareholders (through the LTIP) and bondholders (through the DCCP) – Final payout of equity-based / LTIP awards subject to absolute and relative performance conditions (three-year performance period)
Contract terms	– No severance terms – Notice period between six and twelve months
Other safeguards	– Share ownership requirements – No hedging allowed – GEB variable compensation subject to clawback in line with US regulatory requirements

¹ The Compensation Committee may consider adjustments to profit for items that are not reflective of underlying performance including integration items.

Current and former GEB members are subject to a clawback policy based on the US Securities and Exchange Commission (SEC) requirement for listed companies on US national securities exchanges / associations. This clawback policy is applied if UBS is required to prepare an accounting restatement of financial statements due to material non-compliance with financial reporting requirements. In that event, UBS would consider recovering the amount of variable compensation that exceeds the amount that would have been determined based on the restated financial statements (the final amount will be determined at the discretion of the Compensation Committee).

GEB share ownership requirements

To align the interests of GEB members with those of our shareholders and to demonstrate personal commitment to the firm, we require all GEB members including the Group CEO to hold a substantial number of UBS shares. GEB members must reach their minimum shareholding requirements within five years from their appointment and retain it throughout their tenure. The total number of UBS shares held by a GEB member consists of any vested or unvested shares, including privately held shares. At the end of 2025, all GEB members met their share ownership requirements, except for some of those appointed within the last three years, who still have time to build up and meet the required share ownership.

As of 31 December 2025, our GEB members held shares with an aggregate value of approximately USD 547m.

Share ownership requirements

Group CEO	min. 1,000,000 shares	Must be built up within five years from their appointment and retained throughout their tenure
Other GEB members	min. 500,000 shares	

GEB base salary

Each GEB member receives a fixed base salary, which is reviewed annually by the Compensation Committee. The 2025 annual base salary for the Group CEO role was CHF 2.5m and has remained unchanged since 2011.

At the Annual General Meeting (the AGM), the shareholders are asked to approve the maximum aggregate amount of fixed compensation for GEB members for the following financial year.

- › Refer to the “Supplemental information” section of this report for more information about MRTs and SMFs
- › Refer to the “Say-on-pay” section of this report for more information about the AGM vote on fixed compensation for the GEB

Caps on the GEB performance award pool

The size of the GEB performance award pool may not exceed 2.5% of the Group’s profit before tax. This limits the overall GEB compensation based on the firm’s profitability. For 2025, the total GEB performance award pool was CHF 118.9m and below the 2.5% cap.

In line with the individual compensation caps on the proportion of fixed pay to variable pay for all GEB members (introduced in 2013), granted performance awards (at communicated value) of GEB members (including the Group CEO) are capped at seven times their annual fixed compensation rate. Where the annual fixed compensation rate (i.e. salary) is delivered in currencies other than the Swiss franc, the maximum total compensation is aligned to the Swiss franc-determined GEB members. To the extent that local regulatory requirements on compensation caps apply, we will consider equivalent ratios to comply with the respective regulatory regime. For 2025, performance awards (at communicated value) granted to all GEB members including the Group CEO were, on average, 5.2 times their fixed compensation (in Swiss franc terms, excluding one-time replacement awards, benefits and contributions to retirement plans).

- › Refer to “Performance award pool funding” in the “Compensation philosophy and governance” section of this report for more information

GEB employment contracts

GEB members’ employment contracts do not include severance terms and are subject to a six-to-twelve-month notice period. A GEB member leaving UBS before the end of a performance year may be considered for a performance award. Such awards are subject to approval by the Board of Directors (the BoD) and ultimately by the shareholders at the AGM.

Benchmarking for GEB members

When recommending performance awards for the Group CEO and the other GEB members, the Compensation Committee reviews the respective total compensation for each role against a financial industry peer group. The peer group is selected based on comparability of their size, business mix, geographic presence and the extent to which they compete with us for talent. The Compensation Committee considers our peers’ strategies, practices and pay levels, as well as their regulatory environment; it also periodically reviews other firms’ pay levels or practices, including both financial and non-financial sector peers, as applicable. The total compensation for a GEB member’s specific role considers the compensation paid by our peers for a comparable role and performance within the context of our organizational profile. The Compensation Committee periodically reviews and approves the peer group composition.

The table below presents the composition of our unchanged peer group as approved by the Compensation Committee for the 2025 performance year.

Bank of America	HSBC
Barclays	JPMorgan Chase
BlackRock	Julius Baer
BNP Paribas	Morgan Stanley
Citigroup	Standard Chartered
Deutsche Bank	State Street
Goldman Sachs	

GEB performance assessments

We assess each GEB member's performance against a set of financial targets, non-financial objectives and Behaviors. For 2025, the non-financial objectives continue to be assessed predominantly based on achievements relative to concrete quantitative and measurable key performance indicators and are focused on delivering integration- and strategy-related initiatives, client centricity, risk and regulatory, environmental and sustainability, and people- and governance-related objectives. This approach continues to foster a focus on GEB priorities, including delivering the integration objectives and the success of the Group, and promotes strong individual accountability.

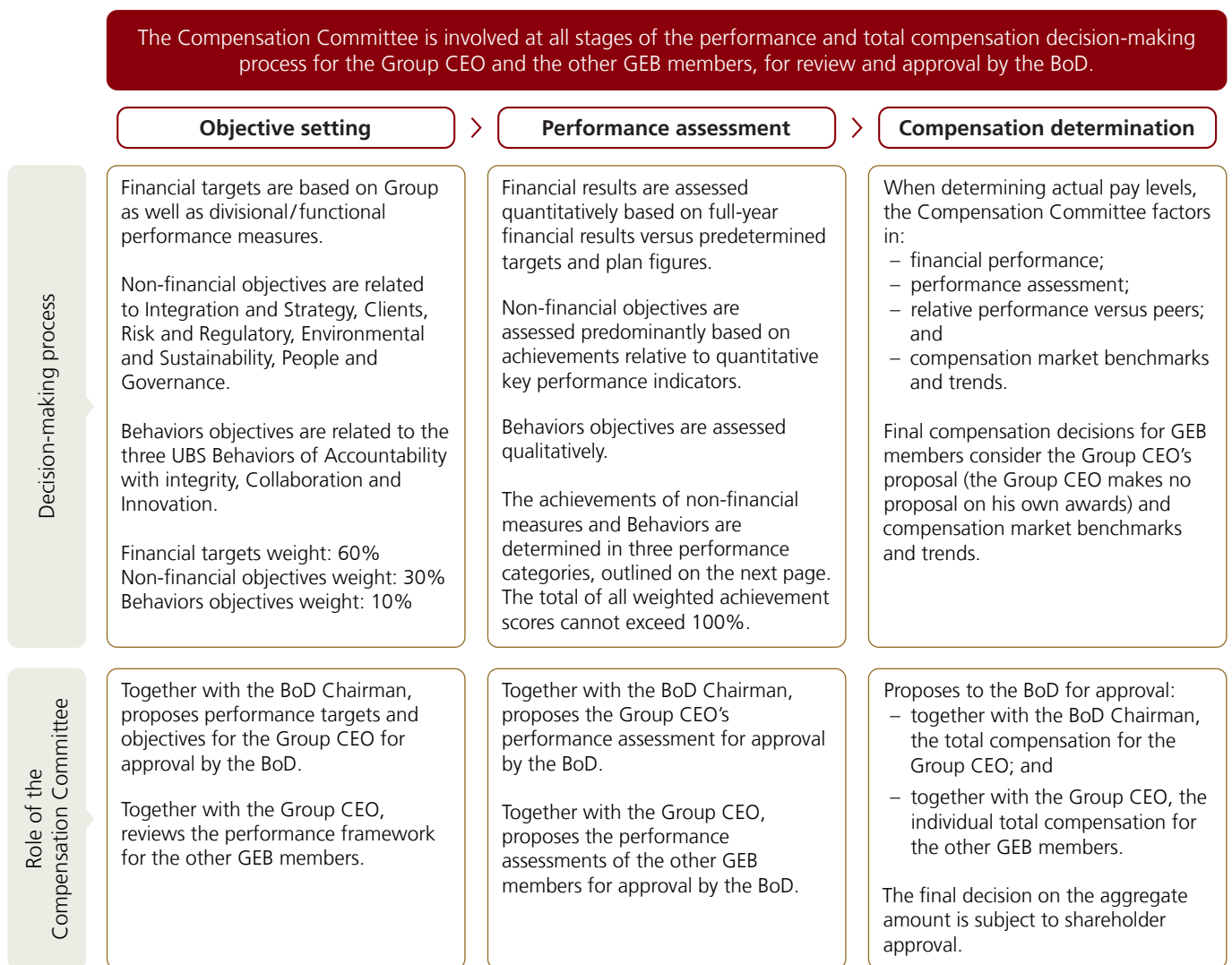
All five non-financial categories are equally weighted (6% per category) and have a combined weight of 30% in the GEB performance assessment. Two of the five non-financial categories (12%) cover environmental, social and governance (ESG)-related objectives, which underscores the importance and impact of sustainability on GEB compensation. If a category is not applicable based on a GEB member's role, the remaining categories continue to be equally weighted for a total of 30%.

The Compensation Committee exercises its judgment with respect to the performance achieved relative to the prior year, our strategic plan and our competitors, and considers the Group CEO's proposals. The Compensation Committee's proposals are subject to approval by the BoD.

For the Group CEO, a similar process is followed by the Compensation Committee, and then the full BoD, except that the proposal comes from the Chairman of the BoD.

Overview of the GEB compensation determination process

The compensation for the Group CEO and the other GEB members is governed by a rigorous process under Compensation Committee and BoD oversight. The chart below shows how compensation for all GEB members is determined.



Overview of performance assessment measures

We apply a range of quantitative measures to assess GEB member performance against financial and non-financial objectives, while Behaviors are assessed qualitatively. Our approach for 2025 remains unchanged, with all categories in the non-financial section being equally weighted, for a total weight of 30%. The table below provides a summary of the main metrics and measures used for 2025. For GEB members other than the Group CEO financial metrics reflect 30% Group metrics and 30% Divisional / Functional metrics, whereas for the Group CEO all 60% of the financial measures reflects Group metrics.

Financial measures (60%)		– Group profit before tax – Group cost / income ratio – Group return on common equity tier 1 (CET1) capital – Divisional and functional measures (30%, as applicable)
Non-financial measures (30%)	Integration and Strategy (6%)	– Progress on Group strategic and integration priorities – Delivery on division- / function-specific strategic programs and initiatives
	Clients (6%)	– Foster delivery of the whole firm to our clients – Promoting collaboration across the combined organization – Delivery on specific key client initiatives
	Risk and Regulatory (6%)	– Operating within risk appetite – Progress on delivering on risk initiatives and regulatory commitments
	Environmental and Sustainability (6%)	– Supporting clients' activities related to the environment and sustainability – Management of required external sustainability reporting, including consideration of investor feedback
	People and Governance (6%)	– People development, mobility, turnover and succession plan metrics – Employee listening / sentiment results and feedback on engagement and culture
Behaviors (10%)	Accountability with integrity	– Responsible for what they say and do – Takes ownership and makes things happen – Steps up and acts when something is not right
	Collaboration	Qualitative assessment against expected Behaviors: – Trusts others and helps them to be successful – Delivers One UBS, together with their colleagues – Fosters an inclusive and equitable work environment
	Innovation	– Challenges perspectives and looks at every opportunity to improve – Actively seeks and provides feedback – Learns from every success and failure

Performance assessment categories

The performance of non-financial objectives and Behaviors is assessed against three performance categories, Excellent contribution / Exemplary behavior, Good contribution / Expected behavior, and Needs focus, relative to defined measures and outcomes. The achievement level for each measure results in a cumulative assessment score for non-financial objectives and Behaviors, respectively, and cannot exceed 100%.

2025 performance for the Group CEO

The performance award for the Group CEO is based on the achievement of financial performance targets and non-financial objectives and Behaviors, as described earlier in this section.

These objectives were set to reflect the strategic priorities determined by the Chairman and the BoD.

› Refer to “GEB compensation framework” in this section of this report for more information

Performance assessment for the Group CEO

The Board of Directors (the BoD) recognizes Mr. Ermotti’s continued excellent performance and exemplary leadership throughout 2025. He delivered strong financial results and continued to focus the firm on helping clients navigate an unpredictable market environment. Under Mr. Ermotti’s leadership, UBS made great progress on one of the most complex integrations in banking history. In particular, we achieved all of our very ambitious 2025 integration milestones, including migrating ~85% of 1.1 million client accounts booked in Switzerland and reducing the size and operating expenses of our Non-core and Legacy division. In addition, Mr. Ermotti successfully positioned UBS to deliver further sustainable, long-term growth and efficiency gains, as we complete the integration, leverage the benefits of our global scale, interconnected franchises and regional expertise, and take advantage of the structural trends that are shaping our industry.

For the full year 2025, UBS delivered a reported profit before tax (PbT) of USD 8,853m, up 30% year over year (YoY), while the net profit attributable to shareholders increased by 53% and Return on CET1 (RoCET1) capital increased to 10.8%, a 4.1 percentage point increase from 2024. Both our CET1 capital ratio of 14.4% and CET1 leverage ratio of 4.4% remain comfortably above our guidance of ~14% and >4%, respectively. This robust capital situation enables UBS to propose a dividend of USD 1.10 per share, up 22% YoY. Furthermore, we plan to accrue for mid-teens percent increase in dividend per share in 2026; and intend to repurchase USD 3bn of shares in 2026.

The BoD also acknowledges Mr. Ermotti’s continued significant personal engagement with clients. This focus on serving clients, combined with the strength of our franchise, resulted in Group invested assets exceeding USD 7trn for the first time (up 15% YoY). We also continued to support the Swiss economy and the communities where we live and work, while further investing in talent and capabilities. In addition, Mr. Ermotti was instrumental in advancing our support to clients in the transition to a low-carbon world in line with our sustainability ambitions.

Furthermore, Mr. Ermotti consistently set a strong and clear tone from the top on the firm’s risk management and control culture. He also demonstrated strong leadership by successfully reducing the litigation portfolio in the best interest of the firm and shareholders. He remained the most important ambassador for a constructive and balanced public discussion in the ongoing too-big-to-fail (TBTF) debate, with a significant personal engagement marked by transparent and consistent communication with all stakeholders.

The BoD also recognizes Mr. Ermotti’s relentless drive to focus the organization on innovative solutions that benefit clients and employees. He was instrumental in accelerating investments in people, offering, capabilities and technology, including artificial intelligence (AI), to support our growth plans. In this context, he initiated transformational projects that are designed to bolster our operational resilience, enhance client experience and unlock higher levels of efficiency and effectiveness across the organization.

At the same time, Mr. Ermotti successfully adjusted the composition of the GEB in line with the future strategic demands. He continued to champion our strong culture and values, which is reflected in consistently strong employee survey outcomes that demonstrate positive feedback on people integration, the strong team culture and the inclusive and collaborative work environment.

The table below illustrates the assessment criteria used to evaluate the achievements of Mr. Ermotti in 2025.

Financial performance

Weight	Performance measures	2025 targets	2025 results	Achievement ¹	Assessment	2025 commentary
20%	Reported Group PbT	USD 6,789m	USD 8,853m	100%	20.0%	– Reported Group PbT significantly exceeded plan and increased 30% YoY, driven by continued strong client momentum and integration progress.
20%	Reported Group C / I ratio²	84.1%	81.1%	100%	20.0%	– Cost / Income ratio was better than plan and continued to improve YOY, demonstrating ongoing strong cost discipline
20%	Reported Group RoCET1	8.0%	10.8%	100%	20.0%	– Return on CET1 capital exceeded plan and increased significantly YoY

¹ Achievement score capped at 100%. ² For the assessment of the cost / income ratio, the percentage change of result versus plan is subtracted from the maximum achievement level (100%).

Performance assessment for the Group CEO (continued)

Non-financial performance and Behaviors

Weight		Performance measures	Achievement	Assessment	2025 performance outcomes and key measures
30%	6%	Integration and Strategy	Excellent contribution	30.0%	– Strong integration progress, with ~85% of Swiss client accounts migrated without client disruption, on track to complete Swiss migration in early 2026. – Non-core and Legacy portfolio de-risked well ahead of plan, supporting stability and reducing legacy risk exposure faster than expected. – Strong business momentum across regions, including a record USD 1trn invested assets in Asia Pacific and a 17.5% YoY increase in US Wealth Management net interest income. – Strengthened cross-divisional revenue generation, with significant progress in applying our One Bank approach across the entire organization. – Strong personal client engagement, embedded a client-centric culture and improved client solution delivery resulting in invested assets exceeding USD 7trn (up 15% YoY). – Continued high focus on risk management, with internal risk remediation metrics exceed targets. – Significant reduction in litigation portfolio resulting in the release of USD ~949m. – Promoted strong risk culture, with an increase in proactive risk identification across the organization. – Successfully steered UBS through a demanding ESG environment and delivered well-respected sustainability reporting with strong shareholder support (89.5% approval rate). – Strong sustainability offering, e.g. with USD 634bn in sustainable financing and USD 716m revenue in sustainable finance, and Asset Management delivering 23.4% of funds via sustainable offerings (exceeding the target of 20%). – Exceeded our ambition of raising USD 400m per annum in donations (including UBS matching contributions) by 2027 with the UBS Optimus network of foundations raising USD 472m in such donations in 2025. – Successfully adjusted the composition of the GEB and supported strong internal talent pipeline resulting in improved succession plans and quality metrics for senior managers that exceed the internal targets. – Successfully made progress with the cultural integration and achieved continued positive results in employee surveys (exceeding internal targets) with excellent employee feedback.
	6%	Clients			
	6%	Risk and Regulatory			
	6%	Environmental and Sustainability			
	6%	People and Governance			
10%		Behaviors (Accountability with Integrity, Collaboration, Innovation)	Exemplary behavior	10.0%	– Continued strong tone from the top on UBS behaviors, consistently promoting transparency, responsibility and accountability across the organization. – Continued to be a role model with exemplary collaboration across the GEB and the organization. – Championed innovation and technological transformation, particularly in AI adoption and digital capabilities to enhance client experience.
Total assessment (maximum 100%)				100.0%	

The BoD approved the proposal by the Compensation Committee to grant Mr. Ermotti a performance award of CHF 12.1m, resulting in a total compensation for 2025 of CHF 14.6m (excluding benefits and contributions to his retirement benefit plan).

Aligned with the GEB compensation framework, the Group CEO's performance award will be delivered 20% (CHF 2.4m) in cash and the remaining 80% (CHF 9.7m) subject to deferral and forfeiture provisions, as well as meeting performance conditions over the next five years.

2025 total compensation for the GEB members

At the 2026 AGM, shareholders will vote on the aggregate 2025 total variable compensation for the GEB in Swiss francs. The tables below provide the awarded compensation for the Group CEO and the GEB members in Swiss francs and, for reference, the total amounts in US dollars for comparability with financial performance. The individual variable performance awards for each GEB member will only be confirmed upon shareholder approval at the AGM.

- › Refer to “Deferred compensation” in the “Supplemental information” section of this report for more information about the vesting of outstanding awards for GEB members
- › Refer to “Provisions of the Articles of Association related to compensation” in the “Supplemental information” section of this report for more information

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Total compensation for GEB members

CHF, except where indicated								USD (for reference) ¹				
For the year	Base salary	Contribution to retirement benefit plans	Benefits ²	Total fixed compensation	Cash ³	Performance award under LTIP ⁴	Performance award under DCCP ⁵	Total variable compensation	Total fixed and variable compensation ⁶	Total fixed compensation	Total variable compensation	Total fixed and variable compensation ⁶
Highest Paid Executive (for 2025 and for 2024 Sergio P. Ermotti, Group CEO)												
2025	2,500,000	247,708	73,485	2,821,193	2,420,000	6,050,000	3,630,000	12,100,000	14,921,193	3,405,868	14,607,651	18,013,519
2024	2,500,000	248,320	91,647	2,839,967	2,420,000	6,050,000	3,630,000	12,100,000	14,939,967			

Aggregate of all GEB members^{7,8,9}

2025	22,903,225	2,720,143	861,513	26,484,882	31,558,250	59,288,450	28,010,800	118,857,500	145,342,383	31,973,712	143,489,991	175,463,703
2024	25,461,247	2,684,041	1,246,777	29,392,065	26,438,714	53,490,910	34,255,553	114,185,176	143,577,241			

¹ Swiss franc amounts have been translated into US dollars for reference at the 2025 performance award currency exchange rate of CHF / USD 1.207244. ² All benefits are valued at market price. ³ For 2024, for GEB members who were also MRTs or SMFs, the cash portion includes blocked shares. For 2025, the cash portion does not include blocked shares as these have been eliminated per the changes to the UK regulatory regime. ⁴ LTIP awards for the 2025 performance year were awarded at a value of 50.0% of maximum, which reflects our best estimate of the value of the award. The maximum number of shares is determined by dividing the awarded amount by the estimated value of the award at grant, divided by CHF 32.924 or USD 43.044, the average closing price of UBS shares over the last ten trading days leading up to and including the award date in February. ⁵ The amounts reflect the amount of the notional additional tier 1 (AT1) capital instrument excluding future notional interest. ⁶ Excludes the portion related to the legally required employer's social security contributions for 2025 and 2024, which are estimated at grant at CHF 9,700,000 and CHF 9,990,000, respectively, of which CHF 1,075,100 and CHF 1,333,000, respectively, are for the highest-paid GEB member (excluding replacement awards). The legally required employees' social security contributions are included in the amounts shown in the table above, as appropriate. ⁷ As stated in “Group Executive Board” in the “Corporate governance” section of this report, 15 GEB members were in office on 31 December 2025 and 15 GEB members were in office on 31 December 2024. ⁸ Includes compensation paid under employment contracts during notice periods for GEB members who stepped down during the respective years. ⁹ Includes compensation for newly appointed GEB members for their time in office as GEB members during the respective years.



Total realized compensation for the Group CEO

The realized compensation for the Group CEO reflects the total amount paid out in the year. It includes the base salary, cash performance award payments and all deferred performance awards vested in the year. As such, realized pay is the natural culmination of awards granted and approved by shareholders in previous years.

To illustrate the effect of our long-term deferral approach, which has been in place since 2012, we disclose the annual realized compensation of Mr. Ermotti, including a comparison with his total awarded compensation.

Total realized compensation vs awarded compensation for Sergio P. Ermotti

CHF					Realized	Awarded
			Performance award under equity plans ¹	Performance award under DCCP ¹	Total realized fixed and variable compensation	Total awarded fixed and variable compensation ²
For the year	Base salary	Cash award ¹				
2025	2,500,000	2,420,000	0	0	4,920,000	14,600,000
2024	2,500,000	2,450,000	0	0	4,950,000	14,600,000
2023 ³	1,875,000	0	0	0	1,875,000	14,125,000

¹ Excludes dividend / interest payments. ² Excludes contributions to retirement benefit plans and benefits. Includes social security contributions paid by Sergio P. Ermotti but excludes the portion related to the legally required social security contributions paid by UBS. ³ Includes compensation for nine months, as Sergio P. Ermotti joined UBS in April 2023.

Group compensation

Compensation elements for all employees

All elements of pay are considered when making our compensation decisions. We regularly review our principles and compensation framework in order to remain competitive and aligned with stakeholders' interests. In 2025, our compensation framework remained broadly unchanged. We will continue to review our approach to salaries and performance awards, considering market developments, our performance and our commitment to deliver sustainable returns to shareholders.

Base salary and role-based allowance

Employees' fixed compensation (e.g. base salary) reflects their level of skill, role and experience, as well as local market practice. Base salaries are usually paid monthly or fortnightly, in line with local market practice. We offer competitive base salaries that reflect location, function and role. Salary increases generally consider promotions, skill set, performance and overall responsibility.

In addition to base salary, and as part of fixed compensation, some employees may receive a role-based allowance. This allowance is a shift in the compensation mix between fixed and variable compensation, not an increase in total compensation. It reflects the market value of a specific role and is fixed, non-forfeitable compensation. Unlike salary, a role-based allowance is paid only if the employee is in a specific role. Similar to previous years, 2025 role-based allowances consisted of a cash portion and, where applicable, a blocked UBS share award.

Pensions and benefits

We provide access to a range of benefit plans, such as retirement benefits and health insurance, aiming to provide financial protection in case of significant life events and support our employees' well-being and diverse needs. Retirement and other benefits are set in the context of local market practice and regularly reviewed for competitiveness.

Pension plan rules in any one location are generally the same for all employees in similar circumstances, including GEB members and other management. Under the Switzerland Pension Fund rules, there are no enhanced or supplementary pension contributions for the GEB.

Performance award

Most of our employees are eligible for an annual performance award. The level of this award, where applicable, generally depends on the firm's overall performance, the employee's business division, team and individual performance, and behavior, reflecting their overall contribution to the firm's results. These awards are in line with applicable local employment conditions and at the discretion of the firm.

In addition to the firm's Pillars and Principles, Behaviors related to Accountability with integrity, Collaboration and Innovation are part of the performance management approach. Therefore, when assessing performance, we consider not only what was achieved but also how it was achieved.

Our deferred compensation plans

Underlining our emphasis on sustainable performance and risk management, and our focus on achieving our growth ambitions, we deliver part of our employees' annual variable compensation through deferred compensation plans. We believe that our approach, with a single incentive decision and mandatory deferral framework, is transparent and well suited to implementing our compensation philosophy and delivering sustainable performance. This aligns the interests of our employees and shareholders and appropriately links compensation to longer-term sustainable performance.

Our mandatory deferral approach applies to all employees with regulatory-driven deferral requirements or total compensation greater than USD / CHF 300,000. Certain regulated employees, such as Senior Management Functions (SMFs) and Material Risk Takers (MRTs), are subject to additional requirements (e.g. clawback requirements).

The deferred amount increases at higher marginal rates in line with the value of the performance award. The effective deferral rate therefore depends on the amount of the performance award and the amount of total compensation.

We believe our deferral regime has one of the longest vesting periods in the industry. The weighted average deferral period for non-regulated employees is 4.4 years for GEB members, 3.8 years for Managing Directors (MDs) receiving the Long-Term Incentive Plan (LTIP) and 3.5 years for other employees. Additionally, from time to time, we may utilize alternative deferred compensation arrangements to remain competitive in specific business areas.

To further promote sustainable performance, all of our deferred compensation plans include employment conditions and malus conditions. These enable the firm to reduce or fully forfeit unvested deferred awards under certain circumstances, pursuant to performance and harmful acts provisions. In addition, forfeiture is triggered in cases where employment has been terminated for cause.

Upon vesting of the notional share awards, we fulfill our share delivery obligations by delivering treasury shares purchased in the market.

- › Refer to “Note 26 Employee benefits: variable compensation” in the “Consolidated financial statements” section of this report for more information
- › Refer to the “Supplemental information” section of this report for more information about MRTs and SMFs

Variable compensation elements by employee category

Employee category	Deferred compensation elements			
	Cash	LTIP	EOP	DCCP
GEB members and Managing Directors reporting to the GEB and their direct reports at Managing Director level (as applicable)	✓	✓ ¹		✓
Employees subject to mandatory deferral framework	✓		✓ ¹	

¹ Employees in investment areas within Asset Management typically receive notional funds (Fund Ownership Plan) in lieu of Equity Ownership Plan (EOP) / LTIP to align their compensation more closely with fund performance, industry standards and regulatory requirements.

Long-Term Incentive Plan

The LTIP granted for 2025 performance is a mandatory deferral plan for GEB members and MDs reporting to the GEB and their direct reports at MD level.¹ These senior leaders receive the equity portion of their 2025 performance award in LTIP to support delivering on our ambitious integration goals and business / financial targets. This further mitigates the need for a distinct integration award typical for a transaction of this nature. For the 2025 performance year, we awarded the LTIP to 15 GEB members and 965 MDs in office during 2025, at a communicated value of 50% of the maximum.

The performance metrics of the share-based LTIP awards are average reported return on CET1 capital (RoCET1) and relative total shareholder return (rTSR) over a three-year performance period starting on 1 January in the year of grant. Performance outcomes and actual payout levels will be disclosed at the end of the performance period.

For the 2025 LTIP granted in 2026, we have increased the performance range of the three-year average reported RoCET1 metric (50% weighting) to 8–16% from the previous 7.5–14%. This adjustment reflects the progress of our ambitious integration objectives, and to appropriately incentivize management to deliver on our evolving return ambitions:

- the maximum reported RoCET1 of 16% corresponds with a 100% payout;
- the minimum reported RoCET1 of 8% corresponds with a 33% payout and supports our focus on delivering sustainable results and appropriate risk taking, there is zero payout if RoCET1 is below 8%; and
- the linear payout between the threshold and maximum levels supports our focus on delivering sustainable performance without encouraging excessive risk-taking.

The rTSR performance metric (50% weighting) over the three-year period further aligns the interests of employees with those of shareholders. This metric compares the total shareholder return (the TSR) of UBS with the TSR of an index consisting of listed Global Systemically Important Banks (G-SIBs):

- the maximum payout outcome is reached when rTSR is 25 percentage points or more above the index, to mitigate the potential for excessive risk-taking;
- there is zero payout if rTSR is more than 25 percentage points below the index; and
- the linear payout between the threshold and maximum levels further supports appropriate risk-taking.

This G-SIB index is independently determined by the Financial Stability Board (excluding the UBS Group), our index includes all publicly traded G-SIBs and reflects companies with a comparable risk profile and impact on the global economy. The index is equally weighted, calculated in Swiss francs and maintained by an independent index provider, ensuring independence of the TSR calculation.

¹ Includes senior managers who were previously LTIP recipients and who are no longer reporting to the GEB or their direct reports at MD level, excludes MDs in Asset Management Investment Areas (who receive the Fund Ownership Plan (FOP) instead of the LTIP).

G-SIBs that are listed companies¹

Agricultural Bank of China	Goldman Sachs	Santander
Bank of America	Groupe Cr�dit Agricole	Soci�t� G�n�rale
Bank of China	HSBC	Standard Chartered
Bank of Communications	ICBC	State Street
Bank of New York Mellon	ING	Sumitomo Mitsui FG
Barclays	JPMorgan Chase	Toronto-Dominion
BNP Paribas	Mitsubishi UFJ FG	Wells Fargo
China Construction Bank	Mizuho FG	
Citigroup	Morgan Stanley	
Deutsche Bank	Royal Bank of Canada	

¹ As of November 2025. Excludes the UBS Group.

Dividend equivalents (granted where applicable regulation permits) are subject to the same terms as the underlying LTIP award.

LTIP awards reflect the long-term focus of our compensation framework. The final number of shares as determined at the end of the three-year performance period will vest in three equal installments in each of the three years following the performance period for GEB members (i.e. years 3, 4 and 5 after grant) and will cliff-vest for other award recipients after the performance period (i.e. year 3 after grant), although longer deferral periods may apply for certain UK-regulated employees.

LTIP payout illustration

- The final number of notional shares vesting will vary based on the achievement versus the performance metrics.
- Linear payout between threshold and maximum performance.
- Achievement levels are a percentage of the maximum opportunity of the LTIP and cannot exceed 100%.
- Full forfeiture for performance below the predefined threshold levels.
- UK Senior Management Function holders (SMFs) and UK Material Risk Takers (UK MRTs) are subject to an additional non-financial metric based on a conduct assessment with a potential downward adjustment of up to 100% of the entire award.

Performance metric: average RoCET1 (50% of award)		
Below threshold (<8%)	Threshold (8%) up to maximum (<16%)	Maximum and above (�16%)
Full forfeiture (payout 0%)	Partial vest (payout between 33% and <100%)	Full vest (payout 100%)

Performance metric: rTSR vs G-SIBs index (50% of award)		
Below threshold (<�25 ppts)	Threshold (�25 ppts) up to maximum (<+25 ppts)	Maximum and above (�+25 ppts)
Full forfeiture (payout 0%)	Partial vest (payout between 33% and <100%)	Full vest (payout 100%)

Performance achievement of the 2022 LTIP granted in 2023

The 2022 LTIP was granted in 2023 (for 2022 performance) at a fair value of 71.45% of a maximum of 100%. The final performance achieved is 71.56% of a maximum of 100%. This achievement reflects the outcome of the two equally weighted performance metrics, RoCET1 and rTSR, both measured over the three-year performance period from 1 January 2023 to 31 December 2025. The achievement level of this 2022 LTIP award (granted in 2023) applies to 4 current GEB members.

We achieved a three-year average RoCET1 performance of 18.17% against the performance range of 8% to 18% and an rTSR performance of  17.45 percentage points versus the index of listed G-SIBs.

As explained in the 2025 key compensation themes section of this report, the Compensation Committee made certain adjustments to the reported 2023, 2024 and 2025 RoCET1 outcomes to determine the 2022 LTIP achievement level. These adjustments resulted in a negative impact to the three-year average RoCET1 metric, which nonetheless still resulted in a 100% achievement level. No adjustments were made to the rTSR metric.

For GEB members, the first of the three equal installments of the 2022 LTIP vests on 9 March 2026, and the second and third installments will vest in March 2027 and 2028.

Performance achievement for the 2022 LTIP awarded in 2023

Performance metrics	Performance metric outcome		2022 LTIP achievement level	
	Threshold	Maximum	Threshold	Maximum
RoCET1 (Weight: 50%)	8%	18%	33%	100%
	Outcome: 18.2%		Outcome below threshold: full forfeiture	Achievement: 100%
				Outcome above maximum: achievement capped at 100%
rTSR (Weight: 50%)	-25ppts	+25ppts	33%	100%
	Outcome: -17.5ppts		Achievement: 43.1%	
Overall 2022 LTIP achievement level				Overall achievement: 71.6%

Equity Ownership Plan / Fund Ownership Plan

The Equity Ownership Plan (the EOP) is the deferred compensation plan for employees that are subject to deferral requirements but do not receive LTIP awards. For the 2025 performance year, we granted EOP awards to 4,087 employees.

Delivering sustainable results is a key objective for UBS. Our EOP creates a direct link with shareholder returns as a notional equity award and has no upward leverage. This approach promotes growth and sustainable performance. EOP awards generally vest over three years.

In place of EOP, 348 employees in investment areas within Asset Management receive notional funds under the Fund Ownership Plan (the FOP), to align their compensation more closely with industry standards. This plan is delivered in cash and vests over three years.

- › Refer to “Vesting of outstanding awards granted in prior years subject to performance metrics and thresholds” in the “Supplemental information” section of this report for more information

Deferred Contingent Capital Plan

The Deferred Contingent Capital Plan (the DCCP) is a key component of our compensation framework and supports alignment of the interests of our senior employees with those of our stakeholders.

Generally, all employees subject to deferral requirements receive DCCP awards. For the 2025 performance year, we granted DCCP awards to 5,317 employees.

The DCCP is consistent with many of the features of the loss-absorbing bonds that we issue to investors and may be paid at vesting in cash or, at the discretion of the firm, as a perpetual, marketable additional tier 1 (AT1) capital instrument. Employees can elect to have their DCCP awards denominated in Swiss francs or US dollars.

DCCP awards vest in full after five years. DCCP awards bear notional interest paid annually (except as limited by regulation for MRTs), subject to review and confirmation by the Compensation Committee. The notional interest rate for grants in 2026 was 3.05% for awards denominated in Swiss francs and 6.7% for awards denominated in US dollars. These interest rates are based on the current market rates for similar AT1 capital instruments issued by the UBS Group.

Awards are forfeited if a viability event occurs (i.e. if FINMA notifies the firm that the DCCP awards must be written down to mitigate the risk of an insolvency, bankruptcy or failure of UBS) or if the firm receives a commitment of extraordinary support from the public sector that is necessary to prevent such an event. DCCP awards are also written down for GEB members if the Group's CET1 capital ratio falls below 10% and for all other employees if it falls below 7%.

In addition, GEB members forfeit 20% of DCCP awards for each loss-making year during the vesting period. This means 100% of the award is subject to risk of forfeiture. The forfeiture features of DCCP create a strong alignment with our debt holders and support the sustainability of the firm.

Over the last five years, USD 2.40bn of DCCP awards have been issued. DCCP contributes to the Group's total loss-absorbing capacity (TLAC). Therefore, DCCP awards not only support competitive pay but also provide a loss absorption buffer that protects the firm's capital position. The following table illustrates the contribution of the DCCP to our AT1 capital and the effect on our TLAC ratio.

- › Refer to the “Supplemental information” section of this report for more information about performance award and personnel-related expenses
- › Refer to the “Supplemental information” section of this report for more information about longer vesting and clawback periods for MRTs and SMFs

Contribution of the Deferred Contingent Capital Plan to our loss-absorbing capacity¹

USD m, except where indicated	31.12.25	31.12.24
Deferred Contingent Capital Plan (DCCP), eligible as high-trigger loss-absorbing additional tier 1 capital	2,365	2,044
DCCP contribution to the total loss-absorbing capacity ratio (%)	0.5	0.4

¹ Refer to “Bondholder information” at ubs.com/investors for more information about the capital instruments of UBS Group AG and UBS AG both on a consolidated and a standalone basis.

Other variable compensation components

To support hiring and retention, particularly at senior levels, we may offer other compensation components, such as:

- retention payments to key employees to induce them to stay, particularly during critical periods for the firm, such as a sale or wind-down of a business;
- on a limited basis, guarantees that may be required to attract individuals with certain skills and experience, these awards are fixed incentives subject to our standard deferral rules and limited to the first full year of employment;
- awards granted to employees hired late in the year to replace performance awards that they would have earned at their previous employer but have foregone by joining UBS, these awards are generally structured with the same level of deferral as for employees at a similar level at UBS; and
- in exceptional cases, sign-on awards may be offered to candidates to increase the chances of them accepting our offer.

These other variable compensation components are subject to a comprehensive governance process, which may involve the Compensation Committee, depending on the amount or type of such payments.

Employees outside of the GEB that are made redundant may receive severance payments. Our severance terms comply with the applicable local laws (legally obligated severance). In certain locations, we may provide severance packages that are negotiated with our local social partners and may go beyond the applicable minimum legal requirements (standard severance). Such payments are governed by location-specific severance policies. In addition, we may make severance payments that exceed legally obligated or standard severance payments where we believe these are aligned with market practice and appropriate under the circumstances (supplemental severance). GEB members do not receive severance payments.

Replacement awards and forfeitures

In line with industry practice, our compensation framework and plans include provisions generally requiring reduction / forfeiture of a terminated employee's unvested or deferred awards. In particular, these provisions apply if the terminated employee joins another financial services organization and / or violates restrictive covenants, such as solicitation of clients or employees.

Conversely, to attract external top talent, market practice dictates that we consider replacing their forfeited compensation from their prior employer. In select situations and based on careful consideration, we replace the lost compensation of senior hires. The replacement awards are subject to UBS's harmful acts provisions. Their value is subject to independent review as part of the "Report of the statutory auditor on the compensation report" to support the like-for-like nature of the replacement and to confirm that these awards do not represent sign-on payments (i.e. there are no golden hellos).

Based on a thorough review of available documentation, we aim to mirror the type, conditions and timing of the forfeited compensation, based on actual facts and circumstances. Replacement awards can include cash payments and / or deferred awards, including EOP share awards and DCCP awards. Where payments are made in cash, there is typically a clawback period if the employee leaves UBS voluntarily within 12 months of the start of employment. The replacement awards do not exceed the commercial or fair value of the compensation actually forfeited by the individual and, in case of GEB members, are disclosed transparently. The total 2025 forfeitures of USD 456m of previously awarded deferred compensation offset the 2025 total sign-on payments, replacement payments and guarantees of USD 145m.

Sign-on payments, replacement payments, guarantees and severance payments

USD m, except where indicated	Total 2025	of which: non-deferred cash	of which: deferred compensation awards	Total 2024	Number of beneficiaries	
					2025	2024
Total sign-on payments¹	0	0	0	0	0	0
of which: Key Risk Takers ²	0	0	0	0	0	0
Total replacement payments³	91	31	60	108	257	244
of which: Key Risk Takers ²	4	1	3	29	7	9
Total guarantees⁴	55	28	27	36	53	21
of which: Key Risk Takers ²	4	2	2	19	3	3
Total severance payments^{1,5}	942	942	0	735	7,538	5,696
of which: Key Risk Takers ²	5	5	0	5	19	21

¹ GEB members are not eligible for sign-on or severance payments. Sign-on awards exclude one-time payments for junior associate hires into the Investment Bank. Including these, the total sign-on payments are USD 1m for 2025 and USD 1m for 2024. All one-time payments for junior associate hires are subject to a 12-month clawback condition. ² Expenses for Key Risk Takers are full-year amounts for individuals in office on 31 December 2025. Prior period information has been adjusted to exclude employees with a total compensation exceeding USD / CHF 2.5m who were not otherwise identified as KRTs. ³ No GEB member received a replacement payment in 2025 or 2024. Total amounts include awards granted to employees hired late in the year to replace performance awards that they would have earned at their previous employers but have foregone by joining UBS. ⁴ No GEB member received a guarantee in 2025 or 2024. ⁵ Includes legally obligated and standard severance payments, as well as payments in lieu of notice.

Forfeitures¹

	Total 2025	Total 2024
<i>USD m, except where indicated</i>		
Total forfeitures	456	256
<i>of which: Key Risk Takers²</i>	<i>16</i>	<i>2</i>

¹ For notional share awards, forfeitures are calculated as units forfeited during the year, valued at the share price on 31 December 2025 (USD 46.31) for 2025. The 2024 data is valued using the share price on 31 December 2024 (USD 30.32). For LTIP the forfeited units reflect the fair value awarded at grant. For the notional funds awarded to Asset Management employees under the AM EOP / FOP in 2025 and 2024, and CS Legacy notional funds for 2025, this represents the fair value at the time of the employee forfeiture. For the DCCP, the fair value at grant of the forfeited awards during the year is reflected. All values shown exclude DCCP interest. Value also excludes the previously forfeited uplift value of the CS legacy Strategic Delivery Plan. Numbers presented may differ from the effect on the income statement in accordance with IFRS.

² Key Risk Takers as defined by UBS, including former GEB members who forfeited awards in 2025 or 2024. Prior period information has been adjusted to exclude employees with a total compensation exceeding USD / CHF 2.5m who were not otherwise identified as KRTs.

Employee share ownership

Employee share ownership is encouraged and, in addition to our mandatory deferred share-based compensation plans LTIP and EOP, made possible through our Equity Plus Plan (the EPP). The EPP is our employee share purchase program. It allows employees up to Executive Director level to voluntarily invest up to 30% of their base salary and / or regular commission payments to purchase UBS shares. In addition (where offered), eligible employees can invest up to 35% of their performance award under the program. Participation in the program is capped at USD / CHF 20,000 annually.

Eligible employees may purchase UBS shares at market price and receive, at no additional cost, one additional notional share for every three shares purchased through the program. Additional shares vest after a maximum of three years, provided the employee remains employed by UBS and has retained the purchased shares throughout the holding period.

On 31 December 2025, UBS employees held at least 6.94% of UBS shares outstanding (including approximately 4.55% in unvested deferred notional shares from our compensation programs). These figures are based on known shareholding information from employee participation plans, personal holdings with UBS and selected individual retirement plans. At the end of 2025, at least 28% of all employees held UBS shares through the firm's employee share participation plans.

› Refer to "Note 26 Employee benefits: variable compensation" in the "Consolidated financial statements" section of this report for more information

Compensation for US financial advisors in Global Wealth Management

In line with market practice for US wealth management businesses, the compensation for US financial advisors in Global Wealth Management consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. The compensation approach for US financial advisors is set in the context of local market practice and is regularly reviewed for competitiveness by the Compensation Committee.

The monthly cash compensation is determined using an overall percentage rate for each financial advisor. It reflects a percentage of the compensable production that each financial advisor generates during that month. Compensable production is generally based on transaction revenue and investment advisory fees and may reflect further adjustments. The percentage rate generally varies based on the level of the production and firm tenure, supporting growth and alignment with the investment strategy and goals of our clients.

Financial advisors may also be granted deferred awards. These amounts generally vest over a six-year period. The deferred awards may take into account the overall percentage rate and production, as previously outlined.

Cash compensation and deferred awards may be reduced for, among other things, errors, negligence or carelessness, or failure to comply with the firm's rules, standards, practices and / or policies, and / or applicable laws and regulations. Similar as with our deferred compensation plans, any cash compensation or deferred awards for US financial advisors are subject to harmful acts provisions.

Financial advisors may also participate in additional programs to support promoting and developing their business or supporting the transition of client relationships where appropriate.

2025 Group performance outcomes

Performance awards granted for the 2025 performance year

The “Variable compensation” table below shows the amount of variable compensation awarded to employees for the 2025 performance year, together with the number of beneficiaries for each type of award granted. In the case of deferred awards, the final amount paid to an employee depends on performance conditions and consideration of relevant forfeiture provisions. The deferred share award amount is based on the market value of these awards on the date of grant.

Variable compensation

USD m, except where indicated	Expenses recognized in the IFRS Accounting Standards income statement		Expenses deferred to future periods ¹		Adjustments ¹		Total		Number of beneficiaries ²	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Non-deferred cash	3,609	3,290	0	0	32	2	3,641	3,292	88,799	94,086
Deferred compensation awards	625	563	901	813	(18)	30	1,508	1,406	5,382	5,517
of which: Equity Ownership Plan	131	180	322	280	39 ³	42 ³	492	501	4,101	4,228
of which: Deferred Contingent Capital Plan	236	197	348	336	0	0	584	533	5,329	5,378
of which: Long-Term Incentive Plan	228	161	196	166	(57) ⁴	(12) ⁴	368	314	973	948
of which: Fund Ownership Plan	29	26	35	32	0	0	65	58	348	360
Variable compensation – performance award pool	4,234	3,853	901	813	14	32	5,149	4,698	88,812	94,105
Variable compensation – financial advisors ⁵	4,874	4,485	1,059	1,028	0	0	5,934	5,512	5,514	5,812
Variable compensation – other ⁶	617	539	206	229	(156) ⁷	(175) ⁷	667	593		
Total variable compensation	9,725	8,876	2,167	2,070	(141)	(143)	11,750	10,803		

¹ Estimates as of 31 December 2025 and 2024. Actual amounts to be expensed in future periods may vary; e.g. due to forfeiture of awards. ² Excludes number of beneficiaries who received awards that form part of Variable compensation – other. ³ Represents estimated post-vesting transfer restriction and permanent forfeiture discounts. ⁴ Net adjustments for LTIP are negative USD 57m (2024: negative USD 12m) and include the estimated amounts for (i) the difference of negative USD 130m (2024: negative USD 66m) between the IFRS 2 expense and the communicated value included in the performance award pool, and (ii) the post-vesting transfer restriction and permanent forfeiture discounts of USD 74m (2024: USD 54m). ⁵ Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. ⁶ Includes severance payments, replacement and retention awards and interest expense related to the Deferred Contingent Capital Plan. ⁷ Included in expenses deferred to future periods is an amount of USD 156m (2024: USD 175m) in interest expense related to the Deferred Contingent Capital Plan. As the amount recognized as performance award represents the present value of the award at the date it is granted to the employee, this amount is excluded.

2025 performance award pool and expenses

The performance award pool, which reflects performance-based variable awards for 2025, was USD 5.1bn, reflecting an increase of 10% compared with 2024. Performance award expenses for 2025 increased to USD 4.9bn, which reflects expenses accrued in relation to 2025 performance awards, as well as deferred expenses from prior performance years. The “Performance award pool and expenses” table below compares the performance award pool with performance award expenses.

Performance award pool and expenses

USD m, except where indicated	2025	2024	% change
Performance award pool ¹	5,149	4,698	10
of which: expenses deferred to future periods and adjustments ^{2,3}	915	845	8
Performance award expenses accrued in the performance year	4,234	3,853	10
Performance award expenses related to prior performance years	678	603	12
Total performance award expenses recognized for the year⁴	4,912	4,456	10

¹ Excluding employer-paid taxes and social security. ² Estimate as of the end of the performance year. Actual amounts expensed in future periods may vary, e.g. due to forfeiture of awards. ³ Refer to details in the preceding “Variable compensation” table for more information. ⁴ Refer to “Note 26 Employee benefits: variable compensation” in the “Consolidated financial statements” section of this report for more information.

Compensation for the Board of Directors

Chairman of the BoD

Under the leadership of the Chairman, Colm Kelleher, the Board of Directors (the BoD) determines, among other things, the strategy for the Group, based on recommendations by the Group Chief Executive Officer (the Group CEO), exercises ultimate supervision over management and appoints all Group Executive Board (GEB) members.

The Chairman leads all general meetings and BoD meetings and works with the committee Chairpersons to coordinate the work of all BoD committees. Together with the Group CEO, the Chairman is responsible for effective communication with shareholders and stakeholders, including clients, government officials, regulators and public organizations. The Chairman works closely with the Group CEO and other GEB members, providing advice and support when appropriate, and continues to strengthen and promote our culture through the three keys to success: our *Pillars, Principles and Behaviors*.

As an independent director, the Chairman's total compensation for the period from Annual General Meeting (AGM) to AGM consists of a fixed fee without any variable component, which is delivered 50% in cash and 50% in shares (blocked for four years). For the current period, from the 2025 AGM to the 2026 AGM, his fixed fee was CHF 5.5m and consisted of a cash payment of CHF 2.75m and a share component of CHF 2.75m, consisting of 83,525 UBS shares at CHF 32.924 per share. The share component aligns the Chairman's pay with the Group's long-term performance. The Chairman does not receive performance awards, severance payments or pension contributions in addition to his fixed fee, but, given the full-time nature of his role, he is eligible for employee conditions on UBS products and services.

- › Refer to "Board of Directors" in the "Corporate governance" section of this report for more information about the responsibilities of the Chairman

Vice Chairman of the BoD

As the Vice Chairman of the BoD, Lukas Gähwiler leads the BoD in the absence of the Chairman and, together with the Senior Independent Director, he also supports the Chairman in all aspects of corporate governance and oversight across the Group. In particular, he represents UBS across a broad range of associations and industry bodies in Switzerland.

The Vice Chairman's total compensation for his services in the UBS Group AG Board for the period from AGM to AGM consists of a fixed fee without any variable component, which is delivered 50% in cash and 50% in shares (blocked for four years). For the current period, from the 2025 AGM to the 2026 AGM, his fixed fee was CHF 1.5m, excluding benefits and pension fund contributions. The fixed fee consisted of a cash payment of CHF 0.75m and a share component of CHF 0.75m, consisting of 22,779 UBS shares at CHF 32.924 per share.

As a non-independent director, Mr. Gähwiler is entitled to pension fund contributions and benefits. Including these, his total reward for his service as Vice Chairman for the current period was CHF 1,937,864.

The Vice Chairman is not eligible for performance awards, severance terms or supplementary contributions to pension plans. The pension contributions and benefits for the Vice Chairman, in his capacity as non-independent director, are consistent with all UBS employees and aligned with local market practice.

In 2025, the BoD announced that Lukas Gähwiler would not stand for re-election at the forthcoming AGM and that Markus Ronner would be nominated as a new member of the BoD. After his election, he would assume the role of the Vice Chairman. The fixed fee for the Vice Chairman role will remain unchanged, at CHF 1.5m for the period from the 2026 AGM to the 2027 AGM and continue to be delivered 50% in cash and 50% in shares (blocked for four years).

- › Refer to "Board of Directors" in the "Corporate governance" section of this report for more information about the responsibilities of the Vice Chairman
- › Refer to the "Say-on-pay" section of this report for more information about compensation-related proposals at the 2026 AGM

Other BoD members receive fixed fees for their services on the BoD and its committees. The fee structure remains unchanged compared with the last AGM-to-AGM period. BoD members do not receive performance awards, severance payments, benefits or pension contributions (the benefit eligibility of the Chairman and that of the Vice Chairman are described above).

Since 2023, in order to facilitate the integration of Credit Suisse into UBS, a number of independent BoD members have served on the boards of directors of significant subsidiary entities. UBS Group AG Board members who have additional roles on the boards of significant subsidiary entities receive respective fees for the significant increase in the scope, responsibility and complexity of their mandates. These fees are aligned with other non-executive directors of the respective subsidiary entities. The total remuneration of other UBS Group AG members, including fees from subsidiaries, is summarized in the “Remuneration details and additional information for BoD members” table below.

Remuneration framework for UBS Group AG BoD members

1 The Chairman and the Vice Chairman do not receive committee or other fees in addition to their annual fixed fee. Their fixed fee is delivered 50% in cash and 50% in shares (blocked for four years). See above for the benefit eligibility of the Chairman and Vice Chairman. **2** Other BoD members receive at minimum 50% of their fees in UBS shares, which are blocked for four years, and they may elect to receive up to 100% of their fees in blocked UBS shares.

The Chairperson of the Compensation Committee proposes and the Compensation Committee approves the compensation of the Chairman and that of the Vice Chairman annually for the upcoming AGM-to-AGM period, taking into consideration fee or compensation levels for comparable roles based on our core financial industry peers and other relevant leading Swiss companies included in the Swiss Market Index.

- › Refer to “Compensation Governance” in the “Compensation philosophy and governance” section of this report for more information about the remuneration responsibilities of the BoD and Compensation Committee

Remuneration details and additional information for BoD members

Period 2025 AGM to 2026 AGM

CHF, except where indicated

Name, function ¹	Audit Committee	Compensation Committee	Corporate Culture and Responsibility Committee	Governance and Nominating Committee	Risk Committee	Base fee	Committee fee(s)	Additional payments ²	Benefits ³	Total ⁴	Share percentage ⁵	Number of shares ^{6,7}	Subsidiary entity board fees	Total including subsidiary fees
Colm Kelleher, Chairman ⁸			C	C		5,500,000			28,633	5,528,633	50	83,525		5,528,633
Lukas Gähwiler, Vice Chairman ⁸				M	M	1,500,000			437,864	1,937,864	50	22,779		1,937,864
Jeremy Anderson, Senior Independent Director	C			M		300,000	400,000	150,000		850,000	100	20,424	163,641	1,013,641
William C. Dudley, member			M		M	300,000	250,000			550,000	50	8,352		550,000
Patrick Firmenich, member	M		M			300,000	250,000			550,000	100	12,373		550,000
Fred Hu, member				M		300,000	100,000			400,000	100	8,984		400,000
Mark Hughes, member			M		C	300,000	400,000			700,000	50	10,630		700,000
Renata Jungo Brüngger, member			M			300,000	50,000			350,000	50	5,315		350,000
Gail Kelly, member		M		M		300,000	200,000			500,000	50	7,593		500,000
Julie G. Richardson, member		C			M	300,000	400,000			700,000	50	10,630		700,000
Lila Tretikov, member	M					300,000	200,000			500,000	50	7,593		500,000
Jeanette Wong, member	M	M				300,000	300,000			600,000	100	13,584		600,000
Aggregate of all BoD members 2025/2026										13,166,497				13,330,139
Aggregate of all BoD members 2025/2026 in USD (for reference) ⁹										15,895,173				16,092,729

Period 2024 AGM to 2025 AGM

CHF, except where indicated

Name, function ¹	Audit Committee	Compensation Committee	Corporate Culture and Responsibility Committee	Governance and Nominating Committee	Risk Committee	Base fee	Committee fee(s)	Additional payments ²	Benefits ³	Total ⁴	Share percentage ⁵	Number of shares ^{6,7}	Subsidiary entity board fees	Total including subsidiary fees
Colm Kelleher, Chairman ⁸			C	C		5,500,000			16,915	5,516,915	50	90,675		5,516,915
Lukas Gähwiler, Vice Chairman ⁸				M	M	1,500,000			369,051	1,869,051	50	24,729	250,000	2,119,051
Jeremy Anderson, Senior Independent Director	C			M		300,000	400,000	150,000		850,000	50	14,013	368,755	1,218,755
Claudia Böckstiegel, member			M			300,000	50,000			350,000	50	5,770		350,000
William C. Dudley, member			M		M	300,000	250,000			550,000	50	9,067		550,000
Patrick Firmenich, member	M		M			300,000	250,000			550,000	100	13,432		550,000
Fred Hu, member		M		M		300,000	200,000			500,000	100	12,206		500,000
Mark Hughes, member			M		C	300,000	400,000			700,000	50	11,540	210,607	910,607
Gail Kelly, member				M		300,000	100,000			400,000	50	6,594		400,000
Nathalie Rachou, member	M			M		300,000	300,000			600,000	50	9,891		600,000
Julie G. Richardson, member		C			M	300,000	400,000			700,000	50	11,540		700,000
Jeanette Wong, member	M	M				300,000	300,000			600,000	100	14,658		600,000
Aggregate of all BoD members 2024/2025										13,185,966				14,015,328

Legend: C = Chairperson of the respective Committee, M = Member of the respective Committee

¹ Twelve BoD members were in office on 31 December 2025 and on 31 December 2024. ² These payments are associated with the Senior Independent Director role. ³ For the period from the 2025 AGM to the 2026 AGM, benefits amount is an estimate. For the Vice Chairman, the benefits include the portion related to UBS's contribution to the statutory pension scheme. ⁴ Excludes UBS's portion related to the legally required social security contributions, which for the period from the 2025 AGM to the 2026 AGM (including the Chairman, Vice Chairman and UBS Group AG members with a role in subsidiaries) is estimated at grant at CHF 650,000 and which for the period from the 2024 AGM to the 2025 AGM was estimated at grant at CHF 753,000. The legally required social security contributions paid by the independent BoD members are included in the amounts shown in this table, as appropriate. ⁵ For the Chairman and Vice Chairman, fees are paid 50% in cash and 50% in blocked UBS shares. Other BoD members must use a minimum of 50% of their fees to purchase UBS shares, which are blocked for four years. ⁶ For 2025, UBS shares were valued at CHF 32.924 (average closing price of UBS shares over the last 10 trading days leading up to and including the grant date). For 2024, UBS shares were valued at CHF 30.328 (average closing price of UBS shares over the last 10 trading days leading up to and including the grant date). These shares are blocked for four years. ⁷ Number of shares is reduced in case of the 100% election to deduct legally required contributions. All remuneration payments are, where applicable, subject to social security contributions and / or withholding tax. ⁸ The Chairman and the Vice Chairman do not receive committee fees in addition to their annual fixed fee. ⁹ Swiss franc amounts have been translated into US dollars for reference at the 2025 performance award currency exchange rate of CHF / USD 1.207244.



Supplemental information

Fixed and variable compensation for GEB members

Fixed and variable compensation for GEB members^{1,2,3}

CHF m, except where indicated	Total for 2025		Not deferred		Deferred ⁴		Total for 2024
	Amount	%	Amount	%	Amount	%	Amount
Total compensation							
Amount ⁵	142	100	47	33	95	67	140
Number of beneficiaries	15						20
Fixed compensation^{5,6}	23	16	23	100	0	0	25
Cash-based	23	16					25
Equity-based	0	0					0
Variable compensation	119	84	24	20	95	80	114
Cash ⁷	24	17					26
Long-Term Incentive Plan (LTIP) ⁸	59	42					53
Deferred Contingent Capital Plan (DCCP) ⁸	36	25					34

¹ The figures include all GEB members in office during the respective years. ² Includes compensation paid under the employment contract during the notice period for GEB members who stepped down during the respective years. ³ Includes compensation for newly appointed GEB members for their time in office as a GEB member during the respective years. ⁴ Based on the specific plan vesting and reflecting the total award value at grant, which may differ from the expense recognized in the income statement in accordance with IFRS Accounting Standards. ⁵ Excludes benefits and employer's contributions to retirement benefit plans. Includes social security contributions paid by GEB members but excludes the portion related to the legally required social security contributions paid by UBS. ⁶ Includes base salary and role-based allowances, rounded to the nearest million. ⁷ Includes allocation of vested but blocked shares, in line with the remuneration section of the UK Prudential Regulation Authority Rulebook. ⁸ For the GEB members who are also EU MRTs, the awards do not include dividend and interest payments. Accordingly, the amounts reflect for the LTIP the fair value of the non-dividend-bearing awards and for the DCCP the fair value of the granted non-interest-bearing awards.

Regulated staff

Key Risk Takers

Key Risk Takers (KRTs) are defined as those employees that, by the nature of their roles, have been determined to materially set, commit or control significant amounts of the firm's resources and / or exert significant influence over its risk profile. This includes employees working in front-office roles, logistics and control functions. Identifying KRTs globally is part of our risk control framework and an important element in ensuring we incentivize only appropriate risk-taking. For 2025, in addition to GEB members, 755 employees were classified as KRTs throughout the UBS Group globally.

In line with regulatory requirements, the performance of employees identified as KRTs during the performance year is evaluated by the control functions. In addition, KRTs' performance awards are subject to a mandatory deferral rate of at least 50%, regardless of whether the deferral threshold has been met (excluding KRTs with de minimis performance awards below a predetermined threshold where standard deferral rates apply). Consistent with all other employees, the deferred portion of a KRT's compensation is also subject to forfeiture or reduction if the KRT commits harmful acts.

Fixed and variable compensation for Key Risk Takers¹

USD m, except where indicated	Total for 2025		Not deferred		Deferred ²		Total for 2024 ³
	Amount	%	Amount	%	Amount	%	Amount
Total compensation							
Amount	1,554	100	943	61	611	39	1,650
Number of beneficiaries	755						818
Fixed compensation^{3,4}	488	31	488	100	0	0	540
Cash-based	485	31	485				538
Equity-based	3	0	3				3
Variable compensation	1,066	69	455	43	611	57	1,110
Cash ⁵	455	29	455				467
Long-Term Incentive Plan (LTIP) / Equity Ownership Plan (EOP) / Fund Ownership Plan (FOP) ⁶	370	24			370		386
Deferred Contingent Capital Plan (DCCP) ⁶	241	16			241		256

¹ Excludes payments made to individuals related to their time as a GEB member. Prior-period information has been adjusted to exclude employees with a total compensation exceeding USD / CHF 2.5m who were not otherwise identified as KRTs. ² Based on the specific plan vesting and reflecting the total value at grant, which may differ from the expense recognized in the income statement in accordance with IFRS Accounting Standards. ³ Excludes benefits and employer's contributions to retirement benefits plan. Includes social security contributions paid by KRTs but excludes the legally required social security contributions paid by UBS. ⁴ Includes base salary and role-based allowances. ⁵ Includes allocation of vested but blocked shares, in line with regulatory requirements where applicable. ⁶ KRTs who are also EU MRTs do not receive dividend and interest payments.

Deferred compensation of the GEB and KRTs

The table below shows the current economic value of unvested outstanding deferred variable compensation awards subject to ex post adjustments. For share-based plans, the economic value is determined based on the closing share price on 31 December 2025. For notional funds, it is determined using the latest available market price for the underlying funds at the end of 2025, and for deferred cash plans, it is determined based on the outstanding amount of cash owed to award recipients.

Deferred compensation of the GEB and KRTs^{1,2,3}

<i>USD m, except where indicated</i>	Relating to awards for 2025 ⁴	Relating to awards for prior years ⁵	Total	<i>of which: exposed to ex post explicit and / or implicit adjustments</i>	Total deferred compensation year-end 2024	Total amount of deferred compensation distributed in 2025 ⁶
GEB						
Deferred Contingent Capital Plan	34	150	184	100%	185	45
Equity Ownership Plan (including notional funds and Credit Suisse legacy plans)	0	36	36	100%	43	21
Long-Term Incentive Plan	72	276	348	100%	335	98
KRTs						
Deferred Contingent Capital Plan	241	954	1,195	100%	1,153	112
Equity Ownership Plan (including notional funds)	129	732	861	100%	1,014	422
Long-Term Incentive Plan	241	583	824	100%	519	88
Credit Suisse legacy plans		31	31	100%	100	42
Total GEB and KRTs	717	2,762	3,479		3,349	828

¹ Based on the specific plan vesting and reflecting the economic value of the outstanding awards, which may differ from the expense recognized in the income statement in accordance with IFRS. Year-to-year reconciliations would also need to consider the impacts of additional items including off-cycle awards, FX movements, population changes and dividend equivalent reinvestments. Prior period information has been adjusted to exclude employees with a total compensation exceeding USD / CHF 2.5m who were not otherwise identified as KRTs. ² Refer to "Note 26 Employee benefits: variable compensation" in the "Consolidated financial statements" section of this report for more information. ³ GEB members and KRTs who are also EU MRTs do not receive dividend and interest payments. ⁴ Where applicable, amounts are translated into US dollars at the performance award currency exchange rate. LTIP values reflect the communicated value awarded at grant. ⁵ Takes into account the ex post implicit adjustments, given the share price movements since grant. Where applicable, amounts are translated from award currency into US dollars using FX rates as of 31 December 2025. LTIP values reflect the fair value awarded at grant or communicated value as applicable. ⁶ Valued at distribution price and FX rate for all awards distributed in 2025 (this excludes interests on DCCP).

The table below shows the value of actual ex post explicit and implicit adjustments to outstanding deferred compensation in the 2025 financial year for GEB members and KRTs.

Ex post adjustments occur after an award has been granted. Explicit adjustments occur when we adjust compensation by forfeiting deferred awards. Implicit adjustments are unrelated to any action taken by the firm and occur as a result of price movements that affect the value of an award.

GEB and KRTs ex post explicit and implicit adjustments to deferred compensation

<i>USD m</i>	Ex post explicit adjustments to unvested awards ¹		Ex post implicit adjustments to unvested awards ²	
	31.12.25	31.12.24	31.12.25	31.12.24
GEB				
Deferred Contingent Capital Plan	0	0	0	0
Equity Ownership Plan (including notional funds and Credit Suisse legacy plans, if applicable)	0	0	16	13
Long-Term Incentive Plan	(2)	0	136	94
KRTs³				
Deferred Contingent Capital Plan	(4)	(1)	0	0
Equity Ownership Plan (including notional funds)	(8)	(1)	332	261
Long-Term Incentive Plan	0	0	287	98
Credit Suisse legacy plans	0	(1)	12	15
Total GEB and KRTs	(14)	(2)	783	481

¹ For notional share awards, ex post explicit adjustments are calculated as units forfeited during the year, valued at the share price on 31 December 2025 (USD 46.31) for 2025 (which may differ from the expense recognized in the income statement in accordance with IFRS). The 2024 data is valued using the share price on 31 December 2024 (USD 30.32). For LTIP, the forfeited units reflect the fair value awarded at grant. For the notional funds awarded to Asset Management employees under the AM EOP/FOP in 2025 and 2024, and CS Legacy notional funds for 2025, this represents the fair value at the time of the employee forfeiture. For DCCP, the fair value at grant of the forfeited awards during the year is reflected. All values shown exclude DCCP interest. ² Ex post implicit adjustments for UBS shares are calculated based on the difference between the weighted average grant date fair value and the share price at year-end. The amount for UBS and CS legacy notional funds is calculated using the mark-to-market change during 2025 and 2024. ³ Prior period information has been adjusted to exclude employees with a total compensation exceeding USD / CHF 2.5m who were not otherwise identified as KRTs.

UK Material Risk Takers and the UK Senior Managers and Certification Regime

For relevant UK-regulated entities, we identify individuals who are deemed to be Material Risk Takers (UK MRTs) based on sectorial and / or local regulatory requirements, including equivalent UK requirements, as applicable. This group consists of senior management, risk takers, selected staff in control or support functions and certain highly compensated employees. In addition, the Senior Managers and Certification Regime (the SMCR) of the UK Prudential Regulation Authority (the PRA) and Financial Conduct Authority (the FCA) requires that individuals with specified responsibilities, performing certain significant functions and / or those in certain other identified categories be designated as Senior Management Functions (UK SMFs). For 2025, UBS identified 772 UK MRTs and SMFs in relation to its relevant UK entities.

For UK-regulated MRTs and SMFs, UBS applies the requirements set by the PRA and the FCA under the reformed UK remuneration rules, and where relevant, the FCA's Investment Firms Prudential Regime (MIFIDPRU) Remuneration Code, ensuring compliance with the relevant regulatory standards governing variable compensation structures, deferral arrangements and the use of share-based instruments.

Additionally, UK MRTs and UK SMFs are subject to a maximum ratio between fixed and variable pay, which was set by UBS taking into account the business activities and prudential and conduct risks of the relevant legal entities. In addition, the maximum ratios were set considering the scenario that the relevant legal entities might exceed their financial objectives, and to align with the ratios applicable for GEB members on a communicated value basis.

The maximum ratio for all UK-regulated MRTs and SMFs was approved by the compensation committees of the relevant entities.

Performance awards granted to UK MRTs and UK SMFs are subject to clawback provisions, which allow the firm to claim repayment of both the upfront and the vested deferred element of any performance award if an individual is found to have contributed substantially to significant financial losses for the Group or corporate structure in scope, a material downward restatement of disclosed results, or engaged in misconduct and / or failed to take expected actions, thus contributing to significant reputational harm.

Long-Term Incentive Plan (LTIP) awards granted to UK MRTs and UK SMFs are subject to an additional non-financial conduct-related metric as required by UK regulation.

EU Material Risk Takers

For relevant EU-regulated entities, we identify individuals who are deemed to be Material Risk Takers (EU MRTs) based on sectorial and / or local regulatory requirements, including the respective EU Commission Delegated Regulation and the fifth iteration of the EU Capital Requirements Directive (CRD V), the Undertakings for Collective Investment in Transferable Securities Directive (UCITS V) and the Alternative Investment Fund Managers Directive (the AIFMD), as applicable. This group consists of senior management, risk takers, selected staff in control or support functions and certain highly compensated employees. For 2025, UBS identified 262 EU MRTs in relation to its relevant EU entities.

Subject to individual or legal-entity level proportionality considerations, variable compensation awarded to EU-regulated MRTs is subject to additional deferral and other requirements under Art. 94 of the Capital Requirements Directive, UCITS V and the AIFMD, as further in the applicable European Securities and Markets Authority (ESMA) remuneration guidelines.

Additionally, where applicable, EU MRTs are subject to a maximum ratio between fixed and variable pay. Across EU locations, the maximum variable to fixed compensation ratio for EU-regulated MRTs is set to 200%, based on approval through relevant shareholder votes.

Australian Material Risk Takers

For UBS AG, Australia Branch, we identified individuals who are Australian Material Risk Takers (AUSMRTs) under the Australian Prudential Regulation Authority Prudential Standard CPS 511 requirements. The Prudential Standard outlines that AUSMRTs are individuals whose professional activities have a material potential impact on the entity's risk profile, performance and long-term soundness. Variable compensation for these individuals is subject to additional deferral and other requirements under Prudential Standard CPS 511 and harmful acts provisions.

Control functions and Group Internal Audit

Our control functions must be independent in order to monitor risk effectively. Therefore, their compensation is determined separately from the revenue areas that they oversee, supervise or monitor. Their performance award pool is based not on the performance of these businesses, but on the performance of the Group as a whole. We also consider other factors, such as how effectively the function has performed and our market position. Decisions on individual compensation for the senior managers of the control functions are made by the function heads and approved by the Group CEO. Decisions on individual compensation for the members of Group Internal Audit (GIA) are made by the Head GIA and approved by the Chairman. Following a proposal by the Chairman, total compensation for the Head GIA is approved by the Compensation Committee.

2025 Group personnel expenses

The number of internal personnel employed as of 31 December 2025 decreased by 5,471 to 103,177 (full-time equivalents) compared with 31 December 2024.

The table below shows our total personnel expenses for 2025, including salaries, pension expenses, social security contributions, variable compensation and other personnel costs. Variable compensation includes cash performance awards paid in 2026 for the 2025 performance year, amortization of unvested deferred awards granted in previous years and the cost of deferred awards granted to employees that are eligible for retirement in the context of the compensation framework at the date of grant.

The performance award pool reflects the value of performance awards granted relating to the 2025 performance year, including awards that are paid out immediately and those that are deferred. To determine our variable compensation expenses, the following adjustments are required in order to reconcile the performance award pool to the expenses recognized in the Group's financial statements prepared in accordance with IFRS Accounting Standards:

- a reduction for expenses deferred to future periods (amortization of unvested awards granted in 2026 for the 2025 performance year) and accounting adjustments; and
- an addition for the 2025 amortization of unvested deferred awards granted in prior years.

As a large part of compensation consists of deferred awards, the amortization of unvested deferred awards granted for prior years forms a significant part of the IFRS Accounting Standards expenses in both 2025 and 2026. The expenses related to prior performance years and total expenses recognized in 2025 include deferred compensation granted under Credit Suisse Group compensation plans in previous years, which have been expensed from 2023 onward due to the integration of Credit Suisse into UBS.

► Refer to "Note 6 Personnel expenses" and "Note 26 Employee benefits: variable compensation" in the "Consolidated financial statements" section of this report for more information

Personnel expenses

USD m	Expenses recognized in the IFRS Accounting Standards income statement				
	Related to the 2025 performance year	Related to prior performance years	Total expenses recognized in 2025	Total expenses recognized in 2024	Total expenses recognized in 2023
Salaries¹	11,904	0	11,904	12,178	10,997
Non-deferred cash	3,609	(61)	3,548	3,206	2,807
Deferred compensation awards	625	740	1,364	1,250	1,179
of which: Equity Ownership Plan	131	260	391	458	485
of which: Deferred Contingent Capital Plan	236	316	552	487	421
of which: Long-Term Incentive Plan	228	132	360	237	204
of which: Fund Ownership Plan	29	31	60	68	69
Variable compensation – performance awards	4,234	678	4,912	4,456	3,986
Variable compensation – financial advisors²	4,874	780	5,654	5,293	4,549
Variable compensation – other³	617	250	867	1,121	1,310
Total variable compensation⁴	9,725	1,709	11,434	10,870	9,845
Contractors	301	0	301	325	334
Social security	1,547	149	1,696	1,622	1,473
Post-employment benefit plans⁵	1,499	0	1,499	1,310	1,361
Other personnel expenses	988	39	1,027	1,013	890
Total personnel expenses	25,964	1,896	27,861	27,318	24,899

¹ Includes role-based allowances. ² Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. ³ Includes severance payments, replacement and retention awards, existing deferred awards granted to Credit Suisse employees, interest expense related to the Deferred Contingent Capital Plan and forfeiture credits. ⁴ Refer to "Note 26 Employee benefits: variable compensation" in the "Consolidated financial statements" section of this report for more information. ⁵ Refer to "Note 25 Post-employment benefit plans" in the "Consolidated financial statements" section of this report for more information.

Deferred compensation

Vesting of outstanding awards granted in prior years subject to performance metrics and thresholds

The tables below show the extent to which the performance metrics and thresholds for awards granted in prior years have been met and the related vesting in 2026.

Long-Term Incentive Plan (LTIP) 2019 (performance period 2020–2022)		
Performance metrics	Performance achievement ¹	Vesting
Return on common equity tier 1 capital (RoCET1) and relative Total Shareholder Return (rTSR)	The overall achievement level is 98.0% of the maximum opportunity (of up to 100%), based on outcomes for rTSR (weighted 50%) and RoCET1 (weighted 50%).	- For GEB, the first, second and third installments vested in 2023, 2024 and 2025, respectively. - As outlined in our 2019 Compensation Report, up to CHF 7.3m, or 30%, of the 2019 LTIP awards at grant for GEB members active in March 2017 was at risk and directly linked to the final resolution of the French cross-border matter. Following its resolution and considering the final financial impact, the Compensation Committee applied a fact-based reduction to the final value of the award of 10% of the shares at risk. - For other selected senior management, the full award vested in 2023.

¹ As disclosed in our Compensation Report 2019, LTIP awards for the 2019 performance year were awarded at a value of 62.25% of maximum, which reflected our best estimate of the fair value of the award. The maximum number of shares was determined by dividing the awarded amount by the fair value of the award at the date of grant, divided by CHF 12.919 or USD 13.141, the average closing price of UBS shares over the last ten trading days leading up to and including the grant date.

Long-Term Incentive Plan (LTIP) 2020 (performance period 2021–2023)		
Performance metrics	Performance achievement ¹	Vesting
Return on common equity tier 1 capital (RoCET1) and relative Total Shareholder Return (rTSR)	The overall achievement level is 92.55% of the maximum opportunity (of up to 100%), based on outcomes for rTSR (weighted 50%) and RoCET1 (weighted 50%).	- For GEB, the first, second and third installments vested in 2024, 2025 and 2026, respectively. - For other selected senior management, the full award vested in 2024.

¹ As disclosed in our Compensation Report 2020, LTIP awards for the 2020 performance year were awarded at a value of 65.90% of maximum, which reflected our best estimate of the fair value of the award. The maximum number of shares was determined by dividing the awarded amount by the fair value of the award at the date of grant, divided by CHF 13.81 or USD 15.411, the average closing price of UBS shares over the last ten trading days leading up to and including the grant date.

Long-Term Incentive Plan (LTIP) 2021 (performance period 2022–2024)		
Performance metrics	Performance achievement ¹	Vesting
Return on common equity tier 1 capital (RoCET1) and relative Total Shareholder Return (rTSR)	The overall achievement level is 93.33% of the maximum opportunity (of up to 100%), based on outcomes for rTSR (weighted 50%) and RoCET1 (weighted 50%).	- For GEB, the first installments vested in 2025 and the second will vest in 2026. The remaining third tranche will vest in 2027 accordingly. - For other selected senior management, the full award vested in 2025.

¹ As disclosed in our Compensation Report 2021, LTIP awards for the 2021 performance year were awarded at a value of 67.7% of maximum, which reflected our best estimate of the fair value of the award. The maximum number of shares was determined by dividing the awarded amount by the fair value of the award at the date of grant, divided by CHF 19.194 or USD 20.700, the average closing price of UBS shares over the last ten trading days leading up to and including the grant date.

Long-Term Incentive Plan (LTIP) 2022 (performance period 2023–2025)		
Performance metrics	Performance achievement ¹	Vesting
Return on common equity tier 1 capital (RoCET1) and relative Total Shareholder Return (rTSR)	The overall achievement level is 71.56% of the maximum opportunity (of up to 100%), based on outcomes for rTSR (weighted 50%) and RoCET1 (weighted 50%).	- For GEB, the first installment will vest in 2026 and the remaining tranches will vest in 2027 and 2028 accordingly. - For other selected senior management, the full award vests in 2026.

¹ As disclosed in our Compensation Report 2022, LTIP awards for the 2022 performance year were awarded at a value of 71.45% of maximum, which reflected our best estimate of the fair value of the award. The maximum number of shares was determined by dividing the awarded amount by the fair value of the award at the date of grant, divided by CHF 20.092 or USD 21.790, the average closing price of UBS shares over the last ten trading days leading up to and including the grant date.

› Refer to “Performance achievement of the 2022 LTIP granted in 2023” in the “Group compensation” section of this report for more information

The below EOP and DCCP thresholds have been set to support the sustainability of the organization and represent minimum performance levels to retain the awards.

Equity Ownership Plan (EOP) 2020 / 2021, EOP 2021 / 2022		
Thresholds	Threshold achievement ¹	Vesting
EOP 2020 / 2021 and EOP 2021 / 2022: Return on common equity tier 1 capital (RoCET1)	The Group thresholds have been satisfied.	The following installments vest in full: – for EOP 2020 / 2021, the third and final installment for employees with extended vesting periods (e.g. as required by applicable regulators) covered under the plan; and – for EOP 2021 / 2022, the second installment for employees with extended vesting periods (e.g. as required by applicable regulators) covered under the plan.

¹ Performance may be adjusted for disclosed items generally not representative of underlying business performance.

Deferred Contingent Capital Plan (DCCP) 2020 / 2021		
Thresholds	Threshold achievement ¹	Vesting ²
Common equity tier 1 (CET1) capital ratio, viability event and, additionally for GEB, Group profit before tax	The thresholds have been satisfied.	– DCCP 2020 / 2021 vests in full.

¹ Performance may be adjusted for disclosed items generally not representative of underlying business performance. ² Certain regulated employees are subject to extended vesting periods.

Outstanding Credit Suisse Group awards granted in prior years subject to performance conditions

The tables below show the extent to which the performance metrics and thresholds for awards granted by the Credit Suisse Group in prior years have been met and the related impact of the 2025 results.

As a result of the acquisition by UBS Group AG of Credit Suisse Group AG in 2023, many of the financial measurements applicable to legacy Credit Suisse Group awards are no longer available or are not fully comparable to previous performance periods, therefore revised metrics have been adopted as disclosed in the Compensation Report 2023.

Performance Share Awards (PSA) 2018/2019, 2019/2020, 2020/2021, 2021/2022		
Threshold	Threshold achievement ¹	Vesting ²
Negative adjustment if reported UBS Group AG return on CET1 capital (RoCET1) is negative	The amended threshold has been satisfied.	– No negative adjustment applied in respect of PSAs outstanding on 31 December 2025. The respective installments will vest in 2026.

¹ Performance may be adjusted for disclosed items generally not representative of underlying business performance. ² Certain regulated employees, such as Senior Management Functions (SMFs) and Material Risk Takers (MRTs), are subject to extended vesting periods.

Transformation Awards share component 2022/23		
Thresholds	Threshold achievement	Vesting
Underlying UBS Group AG RoCET1 of 8% minimum (FY 2025) UBS Group AG share price of CHF 85.87 (on 31 December 2025)	The underlying RoCET1 threshold has been satisfied; however, the share price threshold has not been achieved.	– The Transformation Awards are fully forfeited.

Share ownership / entitlements of GEB members¹

Name, function	on 31 December	Number of unvested shares / at risk ²	Number of vested shares	Total number of shares	Potentially conferred voting rights in %
Sergio P. Ermotti, Group Chief Executive Officer	2025	675,066	2,255,862	2,930,928	0.222
	2024	1,023,411	1,732,094	2,755,505	0.215
George Athanasopoulos, Co-President Investment Bank	2025	317,190	359,865	677,055	0.051
	2024	468,793	203,756	672,549	0.053
Michelle Beraux, Group Integration Officer	2025	149,504	54,483	203,987	0.015
	2024	164,063	12,824	176,887	0.014
Mike Dargan, Group Chief Operations and Technology Officer	2025	497,801	63	497,864	0.038
	2024	465,358	26,815	492,173	0.038
Aleksandar Ivanovic, President Asset Management	2025	188,402	0	188,402	0.014
	2024	143,704	65,697	209,401	0.016
Robert Karofsky, President UBS Americas and Co-President Global Wealth Management	2025	765,382	492,663	1,258,045	0.095
	2024	1,139,539	424,520	1,564,059	0.122
Sabine Keller-Busse, President Personal & Corporate Banking and President UBS Switzerland	2025	708,724	602,859	1,311,583	0.099
	2024	982,710	425,317	1,408,027	0.110
Iqbal Khan, Co-President Global Wealth Management and President UBS Asia Pacific	2025	1,043,565	253,268	1,296,833	0.098
	2024	1,140,180	179,433	1,319,613	0.103
Barbara Levi, Group General Counsel	2025	503,567	234,490	738,057	0.056
	2024	539,142	99,876	639,018	0.050
Beatriz Martin Jimenez, Head Non-core and Legacy and President UBS EMEA	2025	373,335	149,455	522,790	0.040
	2024	426,691	180,706	607,397	0.047
Markus Ronner, Group Chief Compliance and Governance Officer	2025	518,931	202,968	721,899	0.055
	2024	613,246	4,436	617,682	0.048
Stefan Seiler, Head Group Human Resources & Corporate Services	2025	232,913	177,155	410,068	0.031
	2024	299,428	91,393	390,821	0.031
Todd Tuckner, Group Chief Financial Officer	2025	255,864	259,379	515,243	0.039
	2024	279,344	279,647	558,991	0.044
Marco Valla, Co-President Investment Bank	2025	325,291	50,623	375,914	0.028
	2024	244,051	13,847	257,898	0.020
Damian Vogel, Group Chief Risk Officer	2025	115,331	50,886	166,217	0.013
	2024	74,256	23,919	98,175	0.008
Total	2025	6,670,866	5,144,019	11,814,885	0.894
	2024	8,003,916	3,764,280	11,768,196	0.920

¹ Includes all vested and unvested shares of GEB members, including those held by related parties. No options were held in 2025 and 2024 by any GEB member or any of its related parties. Refer to "Note 26 Employee benefits: variable compensation" in the "Consolidated financial statements" section of this report for more information. ² Includes shares granted under variable compensation plans with forfeiture provisions. For the 2019/20, 2020/21, 2021/22 and 2022/23 LTIP awards, the values reflect the final value. For all other LTIP awards, the values reflect the fair value awarded at grant. The actual number of shares vesting in the future will be calculated under the terms of the plans. Refer to the "Group compensation" section of this report for more information about the plans.

Total of all vested and unvested shares of GEB members^{1,2}

	Total	of which: vested		of which: vesting				
			2026	2027	2028	2029	2030	2031
Shares on 31 December 2025	11,814,885	5,144,019	1,907,359	1,569,151	1,449,822	1,085,996	613,413	45,126
			2025	2026	2027	2028	2029	2030
Shares on 31 December 2024	11,768,196	3,764,280	3,154,169	1,873,398	1,536,132	872,036	514,292	53,887

¹ Includes shares held by related parties. ² Includes shares granted under variable compensation plans with forfeiture provisions. The actual number of shares vesting in the future will be calculated under the terms of the plans. Refer to the "Group compensation" section of this report for more information.

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Number of shares of BoD members¹

Name, function	on 31 December	Number of shares held	Voting rights in %
Colm Kelleher, Chairman	2025	642,893	0.049
	2024	552,218	0.043
Lukas Gähwiler, Vice Chairman	2025	408,570	0.031
	2024	385,609	0.030
Jeremy Anderson, Senior Independent Director	2025	181,449	0.014
	2024	167,436	0.013
William C. Dudley, member	2025	83,654	0.006
	2024	74,587	0.006
Patrick Firmenich, member	2025	84,442	0.006
	2024	71,010	0.006
Fred Hu, member	2025	136,576	0.010
	2024	124,370	0.010
Mark Hughes, member	2025	91,779	0.007
	2024	80,239	0.006
Gail Kelly, member	2025	6,594	0.000
	2024	0	0.000
Renata Jungo Brüngger, member	2025	0	0.000
	2024	–	–
Julie G. Richardson, member	2025	157,486	0.012
	2024	157,946	0.012
Lila Tretikov, member	2025	0	0.000
	2024	–	–
Jeanette Wong, member	2025	148,419	0.011
	2024	133,761	0.010
Total	2025	1,941,862	0.147
	2024	1,747,176	0.137

¹ Includes blocked and unblocked shares held by BoD members, including those held by related parties. No options were granted in 2025 and 2024.



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Total of all blocked and unblocked shares of BoD members¹

	Total	of which: unblocked	of which: blocked until			
			2026	2027	2028	2029
Shares on 31 December 2025	1,941,862	1,052,630	153,472	286,945	240,361	208,454
			2025	2026	2027	2028
Shares on 31 December 2024	1,747,176	828,950	237,448	153,472	286,945	240,361

¹ Includes shares held by related parties.



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Loans granted to GEB members

Pursuant to article 38 of the Articles of Association of UBS Group AG (the AoA), GEB members may be granted loans. Such loans are made in the ordinary course of business on substantially the same terms as those granted to other employees, including interest rates and collateral, and neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. The total amount of such loans must not exceed CHF 20m per GEB member.

Loans granted to GEB members

CHF, except where indicated ¹	on 31 December	Loans ^{2,3,4}	USD (for reference)
Name, function			Loans ^{2,3,4}
Mike Dargan, Group Chief Operations and Technology Officer (highest loan in 2025)	2025	10,447,500	13,175,980
Mike Dargan, Group Chief Operations and Technology Officer (highest loan in 2024)	2024	10,694,500	
Aggregate of all GEB members	2025	46,810,000	59,034,946
	2024	43,547,875	

¹ Swiss franc and US dollar amounts disclosed represent local currency amounts translated at the relevant year-end closing exchange rate. ² All loans granted are secured loans. ³ No unused uncommitted credit facilities in 2025 and 2024. ⁴ No loans have been granted to related parties of the GEB members at conditions not customary in the market.



Loans granted to BoD members

Pursuant to article 33 of the AoA, loans to independent BoD members are made in the ordinary course of business at general market conditions. The Vice Chairman, given the full-time nature of his role, may be granted loans in the ordinary course of business on substantially the same terms as those granted to employees, including interest rates and collateral. Such loans neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. The total amount of such loans must not exceed CHF 20m per BoD member.

Loans granted to BoD members

CHF, except where indicated ¹	on 31 December	Loans ^{2,3,4}	USD (for reference)
			Loans ^{2,3,4}
Aggregate of all BoD members	2025	0	0
	2024	2,377,500	

¹ Swiss franc and US dollar amounts disclosed represent local currency amounts translated at the relevant year-end closing exchange rate. ² All loans granted are secured loans. ³ CHF 2,377,500 (USD 2,618,108) for Claudia Böckstiegel (independent BoD member) in 2024. ⁴ No loans have been granted to related parties of the BoD members at conditions not customary in the market.



Compensation paid to former BoD and GEB members¹

The compensation and benefits in the table below relate to payments made to former BoD and GEB members. Variable compensation paid to GEB members who stepped down during the respective years is included in the GEB performance award pool (see table "Total compensation for GEB members").

CHF, except where indicated ^{2,3}	For the year	Compensation	Benefits	Total	USD (for reference) ⁴
					Total
Former BoD members	2025	0	0	0	0
	2024	0	0	0	
Aggregate of all former GEB members ⁴	2025	0	68,050	68,050	82,153
	2024	0	1,951,200	1,951,200	
Aggregate of all former BoD and GEB members	2025	0	68,050	68,050	82,153
	2024	0	1,951,200	1,951,200	

¹ Compensation or remuneration that is related to the former members' activity on the BoD or GEB or that is not at market conditions. ² Swiss franc and US dollar amounts disclosed represent local currency amounts translated at the relevant year-end closing exchange rate. ³ Includes benefit payments in 2025 for one former GEB members and in 2024 to four former GEB members. ⁴ Excludes the portion related to the legally required employer's social security contributions for 2025 and 2024; however, the legally required employees' social security contributions are included in the amounts shown in the table above, as appropriate.



GEB and BoD member mandates outside the Group

In line with the Swiss Code of Obligations, we disclose the mandates of GEB and BoD members outside of the Group in the tables below. Further information on background and biographies, including mandates in UBS entities, are available in the “Corporate governance” section of this report.

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BoD member mandates outside the Group

Name, function	Company boards / other activities	Mandates
Colm Kelleher, Chairman	Other activities and functions	– Member of the Board of Directors of the Bretton Woods Committee – Member of the Board of the Swiss Finance Council – Member of the Board of the International Monetary Conference – Member of the Board of the Bank Policy Institute – Member of the Board of Americans for Oxford – Visiting Professor of Banking and Finance, Loughborough Business School – Member of the European Financial Services Round Table – Member of the European Banking Group – Member of the International Advisory Council of the China Securities Regulatory Commission – Member of the Chief Executive's Advisory Council (Hong Kong)
Lukas Gähwiler, Vice Chairman	Non-listed	– Vice Chairman of the Board of Directors of Pilatus Aircraft Ltd – Member of the Board of Directors of Ringier AG
	Other activities and functions	– Member of the Board and Board Committee of economiesuisse – Chairman of the Employers Association of Banks in Switzerland – Member of the Board of Directors of the Swiss Employers Association – Member of the Board of Directors and the Board of Directors Committee of the Swiss Bankers Association – Member of the Board of the Swiss Finance Council – Member of the Board of Trustees of Avenir Suisse
Jeremy Anderson, Senior Independent Director	Listed	– Member of the Board of Prudential plc (chair of the risk committee)
	Non-listed	– Chairman of Lamb's Passage Holding Ltd
	Other activities and functions	– Trustee of the UK's Productivity Leadership Group
William C. Dudley, member	Listed	– Member of the Global Advisory Council of Coinbase ¹
	Non-listed	– Member of the Advisory Board of Suade Labs
	Other activities and functions	– Senior Advisor to the Griswold Center for Economic Policy Studies, Princeton University – Member of the Group of Thirty – Member of the Council on Foreign Relations – Chairman of the Bretton Woods Committee Board of Directors – Member of the Board of the Council for Economic Education
Patrick Firmenich, member	Listed	– Vice Chairman of the Board of dsm–firmenich (chair of the governance and nomination committee)
	Other activities and functions	– Member of the Advisory Council of the Swiss Board Institute
Fred Hu, member	Listed	– Non-executive Chairman of the Board of Yum China Holdings (chair of the nomination and governance committee) – Member of the Board of Chubb Limited¹
	Non-listed	– Chairman of Primavera Capital Ltd
	Other activities and functions	– Trustee of the China Medical Board – Member of the Global Board of The Nature Conservancy and Co-Chairman of its Asia Pacific Council – Member of the Board of Trustees, the Institute for Advanced Study
Mark Hughes, member	Other activities and functions	– Senior advisor to McKinsey & Company
Renata Jungo Brüngger, member	Listed	– Member of the Supervisory Board of Daimler Truck Holding AG – Member of the Supervisory Board of Daimler Truck AG – Member of the Supervisory Board of Munich Re (chair of remuneration committee)
	Other activities and functions	– Member of the Board of Trustees of Internationale Bachakademie Stuttgart – Member of the Board of Trustees of Gesellschaft der Freunde von Bayreuth e. V. (Friends of Bayreuth)
Gail Kelly, member	Listed	– Member of the Board of Singtel Communications (chair of the executive resource and compensation committee)
	Other activities and functions	– Member of the Group of Thirty – Member of the Board of Directors of the Bretton Woods Committee – Member of the Australian American Leadership Dialogue Advisory Board – Senior advisor to McKinsey & Company
Julie G. Richardson, member	Listed	– Member of the Board of BXP¹ – Member of the Board of Datadog (chair of the audit committee)
	Non-listed	– Member of the Board of Fivetran – Member of the Board of Coalition, Inc.

¹ New 2025 mandate compared with 2024.



BoD member mandates outside the Group (continued)

Name, function	Company boards / other activities	Mandates
Lila Tretikov, member	Listed	– Member of the Board of Volvo Car Corporation – Member of the Board of Xylem Inc. – Member of the Advisory Board of Capgemini SE (changed to Board mandate in January 2026)
	Other activities and functions	– Member of the Board of Zendesk Inc. – Member of the Board of Backflip AI, Inc. – Member of the Board of Cusp AI Limited – Member of the Board of Horizon 3 AI, Inc.
Jeanette Wong, member	Listed	– Member of the Board of Prudential plc (chair of the audit committee) – Member of the Board of Singapore Airlines Limited (chair of the board compensation and industrial relations committee)
	Non-listed	– Member of the Board of GIC Pte Ltd – Member of the Board of PSA International
	Other activities and functions	– Chairman of the CareShield Life Council – Member of the Securities Industry Council – Member of the Board of Trustees of the National University of Singapore

› Refer to “Board of Directors” in the “Corporate governance” section of this report for more information



GEB member mandates outside the Group

Name, function	Company boards / other activities	Mandates
Sergio P. Ermotti, Group Chief Executive Officer	Listed Non-listed Other activities and functions	– Member of the Board of Ermenegildo Zegna N.V. (Lead Non-Executive Director) – Member of the Board of Società Editrice del Corriere del Ticino SA – Member of the Board of Innosuisse, the Swiss Innovation Agency – Member of Institut International d'Études Bancaires – Member of the WEF International Business Council and Governor of the Financial Services / Banking Community – Member of the MAS International Advisory Panel – Member of the Board of the Institute of International Finance – Member of the Board of the Swiss-American Chamber of Commerce
George Athanopoulos, Co-President Investment Bank	None	
Michelle Bereaux, Group Integration Officer until December 2025, Group Chief Compliance and Operational Risk Control Officer since January 2026	None	
Mike Dargan, Group Chief Operations and Technology Officer (stepped down on 31 December 2025)	Other activities and functions	– Member of the Advisory Board of SCION Association
Aleksandar Ivanovic, President Asset Management	None	
Robert Karofsky, Co-President Global Wealth Management and President UBS Americas	Other activities and functions	– Member of the Board of the American Swiss Foundation ¹
Sabine Keller-Busse, President Personal & Corporate Banking and President UBS Switzerland	Listed Other activities and functions	– Member of the Board of Zurich Insurance Group – Chairwoman of the Foundation Board of the Pension Fund of UBS – Member of the Board and Board Committee of Zurich Chamber of Commerce – Member of the Foundation Council of the UBS Center for Economics in Society, University of Zurich – Member of the Board of Trustees of the Swiss Entrepreneurs Foundation (stepped down January 2026) – Member of the Board of Trustees of the HSG Foundation (University of St. Gallen) – Member of the Foundation Board of Deep Tech Nation Switzerland – Member of the Board of the University Hospital Zurich Foundation
Iqbal Khan, Co-President Global Wealth Management and President UBS Asia Pacific	None	
Barbara Levi, Group General Counsel	Other activities and functions	– Member of the Board of Directors of the European General Counsel Association – Member of the Legal Committee of the Swiss-American Chamber of Commerce
Beatriz Martin Jimenez, Group Chief Operating Officer (since January 2026), Head Non-core and Legacy and President UBS EMEA	None	
Markus Ronner, Group Chief Compliance and Governance Officer (stepped down on 31 December 2025)	None	
Stefan Seiler, Head Group Human Resources and Corporate Services	Other activities and functions	– Member of the Foundation Board of the Pension Fund of UBS – Member of the Foundation Council of the UBS Center for Economics in Society, University of Zurich – Chairman of the Foundation Board of the Swiss Finance Institute – Member of the IMD Foundation Board – Adjunct Professor for Leadership and Strategic Human Resource Management, Nanyang Technological University (NTU), Singapore
Todd Tuckner, Group Chief Financial Officer	Other activities and functions	– Member of the Financial Services Chapter Board of the Swiss-American Chamber of Commerce ¹
Marco Valla, Co-President Investment Bank	Other activities and functions	– Member of the Board of Directors of Good Shepherd Services – Member of the Board of the Mount Sinai Department of Urology
Damian Vogel, Group Chief Risk Officer	Other activities and functions	– Member of Foundation Board of the International Financial Risk Institute

¹ New 2025 mandate compared with 2024.

➤ Refer to “Group Executive Board” in the “Corporate governance” section of this report for more information

Provisions of the Articles of Association related to compensation

Swiss say-on-pay provisions give shareholders of companies listed in Switzerland significant influence over board and management compensation. At UBS, this is achieved by means of an annual binding say-on-pay vote in accordance with the following provisions of the AoA.

Say on pay

In line with article 43 of the AoA, the General Meeting approves proposals from the BoD in relation to:

- a) the maximum aggregate amount of compensation of the BoD for the period until the next AGM;
- b) the maximum aggregate amount of fixed compensation of the GEB for the following financial year; and
- c) the aggregate amount of variable compensation of the GEB for the preceding financial year.

The BoD may submit for approval by the General Meeting deviating or additional proposals relating to the same or different periods. If the General Meeting does not approve a proposal from the BoD, the BoD will determine, taking into account all relevant factors, the respective (maximum) aggregate amount or (maximum) partial amounts and submit the amount(s) so determined for approval by the General Meeting. UBS Group AG or companies controlled by it may pay or grant compensation prior to approval by the General Meeting, subject to subsequent approval.

Principles of compensation

In line with articles 45 and 46 of the AoA, compensation of the members of the BoD includes base remuneration and may include other compensation elements and benefits. Compensation of the members of the BoD is intended to recognize the responsibility and governance nature of their role, to attract and retain qualified individuals, and to ensure alignment with shareholders' interests.

Compensation of the members of the GEB includes fixed and variable compensation elements. Fixed compensation includes the base salary and may include other compensation elements and benefits. Variable compensation elements are governed by financial and non-financial performance measures that take into account the performance of UBS Group AG and / or parts thereof, targets in relation to the market, other companies or comparable benchmarks, short- and long-term strategic objectives, and / or individual targets. The BoD or, where delegated to it, the Compensation Committee, determines the respective performance measures, the overall and individual performance targets, and their achievement. The BoD or, where delegated to it, the Compensation Committee, aims to ensure alignment with sustainable performance and appropriate risk-taking through adequate deferrals, forfeiture conditions, caps on compensation, harmful acts provisions and similar means with regard to parts of or all of the compensation. Parts of variable compensation are subject to a multi-year vesting period.

Additional amount for GEB members appointed after the vote on the aggregate amount of compensation by the AGM

In line with article 46 of the AoA of UBS Group AG, if the maximum aggregate amount of compensation already approved by the General Meeting is not sufficient to also cover the compensation of a person that becomes a member of or is being promoted within the GEB after the General Meeting has approved the compensation, UBS Group AG, or companies controlled by it, is authorized to pay or grant each such GEB member a supplementary amount during the compensation period(s) already approved. The aggregate pool for such supplementary amounts per compensation period cannot exceed 40% of the average of total annual compensation paid or granted to the GEB during the previous three years.

› Refer to ubs.com/governance for more information

To the General Meeting of
UBS Group AG, Zurich

Basel, 6 March 2026

Opinion

We have audited the Compensation Report of UBS Group AG (the Company) for the year ended 31 December 2025. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" of the Compensation Report: Approved GEB fixed compensation and BoD compensation, Total compensation for GEB Members, Remuneration details and additional information for BoD members, Share ownership / entitlements of GEB members, Number of shares of BoD members, Loans granted to GEB members, Loans granted to BoD members, Compensation paid to former BoD and GEB members, BoD member mandates outside the Group and GEB member mandates outside the Group.

In our opinion, the information pursuant to Art. 734a-734f CO in the Compensation Report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables referenced above in the Compensation Report, the consolidated financial statements, and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibilities for the audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd



Isabelle Santenac
Licensed audit expert
(Auditor in charge)



Sebin Kurian Pezhumkattil
ACCA

Financial statements

Consolidated financial statements

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Management's report on internal control over financial reporting

Management's responsibility for internal control over financial reporting

The Board of Directors and management of UBS Group AG (UBS) are responsible for establishing and maintaining adequate internal controls over financial reporting. UBS's internal controls over financial reporting are designed to provide reasonable assurance regarding the preparation and fair presentation of published financial statements in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB).

UBS's internal controls over financial reporting include those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation and fair presentation of financial statements, and that receipts and expenditures of the company are being made only in accordance with authorizations of UBS management; and
- provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management's assessment of internal control over financial reporting as of 31 December 2025

UBS management has assessed the effectiveness of UBS's internal control over financial reporting as of 31 December 2025 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework (2013 Framework). Based on this assessment, management believes that, as of 31 December 2025, UBS's internal control over financial reporting was effective.

The effectiveness of UBS's internal control over financial reporting as of 31 December 2025 has been audited by Ernst & Young Ltd, UBS's independent registered public accounting firm, as stated in their Report of the independent registered public accounting firm on internal control over financial reporting, which expresses an unqualified opinion on the effectiveness of UBS's internal control over financial reporting as of 31 December 2025.

Remediation of Credit Suisse material weaknesses

In March 2023, prior to the acquisition by UBS Group AG, the Credit Suisse Group and Credit Suisse AG disclosed that their management had identified material weaknesses in internal control over financial reporting as a result of which the Credit Suisse Group and Credit Suisse AG had concluded that, as of 31 December 2022 and 2021, their internal control over financial reporting was not effective. Following the acquisition and merger of Credit Suisse Group AG into UBS Group AG in June 2023, Credit Suisse AG concluded that as of 31 December 2023 its internal control over financial reporting continued to be ineffective. As permitted by SEC guidance in the year of an acquisition, UBS Group AG excluded Credit Suisse AG from its assessment of internal control over financial reporting for the year ended 31 December 2023 and concluded that its internal control over financial reporting was effective as of such date.

Since the Credit Suisse acquisition, UBS has executed a remediation program to address the identified material weaknesses and has implemented additional controls and procedures.

As of 31 December 2024, management assessed that the changes to internal controls made to address the material weaknesses relating to the classification and presentation of the consolidated statement of cash flows, as well as assessment and communication of the severity of deficiencies, were designed and operating effectively. The remaining material weakness related to the risk assessment of internal controls. During 2024, UBS integrated the Credit Suisse control framework into the UBS internal control framework and risk assessment and evaluation processes. In addition, UBS reviewed the processes, systems and internal controls in connection with the integration of Credit Suisse into UBS and implemented additional processes and controls to reflect the increase in complexity of the accounting and financial control environment following the acquisition. Management assessed that the risk assessment process was designed effectively.

However, considering the increased complexity of the internal accounting and control environment, the remaining migration efforts still underway and limited time to demonstrate operating effectiveness and sustainability of the post-merger integrated control environment, management concluded that additional evidence of effective operation of the remediated controls was required to conclude that the risk assessment processes were operating effectively on a sustainable basis. In light of the above, management concluded that there was a material weakness in internal control over financial reporting at 31 December 2024.

As of 31 December 2025, UBS management has assessed the effectiveness of UBS's risk assessment process and concluded that changes made to the risk assessment processes were designed and operating effectively, with significant integration and migration steps completed. UBS management has therefore concluded that the risk assessment material weakness has been remediated.

Reports of the independent registered public accounting firm / statutory auditor included in this report

The accompanying reports of the independent registered public accounting firm on the consolidated financial statements *Report of independent registered public accounting firm on the consolidated financial statements* and internal control over financial reporting *Report of independent registered public accounting firm on internal control over financial reporting* of UBS Group are included in our filing on 9 March 2026 with the Securities and Exchange Commission on Form 20-F pursuant to US reporting obligations.

The accompanying statutory auditor's report on the audit of the consolidated financial statements of UBS Group AG *Statutory auditor's report on the audit of the consolidated financial statements*, in addition to the aforementioned reports, is included in our Annual Report 2025 available on our website and filed on 9 March 2026 with all other relevant non-US exchanges.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of UBS Group AG

Opinion on Internal Control over Financial Reporting

We have audited UBS Group AG and subsidiaries' internal control over financial reporting as of 31 December 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, UBS Group AG and subsidiaries ("the Group") maintained, in all material respects, effective internal control over financial reporting as of 31 December 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Group as of 31 December 2025 and 2024, the related consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended 31 December 2025, and the related notes and our report dated 6 March 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Group's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Group's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

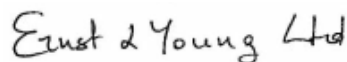
We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Basel, 6 March 2026

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of UBS Group AG

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of UBS Group AG and subsidiaries (“the Group”) as of 31 December 2025 and 2024, the related consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended 31 December 2025, and the related notes to the consolidated financial statements, including the information identified as “audited” as described in Note 1 (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group at 31 December 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2025, in conformity with the IFRS Accounting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Group’s internal control over financial reporting as of 31 December 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated 6 March 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Group’s Board of Directors and management. Our responsibility is to express an opinion on the Group’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of complex or illiquid instruments at fair value

Description of the Matter At 31 December 2025, as explained in Notes 1 and 20 to the consolidated financial statements, the Group held financial assets measured at fair value of USD 492,557 million (of which USD 262,133 million are classified as Level 2 in the fair value hierarchy and USD 14,538 million are classified as Level 3) and financial liabilities measured at fair value of USD 414,123 million (of which USD 354,706 million are classified as Level 2 in the fair value hierarchy and USD 19,415 million are classified as Level 3). These instruments are reported within the following accounts: financial assets and liabilities at fair value held for trading, derivative financial instruments, financial assets at fair value not held for trading, debt issued designated at fair value, and other financial liabilities designated at fair value. In determining the fair value of these financial instruments, the Group used valuation techniques, modelling assumptions, and estimates of unobservable market inputs which required significant management judgment.

Auditing management's judgments and assumptions used in the estimation of the fair value of these instruments was complex due to the highly judgmental nature of valuation techniques, key modelling assumptions and significant unobservable inputs. Auditing the valuation of complex or illiquid instruments at fair value included consideration of any incremental risks arising from the impact of current macroeconomic influences on valuation techniques and inputs. The valuation techniques that required especially complex judgement included discounted cash flow, earnings-based valuation techniques and complex derivative pricing models. Valuation inputs which were particularly complex and subjective included those with a limited degree of observability and the associated extrapolation, interpolation or calibration of inputs using limited and proxy data points. Examples of such inputs included unobservable credit spreads and interest rates, equity valuations, and equity volatility.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over management's financial instrument valuation processes. This included controls over independent price verification, independent validation of methodologies, independent validation and usage monitoring of valuation models, and the calculation of fair value adjustments.

We tested the valuation techniques, models and methodologies, as well as the key inputs used in those models. We performed an independent revaluation of a sample of complex or illiquid financial assets and liabilities with the support of specialists using independent models and inputs. We also independently assessed the appropriateness of a sample of key inputs by comparing them to available market data or evaluating the suitability of proxy inputs where relevant.

Additionally, alongside our valuation specialists, we also independently challenged methodologies and key inputs in relation to fair value adjustments and performed recalculations for a sample of these using our own independent data and methodologies. We reviewed the observability of material Day 1 profit and loss adjustments by evaluating the availability and reliability of market data supporting initial valuations and evaluated management's processes for identifying and assessing unobservable inputs.

We also assessed management's disclosures over fair value measurement (within Notes 1 and 20 to the consolidated financial statements).

Expected credit losses

Description of the Matter At 31 December 2025, the Group's allowances and provisions for expected credit losses ("ECL") were USD 3,058 million. As explained in Notes 1, 9 and 19 to the consolidated financial statements, ECL is recognized for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, fee and lease receivables, financial guarantees, and loan commitments not measured at fair value. ECL is also recognized on the undrawn portion of committed unconditionally revocable credit lines, which include the Group's credit card limits and master credit facilities. The allowances and provisions for ECL consist of exposures that are in default which are individually evaluated for impairment ("stage 3" and purchased credit impaired "PCI"), as well as losses inherent in the loan portfolio that are not specifically identified ("stage 1" and "stage 2"). Management's ECL estimates represent the difference between contractual cash flows and those the Group expects to receive, discounted at the effective interest rate.

Auditing management's estimate of the allowances and provisions for ECL was complex due to the judgmental nature of forward-looking economic scenarios that form the basis of the ECL calculation and their probability weightings. Macroeconomic developments during 2025, such as geopolitical tensions and trade-policy, contributed to further uncertainty and complexity in estimating ECL. As a result, the ECL estimation required management judgement, specifically in connection with the scenario selection, which involves assumptions about the scenario severity, underlying macroeconomic variables, and the number of scenarios needed to adequately capture the range of potential outcomes, along with their associated weights. Additionally, auditing the measurement of certain individual ECL for stage 3 and PCI in the Personal and Corporate Banking business division was complex due to the judgment involved in management's process for estimating ECL based on assumptions. These assumptions consider expected future cash flows from collateral and other credit enhancements or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the ECL estimate. This included assessing management's selection of forward-looking economic scenarios used to measure ECL and the probability weights assigned to those scenarios. We evaluated management's methodologies and governance controls for developing and monitoring the economic scenarios and their associated probability weights. With the support of specialists, we assessed key macroeconomic variables used in the forward-looking scenarios, such as real gross domestic product growth, unemployment rates, interest rates and house price indices. We also evaluated the modelled correlation and translation of these macroeconomic factors into the ECL estimate.

For the measurement of certain individual ECL for stage 3 and PCI in the Personal and Corporate Banking business division, we obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's process, including an evaluation of the assumptions used by management regarding the future cash flows from debtors' continuing operations and/or the liquidation of collateral. Supported by specialists in certain areas, we additionally tested collateral valuation, cash flow assumptions and exit strategies by performing inquiries of management, inspecting underlying documents, such as loan contracts, financial statements, covenants, budgets and business plans, collateral valuation reports and by re-performing discounted cash flow calculations among other procedures, on a sample basis.

We also assessed management's disclosures regarding expected credit loss measurement (within Notes 1, 9 and 19 to the consolidated financial statements).

Recognition of deferred tax assets

Description of the Matter At 31 December 2025, the Group's deferred tax assets ("DTAs") were USD 11,525 million (see Note 8 to the consolidated financial statements). DTAs are recognized to the extent it is probable that taxable profits will be available, against which applicable deductible temporary differences or the carryforward of unused tax losses within the loss carryforward period can be used. Judgment is exercised when estimating future taxable income that is not based on the reversal of taxable temporary differences. Management's estimate of future taxable profits is based on its strategic plan and tax planning strategies which would be executed if necessary to generate additional future taxable income as well as the consideration of expiry dates of unused tax losses.

Auditing management's assessment of the recognition of the Group's DTAs was complex due to the judgmental nature of estimating future taxable profits and the consideration of tax planning strategies. Estimating future profitability is inherently subjective and tax planning strategies require judgement in applying applicable tax law.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over DTA valuation, which included assumptions used in developing the strategic plan and estimating future taxable income and the consideration of tax planning strategies.

We assessed the completeness and accuracy of the input data used for the estimations of future taxable income and the appropriateness of tax planning strategies used in management's DTA recognition assessment. This included consideration of the expiry dates of unused tax losses.

We involved specialists to assist in assessing the key economic assumptions embedded in the strategic plans. We compared key assumptions used to forecast future taxable income to externally available historical and prospective data and assumptions and assessed the sensitivity of the outcomes using reasonably possible changes in assumptions.

We also assessed management's disclosure regarding recognized and unrecognized deferred tax assets (within Note 8 to the consolidated financial statements).

Ernst & Young Ltd

We have served as the Group's auditor since 1998.

Basel, Switzerland

6 March 2026



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To the General Meeting of
UBS Group AG, Zurich

Basel, 6 March 2026

Statutory auditor's report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of UBS Group AG and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of 31 December 2025 and 31 December 2024, and the consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended 31 December 2025, and the related notes to the consolidated financial statements, including the information identified as "audited" as described in Note 1 (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended 31 December 2025 in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of complex or illiquid instruments at fair value

Area of focus At 31 December 2025, as explained in Notes 1 and 20 to the consolidated financial statements, the Group held financial assets measured at fair value of USD 492,557 million (of which USD 262,133 million are classified as Level 2 in the fair value hierarchy and USD 14,538 million are classified as Level 3) and financial liabilities measured at fair value of USD 414,123 million (of which USD 354,706 million are classified as Level 2 in the fair value hierarchy and USD 19,415 million are classified as Level 3). These instruments are reported within the following accounts: financial assets and liabilities at fair value held for trading, derivative financial instruments, financial assets at fair value not held for trading, debt issued designated at fair value, and other financial liabilities designated at fair value. In determining the fair value of these financial instruments, the Group used valuation techniques, modelling assumptions, and estimates of unobservable market inputs which required significant management judgment.

Auditing management's judgments and assumptions used in the estimation of the fair value of these instruments was complex due to the highly judgmental nature of valuation techniques, key modelling assumptions and significant unobservable inputs. Auditing the valuation of complex or illiquid instruments at fair value included consideration of any incremental risks arising from the impact of current macroeconomic influences on valuation techniques and inputs. The valuation techniques that required especially complex judgement included discounted cash flow, earnings-based valuation techniques and complex derivative pricing models. Valuation inputs which were particularly complex and subjective included those with a limited degree of observability and the associated extrapolation, interpolation or calibration of inputs using limited and proxy data points. Examples of such inputs included unobservable credit spreads and interest rates, equity valuations, and equity volatility.

Our audit response

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over management's financial instrument valuation processes. This included controls over independent price verification, independent validation of methodologies, independent validation and usage monitoring of valuation models, and the calculation of fair value adjustments.

We tested the valuation techniques, models and methodologies, as well as the key inputs used in those models. We performed an independent revaluation of a sample of complex or illiquid financial assets and liabilities with the support of specialists using independent models and inputs. We also independently assessed the appropriateness of a sample of key inputs by comparing them to available market data or evaluating the suitability of proxy inputs where relevant.

Additionally, alongside our valuation specialists, we also independently challenged methodologies and key inputs in relation to fair value adjustments and performed recalculations for a sample of these using our own independent data and methodologies. We reviewed the observability of material Day 1 profit and loss adjustments by evaluating the availability and reliability of market data supporting initial valuations and evaluated management's processes for identifying and assessing unobservable inputs.

We also assessed management's disclosures over fair value measurement (within Notes 1 and 20 to the consolidated financial statements).

Expected credit losses

Area of focus At 31 December 2025, the Group's allowances and provisions for expected credit losses ("ECL") were USD 3,058 million. As explained in Notes 1, 9 and 19 to the consolidated financial statements, ECL is recognized for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, fee and lease receivables, financial guarantees, and loan commitments not measured at fair value. ECL is also recognized on the undrawn portion of committed unconditionally revocable credit lines, which include the Group's credit card limits and master credit facilities. The allowances and provisions for ECL consist of exposures that are in default which are individually evaluated for impairment ("stage 3" and purchased credit impaired "PCI"), as well as losses inherent in the loan portfolio that are not specifically identified ("stage 1" and "stage 2"). Management's ECL estimates represent the difference between contractual cash flows and those the Group expects to receive, discounted at the effective interest rate.

Auditing management's estimate of the allowances and provisions for ECL was complex due to the judgmental nature of forward-looking economic scenarios that form the basis of the ECL calculation and their probability weightings. Macroeconomic developments during 2025, such as geopolitical tensions and trade-policy, contributed to further uncertainty and complexity in estimating ECL. As a result, the ECL estimation required management judgement, specifically in connection with the scenario selection, which involves assumptions about the scenario severity, underlying macroeconomic variables, and the number of scenarios needed to adequately capture the range of potential outcomes, along with their associated weights. Additionally, auditing the measurement of certain individual ECL for stage 3 and PCI in the Personal and Corporate Banking business division was complex due to the judgment involved in management's process for estimating ECL based on assumptions. These assumptions consider expected future cash flows from collateral and other credit enhancements or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims.

Our audit response We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the ECL estimate. This included assessing management's selection of forward-looking economic scenarios used to measure ECL and the probability weights assigned to those scenarios. We evaluated management's methodologies and governance controls for developing and monitoring the economic scenarios and their associated probability weights. With the support of specialists, we assessed key macroeconomic variables used in the forward-looking scenarios, such as real gross domestic product growth, unemployment rates, interest rates and house price indices. We also evaluated the modelled correlation and translation of these macroeconomic factors into the ECL estimate.

For the measurement of certain individual ECL for stage 3 and PCI in the Personal and Corporate Banking business division, we obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's process, including an evaluation of the assumptions used by management regarding the future cash flows from debtors' continuing operations and/or the liquidation of collateral. Supported by specialists in certain areas, we additionally tested collateral valuation, cash flow assumptions and exit strategies by performing inquiries of management, inspecting underlying documents, such as loan contracts, financial statements, covenants, budgets and business plans, collateral valuation reports and by re-performing discounted cash flow calculations among other procedures, on a sample basis.

We also assessed management's disclosures regarding expected credit loss measurement (within Notes 1, 9 and 19 to the consolidated financial statements).

Recognition of deferred tax assets

Area of focus At 31 December 2025, the Group's deferred tax assets ("DTAs") were USD 11,525 million (see Note 8 to the consolidated financial statements). DTAs are recognized to the extent it is probable that taxable profits will be available, against which applicable deductible temporary differences or the carryforward of unused tax losses within the loss carryforward period can be used. Judgment is exercised when estimating future taxable income that is not based on the reversal of taxable temporary differences. Management's estimate of future taxable profits is based on its strategic plan and tax planning strategies which would be executed if necessary to generate additional future taxable income as well as the consideration of expiry dates of unused tax losses.

Auditing management's assessment of the recognition of the Group's DTAs was complex due to the judgmental nature of estimating future taxable profits and the consideration of tax planning strategies. Estimating future profitability is inherently subjective and tax planning strategies require judgement in applying applicable tax law.

Our audit response We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over DTA valuation, which included assumptions used in developing the strategic plan and estimating future taxable income and the consideration of tax planning strategies.

We assessed the completeness and accuracy of the input data used for the estimations of future taxable income and the appropriateness of tax planning strategies used in management's DTA recognition assessment. This included consideration of the expiry dates of unused tax losses.

We involved specialists to assist in assessing the key economic assumptions embedded in the strategic plans. We compared key assumptions used to forecast future taxable income to externally available historical and prospective data and assumptions and assessed the sensitivity of the outcomes using reasonably possible changes in assumptions.

We also assessed management's disclosure regarding recognized and unrecognized deferred tax assets (within Note 8 to the consolidated financial statements).

Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements of UBS Group AG and UBS AG, the standalone financial statements of UBS Group AG, the compensation report¹, and our auditor's reports thereon.

Our opinions on the consolidated financial statements of UBS Group AG and UBS AG, the standalone financial statements of UBS Group AG and the compensation report¹ do not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

¹ Specifically, the following tables in the compensation report: "Share ownership/entitlements of GEB members," "Total of all vested and unvested shares of GEB members," "Number of shares of BoD members," and "Total of all blocked and unblocked shares of BoD Members."

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our auditor's report.

Report on other legal and regulatory requirements

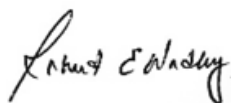
In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd



Isabelle Santenac
Licensed audit expert
(Auditor in charge)



Robert Wadley
Certified Public Accountant (U.S.)

UBS Group AG consolidated financial statements

Primary financial statements and share information

Audited I

Income statement

USD m	Note	For the year ended		
		31.12.25	31.12.24	31.12.23
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	3	27,948	35,994	31,743
Interest expense from financial instruments measured at amortized cost	3	(26,544)	(35,947)	(28,216)
Net interest income from financial instruments measured at fair value through profit or loss and other	3	6,343	7,061	3,770
Net interest income	3	7,747	7,108	7,297
Other net income from financial instruments measured at fair value through profit or loss	3	14,011	14,690	11,583
Fee and commission income	4	30,581	28,730	23,766
Fee and commission expense	4	(2,669)	(2,592)	(2,195)
Net fee and commission income	4	27,912	26,138	21,570
Other income	5	(96)	675	384
Total revenues		49,573	48,611	40,834
Negative goodwill	28			27,264
Credit loss expense / (release)	19	524	551	1,037
Personnel expenses	6	27,861	27,318	24,899
General and administrative expenses	7	8,807	10,124	10,156
Depreciation, amortization and impairment of non-financial assets	11, 12	3,529	3,798	3,750
Operating expenses		40,197	41,239	38,806
Operating profit / (loss) before tax		8,853	6,821	28,255
Tax expense / (benefit)	8	1,056	1,675	873
Net profit / (loss)		7,797	5,146	27,382
Net profit / (loss) attributable to non-controlling interests		30	60	16
Net profit / (loss) attributable to shareholders		7,767	5,085	27,366
Earnings per share (USD)				
Basic		2.46	1.59	8.68
Diluted		2.36	1.52	8.30

Statement of comprehensive income

USD m	Note	For the year ended		
		31.12.25	31.12.24	31.12.23
Comprehensive income attributable to shareholders				
Net profit / (loss)		7,767	5,085	27,366
Other comprehensive income that may be reclassified to the income statement				
Foreign currency translation				
Foreign currency translation movements related to net assets of foreign operations, before tax ¹		5,623	(4,726)	3,762
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax		(2,262)	2,957	(2,320)
Foreign currency translation differences on foreign operations reclassified to the income statement		(48)	24	58
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement		25	(33)	(28)
Income tax relating to foreign currency translations, including the effect of net investment hedges		(5)	24	(17)
Subtotal foreign currency translation, net of tax		3,333 ²	(1,754)	1,456
Financial assets measured at fair value through other comprehensive income				
Net unrealized gains / (losses), before tax		69	1	7
Net realized (gains) / losses reclassified to the income statement from equity		0	0	(3)
Income tax relating to net unrealized gains / (losses)		3	0	0
Subtotal financial assets measured at fair value through other comprehensive income, net of tax		72	1	4
Cash flow hedges of interest rate risk	24			
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax		464	(1,450)	(323)
Net (gains) / losses reclassified to the income statement from equity		1,134	2,000	1,905
Income tax relating to cash flow hedges		(302)	(69)	(308)
Subtotal cash flow hedges, net of tax		1,295	481	1,275
Cost of hedging	24			
Cost of hedging, before tax		74	(146)	(19)
Income tax relating to cost of hedging		0	0	0
Subtotal cost of hedging, net of tax		74	(146)	(19)
Total other comprehensive income that may be reclassified to the income statement, net of tax		4,774	(1,417)	2,715
Other comprehensive income that will not be reclassified to the income statement				
Defined benefit plans	25			
Gains / (losses) on defined benefit plans, before tax		(16)	(307)	110
Income tax relating to defined benefit plans		(28)	45	(70)
Subtotal defined benefit plans, net of tax		(44)	(261)	40
Own credit on financial liabilities designated at fair value	20			
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax		(502)	(10)	(1,850)
Income tax relating to own credit on financial liabilities designated at fair value		2	(9)	82
Subtotal own credit on financial liabilities designated at fair value, net of tax		(499)	(19)	(1,769)
Total other comprehensive income that will not be reclassified to the income statement, net of tax		(543)	(280)	(1,729)
Total other comprehensive income		4,231	(1,698)	986
Total comprehensive income attributable to shareholders		11,998	3,388	28,352
Comprehensive income attributable to non-controlling interests				
Net profit / (loss)		30	60	16
Total other comprehensive income that will not be reclassified to the income statement, net of tax		17	(47)	5
Total comprehensive income attributable to non-controlling interests		48	13	22
Total comprehensive income				
Net profit / (loss)		7,797	5,146	27,382
Other comprehensive income		4,248	(1,744)	991
of which: other comprehensive income that may be reclassified to the income statement		4,774	(1,417)	2,715
of which: other comprehensive income that will not be reclassified to the income statement		(526)	(327)	(1,723)
Total comprehensive income		12,045	3,401	28,374

¹ Includes foreign currency translation differences as incurred by UBS's associates where UBS has recorded its share in these differences. The year ended 31 December 2025 includes a USD 93m gain from UBS's share of a reclassification of foreign currency translation differences to the income statement as recorded by an associate of UBS. ² Mainly reflects a weakening of the US dollar against the Swiss franc and the euro.

Balance sheet

USD m	Note	31.12.25	31.12.24
Assets			
Cash and balances at central banks		209,858	223,329
Amounts due from banks	9	19,649	18,903
Receivables from securities financing transactions measured at amortized cost	9, 21	83,656	118,301
Cash collateral receivables on derivative instruments	9, 21	41,552	43,959
Loans and advances to customers	9	653,846	579,967
Other financial assets measured at amortized cost	9, 13a	71,897	58,835
Total financial assets measured at amortized cost		1,080,458	1,043,293
Financial assets at fair value held for trading	20	174,699	159,065
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>		<i>44,627</i>	<i>38,532</i>
Derivative financial instruments	10, 20, 21	147,778	185,551
Brokerage receivables	20	35,579	25,858
Financial assets at fair value not held for trading	20	107,575	95,472
Total financial assets measured at fair value through profit or loss		465,631	465,947
Financial assets measured at fair value through other comprehensive income	20	13,868	2,195
Investments in associates	27b	2,332	2,306
Property, equipment and software	11	16,057	15,498
Goodwill and intangible assets	12	6,948	6,887
Deferred tax assets	8	11,525	11,134
Other non-financial assets	13b	20,609	17,766
Total assets		1,617,427	1,565,028
Liabilities			
Amounts due to banks	14	24,434	23,347
Payables from securities financing transactions measured at amortized cost	21	16,225	14,833
Cash collateral payables on derivative instruments	21	34,222	35,490
Customer deposits	14	788,367	745,777
Debt issued measured at amortized cost	16	214,706	214,219
Other financial liabilities measured at amortized cost	18a	15,862	21,033
Total financial liabilities measured at amortized cost		1,093,816	1,054,698
Financial liabilities at fair value held for trading	20	53,700	35,247
Derivative financial instruments	10, 20, 21	156,243	180,636
Brokerage payables designated at fair value	20	62,202	49,023
Debt issued designated at fair value	15, 20	113,794	107,909
Other financial liabilities designated at fair value	18b, 20	28,184	28,699
Total financial liabilities measured at fair value through profit or loss		414,123	401,514
Provisions and contingent liabilities	17a	5,035	8,409
Other non-financial liabilities	18c	13,970	14,834
Total liabilities		1,526,944	1,479,454
Equity			
Share capital		334	346
Share premium		9,217	12,012
Treasury shares		(7,891)	(6,402)
Retained earnings		82,740	78,035
Other comprehensive income recognized directly in equity, net of tax		5,813	1,088
Equity attributable to shareholders		90,213	85,079
Equity attributable to non-controlling interests		271	494
Total equity		90,484	85,574
Total liabilities and equity		1,617,427	1,565,028

Statement of changes in equity

USD m	Share capital	Share premium	Treasury shares	Retained earnings
Balance as of 31 December 2022	304	13,546	(6,874)	50,004
Purchase price consideration for the acquisition of the Credit Suisse Group, before consideration of share-based compensation awards		619	2,928	
Impact of share-based compensation awards from the acquisition of the Credit Suisse Group		162		
Impact of the settlement of pre-existing relationships from the acquisition of the Credit Suisse Group			(61)	
Acquisition of treasury shares			(3,070) ²	
Delivery of treasury shares under share-based compensation plans		(858)	970	
Other disposal of treasury shares		10	196 ²	
Cancellation of treasury shares related to the 2021 share repurchase program	(7)	(554)	1,115	(554)
Share-based compensation expensed in the income statement		1,097		
Tax (expense) / benefit		19		
Dividends		(839) ³		(839) ³
Equity classified as obligation to purchase own shares		11		
Translation effects recognized directly in retained earnings				150
Share of changes in retained earnings of associates and joint ventures				(1)
Share capital currency change	49	(49)		
New consolidations / (deconsolidations) and other increases / (decreases)		53 ⁴		
Total comprehensive income for the year				25,637
of which: net profit / (loss)				27,366
of which: OCI, net of tax				(1,729)
Balance as of 31 December 2023	346	13,216	(4,796)	74,397
Acquisition of treasury shares			(3,091) ²	
Delivery of treasury shares under share-based compensation plans		(1,286)	1,364	
Other disposal of treasury shares		4	121 ²	
Share-based compensation expensed in the income statement		1,104		
Tax (expense) / benefit		23		
Dividends		(1,128) ³		(1,128) ³
Equity classified as obligation to purchase own shares		(6)		
Translation effects recognized directly in retained earnings				(44)
Share of changes in retained earnings of associates and joint ventures				(3)
New consolidations / (deconsolidations) and other increases / (decreases)		86		7
Total comprehensive income for the year				4,805
of which: net profit / (loss)				5,085
of which: OCI, net of tax				(280)
Balance as of 31 December 2024	346	12,012	(6,402)	78,035
Acquisition of treasury shares			(5,436) ²	
Delivery of treasury shares under share-based compensation plans		(1,387)	1,569	
Other disposal of treasury shares		(1)	100 ²	
Cancellation of treasury shares related to the 2022 share repurchase program ⁶	(12)	(1,133)	2,277	(1,133)
Share-based compensation expensed in the income statement		1,107		
Tax (expense) / benefit		160		
Dividends		(1,433) ³		(1,433) ³
Equity classified as obligation to purchase own shares		(15)		
Translation effects recognized directly in retained earnings				50
Share of changes in retained earnings of associates and joint ventures				(2)
New consolidations / (deconsolidations) and other increases / (decreases)		(93)		0
Total comprehensive income for the year				7,223
of which: net profit / (loss)				7,767
of which: OCI, net of tax				(543)
Balance as of 31 December 2025	334	9,217	(7,891)	82,740

¹ Excludes other comprehensive income related to defined benefit plans and own credit, which is recorded directly in Retained earnings. ² Includes treasury shares acquired and disposed of by the Investment Bank in its capacity as a market-maker with regard to UBS Group AG shares and related derivatives, and to hedge certain issued structured debt instruments. These acquisitions and disposals are reported based on the sum of the net monthly movements. ³ Reflects the payment of an ordinary cash dividend of USD 0.90 (2024: USD 0.70; 2023: USD 0.55) per dividend-bearing share. Swiss tax law requires Switzerland-domiciled companies with shares listed on a Swiss stock exchange to pay no more than 50% of dividends from capital contribution reserves, with the remainder required to be paid from retained earnings. ⁴ Includes an increase of USD 45m related to the issuance of high-trigger loss-absorbing additional tier 1 capital with an equity conversion feature. ⁵ Includes an increase of USD 285m in the second quarter of 2023 due to the acquisition of the Credit Suisse Group. ⁶ Reflects the cancellation of 120,506,008 shares purchased under UBS's 2022 share repurchase program as approved by shareholders at the 2025 Annual General Meeting. Swiss tax law requires Switzerland-domiciled companies with shares listed on a Swiss stock exchange to reduce capital contribution reserves by at least 50% of the total capital reduction amount exceeding the nominal value upon cancellation of the shares. ⁷ Mainly reflects effects from UBS's increase in its stake in UBS Securities China from 67% to 100% and UBS's sale of a 36.01% stake in another subsidiary, Credit Suisse Securities (China) Limited. Refer to Note 28 for more information.

Other comprehensive income recognized directly in equity, net of tax ¹	<i>of which: foreign currency translation</i>	<i>of which: financial assets at fair value through OCI</i>	<i>of which: cash flow hedges</i>	<i>of which: cost of hedging</i>	Total equity attributable to shareholders	Non-controlling interests	Total equity
(103)	4,128	(4)	(4,234)	7	56,876	342	57,218
					3,547		3,547
					162		162
					(61)		(61)
					(3,070)		(3,070)
					112		112
					206		206
					0		0
					1,097		1,097
					19		19
					(1,679)	(4)	(1,683)
					11		11
(150)		0	(150)	0	0		0
					(1)		(1)
					0		0
					53	172 ⁵	224
2,715	1,456	4	1,275	(19)	28,352	22	28,374
					27,366	16	27,382
2,715	1,456	4	1,275	(19)	986	5	991
2,462	5,584	(1)	(3,109)	(13)	85,624	531	86,156
					(3,091)		(3,091)
					78		78
					124		124
					1,104		1,104
					23		23
					(2,256)	(30)	(2,285)
					(6)		(6)
44		0	44	0	0		0
					(3)		(3)
					93	(20)	73
(1,417)	(1,754)	1	481	(146)	3,388	13	3,401
					5,085	60	5,146
(1,417)	(1,754)	1	481	(146)	(1,698)	(47)	(1,744)
1,088	3,830	0	(2,585)	(158)	85,079	494	85,574
					(5,436)		(5,436)
					182		182
					99		99
					0		0
					1,107		1,107
					160		160
					(2,866)	(28)	(2,894)
					(15)		(15)
(50)		0	(50)	0	0		0
					(2)		(2)
					(93)	(243) ⁷	(337)
4,774	3,333	72	1,295	74	11,998	48	12,045
					7,767	30	7,797
4,774	3,333	72	1,295	74	4,231	17	4,248
5,813	7,163	73	(1,339)	(84)	90,213	271	90,484

Ordinary share capital

As of 31 December 2025, UBS Group AG had 3,341,581,714 issued fully paid registered shares with a nominal value of USD 0.10 each (31 December 2024: 3,462,087,722 shares) leading to a share capital of USD 334,158,171.40.

Conditional capital

As of 31 December 2025, the following conditional capital was available to the Board of Directors (the BoD) of UBS Group AG.

- Conditional capital in the amount of USD 38,000,000 for the issuance of a maximum of 380,000,000 fully paid registered shares with a nominal value of USD 0.10 each, to be issued through the voluntary or mandatory exercise of conversion rights and / or warrants granted in connection with the issuance of bonds or similar financial instruments by UBS Group AG or another member of the Group on national or international capital markets. This conditional capital allowance was approved at the Extraordinary General Meeting (the EGM) held on 26 November 2014, having originally been approved at the Annual General Meeting (the AGM) of UBS AG on 14 April 2010. The BoD has not made use of such allowance.
- Conditional capital in the amount of USD 12,170,583 for the issuance of a maximum of 121,705,830 fully paid registered shares with a nominal value of USD 0.10 each, to be issued upon exercise of employee options and stock appreciation rights issued to employees and members of the management and of the BoD of UBS Group AG and its subsidiaries; however, there were no employee options or stock appreciation rights outstanding as of 31 December 2025. This conditional capital allowance was approved by the shareholders at the same EGM in 2014.

Conversion capital

As of 31 December 2025, UBS Group AG had conversion capital in the amount of USD 70,000,000, for the issuance of a maximum of 700,000,000 fully paid registered shares with a nominal value of USD 0.10 each. The issuance of fully paid registered shares only occurs through the mandatory conversion of claims arising upon the occurrence of one or more trigger events under financial market instruments with contingent conversion features issued by UBS Group AG. The creation of this conversion capital was approved at the AGM held on 24 April 2024.

Capital band and reserve capital

As of 31 December 2025, UBS Group AG had not introduced any capital band or any reserve capital.

Share repurchase programs

In March 2022, UBS commenced a two-year share repurchase program of up to USD 6bn, which concluded on 28 March 2024. Under this program, UBS repurchased 121m shares for a total acquisition cost of USD 2,277m (CHF 2,138m). A total of 120,506,008 shares repurchased under this program were canceled by means of a capital reduction in 2025, as approved by shareholders at the 2025 AGM.

On 3 April 2024, UBS launched a 2024 share repurchase program, which concluded on 23 May 2025. Shares acquired under this program totaled 64m as of 31 December 2025 for a total acquisition cost of USD 2,000m (CHF 1,739m).

On 1 July 2025, UBS launched a 2025 share repurchase program, which concluded on 20 November 2025. Shares acquired under this program totaled 53m as of 31 December 2025 for a total acquisition cost of USD 2,000m (CHF 1,602m).

Shares outstanding and earnings per share

	As of or for the year ended		
	31.12.25	31.12.24	31.12.23
Shares outstanding			
Shares issued			
Balance at the beginning of the year	3,462,087,722	3,462,087,722	3,524,635,722
Shares canceled	(120,506,008) ¹		(62,548,000) ²
Balance at the end of the year	3,341,581,714	3,462,087,722	3,462,087,722
Treasury shares			
Balance at the beginning of the year	287,262,471	253,233,437	416,909,010
Acquisitions	149,978,076	102,499,468	138,791,939
Deliveries under share-based compensation plans and disposals	(66,852,016)	(68,470,434)	(64,270,031)
Cancellation of second trading line treasury shares	(120,506,008) ¹		(62,548,000) ²
Shares transferred to Credit Suisse Group shareholders as consideration for the acquisition of the Credit Suisse Group			(175,649,481)
Balance at the end of the year	249,882,523	287,262,471	253,233,437
Shares outstanding	3,091,699,191	3,174,825,251	3,208,854,285
Basic and diluted earnings (USD m)			
Net profit / (loss) attributable to shareholders for basic EPS	7,767	5,085	27,366
Less: (profit) / loss on own equity derivative contracts	0	0	0
Net profit / (loss) attributable to shareholders for diluted EPS	7,767	5,085	27,366
Weighted average shares outstanding			
Weighted average shares outstanding for basic EPS ³	3,151,644,447	3,198,481,827	3,152,579,449
Effect of dilutive potential shares resulting from notional employee shares, in-the-money options and warrants outstanding ⁴	138,600,855	152,630,143	143,416,753
Weighted average shares outstanding for diluted EPS	3,290,245,302	3,351,111,970	3,295,996,202
Earnings per share (USD)			
Basic	2.46	1.59	8.68
Diluted	2.36	1.52	8.30
Potentially dilutive instruments⁵			
Employee share-based compensation awards	20,171,877	11,003,130	2,807,589
Other equity derivative contracts	3,799,522	3,121,746	2,831,228
Total	23,971,399	14,124,877	5,638,817

¹ Reflects the cancellation of shares purchased under UBS's 2022 share repurchase program as approved by shareholders at the 2025 Annual General Meeting (the AGM). ² Reflects the cancellation of shares purchased under UBS's 2021 share repurchase program as approved by shareholders at the 2023 AGM. ³ The weighted average shares outstanding for basic EPS are calculated by taking the number of shares at the beginning of the period, adjusted by the number of shares acquired or issued during the period, multiplied by a time-weighted factor for the period outstanding. As a result, balances are affected by the timing of acquisitions and issuances during the period. ⁴ The weighted average number of shares for notional employee awards with performance conditions reflects all potentially dilutive shares that are expected to vest under the terms of the awards. ⁵ Reflects potential shares that could dilute basic earnings per share in the future but were not dilutive for the periods presented.

Statement of cash flows

USD m	For the year ended		
	31.12.25	31.12.24	31.12.23
Cash flow from / (used in) operating activities			
Net profit / (loss)	7,797	5,146	27,382
Non-cash items included in net profit and other adjustments			
Depreciation, amortization and impairment of non-financial assets	3,529	3,798	3,750
Credit loss expense / (release)	524	551	1,037
Share of net (profit) / loss of associates and joint ventures and impairment related to associates	(77)	(144)	348
Deferred tax expense / (benefit)	(382)	(495)	(694)
Net loss / (gain) from investing activities	(485)	101	(102)
Net loss / (gain) from financing activities	17,866	(5,314)	8,534
Negative goodwill			(27,264)
Other net adjustments ¹	(28,570)	22,379	(15,175)
Net change in operating assets and liabilities¹			
Amounts due from banks and amounts due to banks	(77)	(2,353)	3,291
Receivables from securities financing transactions measured at amortized cost	40,504	(23,884)	(3,503)
Payables from securities financing transactions measured at amortized cost	800	(552)	(2,014)
Cash collateral on derivative instruments	1,590	242	96
Loans and advances to customers	(16,316)	27,019	27,877
Customer deposits	(12,939)	(15,072)	52,786
Financial assets and liabilities at fair value held for trading and derivative financial instruments	25,196	(13,594)	3,674
Brokerage receivables and payables	2,928	2,179	(5,962)
Financial assets at fair value not held for trading and other financial assets and liabilities	(13,411)	5,327	9,938
Provisions and other non-financial assets and liabilities	(4,577)	(116)	3,920
Income taxes paid, net of refunds	(2,049)	(1,938)	(1,852)
Net cash flow from / (used in) operating activities²	21,851	3,279	86,068
Cash flow from / (used in) investing activities			
Cash and cash equivalents acquired upon the acquisition of the Credit Suisse Group ³			108,406
Purchase of subsidiaries, businesses, associates and intangible assets	(17)	(64)	(4)
Disposal of subsidiaries, businesses, associates and intangible assets ⁴	653 ⁵	256	121
Purchase of property, equipment and software	(2,362)	(2,008)	(1,685)
Disposal of property, equipment and software	209	108	65
Purchase of financial assets measured at fair value ⁶	(16,717)	(4,638)	(4,157)
Disposal and redemption of financial assets measured at fair value ⁶	5,210	4,635	4,187
Purchase of debt securities measured at amortized cost	(21,569)	(5,962)	(14,244)
Disposal and redemption of debt securities measured at amortized cost	11,791	8,384	10,435
Net cash flow from / (used in) investing activities	(22,802)	709	103,124

Statement of cash flows (continued)

Statement of cash flows (continued)

Table continues below.

USD m	For the year ended		
	31.12.25	31.12.24	31.12.23
Cash flow from / (used in) financing activities			
Repayment of Swiss National Bank funding ⁷		(42,587)	(56,516)
Net issuance (repayment) of short-term debt measured at amortized cost	1,692	(7,407)	3,169
Net movements in treasury shares and own equity derivative activity	(5,178)	(2,923)	(2,779)
Distributions paid on UBS Group AG shares	(2,866)	(2,256)	(1,679)
Issuance of debt designated at fair value and long-term debt measured at amortized cost	131,476	100,145	109,735
Repayment of debt designated at fair value and long-term debt measured at amortized cost	(154,614)	(129,683)	(109,471)
Inflows from securities financing transactions measured at amortized cost ⁸	2,319	6,273	
Outflows from securities financing transactions measured at amortized cost ⁸	(2,734)	(4,740)	
Net cash flows from other financing activities	(959)	(987)	(721)
Net cash flow from / (used in) financing activities	(30,863)	(84,165)	(58,262)
Total cash flow			
Cash and cash equivalents at the beginning of the year	244,090	340,207	195,321
Net cash flow from / (used in) operating, investing and financing activities	(31,815)	(80,176)	130,931
Effects of exchange rate differences on cash and cash equivalents ¹	19,098	(15,940)	13,955
Cash and cash equivalents at the end of the year^{9,10}	231,375	244,090	340,207
<i>of which: cash and balances at central banks¹⁰</i>	<i>209,858</i>	<i>223,329</i>	<i>313,976</i>
<i>of which: amounts due from banks¹⁰</i>	<i>18,292</i>	<i>17,383</i>	<i>19,212</i>
<i>of which: money market paper^{10,11}</i>	<i>3,224</i>	<i>3,117</i>	<i>7,018</i>

Additional information

Net cash flow from / (used in) operating activities includes:

Interest received in cash	42,589	53,498	44,581
Interest paid in cash	37,749	48,252	35,969
Dividends on equity investments, investment funds and associates received in cash ⁴	3,204	2,864	2,296

¹ Foreign currency translation and foreign exchange effects on operating assets and liabilities and on cash and cash equivalents are presented within the Other net adjustments line, with the exception of foreign currency hedge effects related to foreign exchange swaps, which are presented on the line Financial assets and liabilities at fair value held for trading and derivative financial instruments. ² Includes cash receipts from the sale of loans and loan commitments as of 31 December 2025 of USD 780m (31 December 2024: USD 13,210m; 31 December 2023: USD 4,289m) within Non-core and Legacy. ³ Refer to Note 28 for more information. ⁴ Includes dividends received from associates. ⁵ Includes cash proceeds of USD 767m, net of outflows related to cash and cash equivalents of USD 276m, mainly from: the sale of Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse; the sale of a stake in Credit Suisse Securities (China) Limited; and the sale of a wealth management business in India. For the comparative periods the cash proceeds received were not materially different from the cash flows net of cash and cash equivalents disposed from losing control of subsidiaries and other businesses as reported. Refer to Note 28 for more information. ⁶ Includes cash flows in relation to financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. ⁷ Reflects the repayment of the Emergency Liquidity Assistance facility to the Swiss National Bank, which was recognized in the Amounts due to banks balance sheet line. ⁸ Reflects cash flows from securities financing transactions measured at amortized cost that use UBS debt instruments as the underlying. ⁹ As of 31 December 2025, the balance included USD 19,118m (31 December 2024: USD 16,584m; 31 December 2023: USD 11,996m) of Cash and cash equivalents not available for general use by the Group, which consisted of USD 5,169m (31 December 2024: USD 4,730m; 31 December 2023: USD 4,944m) considered by the Group as restricted (refer to Note 22 for more information) and USD 13,950m (31 December 2024: USD 11,855m; 31 December 2023: USD 7,052m) placed at central banks to meet local statutory minimum reserve requirements. ¹⁰ Includes only balances with an original maturity of three months or less. ¹¹ Money market paper is included in the balance sheet under Financial assets at fair value not held for trading (31 December 2025: USD 2,779m; 31 December 2024: USD 2,589m; 31 December 2023: USD 6,345m). Other financial assets measured at amortized cost (31 December 2025: USD 437m; 31 December 2024: USD 402m; 31 December 2023: USD 415m) and Financial assets at fair value held for trading (31 December 2025: USD 8m; 31 December 2024: USD 126m; 31 December 2023: USD 259m).

Changes in liabilities arising from financing activities

USD m	Debt issued measured at amortized cost	of which: short-term ¹	of which: long-term ²	Securities financing transactions measured at amortized cost ³	Swiss National Bank funding ⁴	Debt issued designated at fair value	Over-the-counter debt instruments ⁵	Total
Balance as of 31 December 2023	237,817	38,530	199,288	7,659	44,854	128,289	5,625	424,245
Cash flows	(17,469)	(7,407)	(10,062)	1,533	(42,587)	(19,194)	(281)	(77,998)
Non-cash changes	(6,129)	(613)	(5,516)	(411)	(2,267)	(1,186)	192	(9,801)
<i>of which: foreign currency translation</i>	<i>(6,630)</i>	<i>(613)</i>	<i>(6,017)</i>	<i>(376)</i>	<i>(2,267)</i>	<i>(3,245)</i>	<i>(260)</i>	<i>(12,778)</i>
<i>of which: fair value changes</i>						2,388	(87)	2,301
<i>of which: hedge accounting and other effects</i>	<i>501</i>		<i>501</i>	<i>(35)</i>		<i>(329)</i>	<i>539</i>	<i>676</i>
Balance as of 31 December 2024	214,219	30,509	183,709	8,782		107,909	5,536	336,446
Cash flows	(15,687)	1,692	(17,379)	(416)		(4,482)	(1,277)	(21,861)
Non-cash changes	16,174	1,669	14,506	710		10,367	(981)	26,269
<i>of which: foreign currency translation</i>	<i>13,002</i>	<i>1,669</i>	<i>11,333</i>	<i>719</i>		<i>4,765</i>	<i>121</i>	<i>18,606</i>
<i>of which: fair value changes</i>						5,343	(23)	5,320
<i>of which: hedge accounting and other effects</i>	<i>3,172</i>		<i>3,172</i>	<i>(9)</i>		<i>259</i>	<i>(1,080)</i>	<i>2,342</i>
Balance as of 31 December 2025	214,706	33,870	180,836	9,076		113,794	3,277	340,854

¹ Debt with an original contractual maturity of less than one year. ² Debt with an original maturity greater than or equal to one year. The classification of debt issued into short-term and long-term does not consider any early redemption features. ³ Reflects securities financing transactions measured at amortized cost that use UBS debt instruments as the underlying. ⁴ Reflects the Emergency Liquidity Assistance facility from the Swiss National Bank, which was recognized in the Amounts due to banks balance sheet line. ⁵ Included in the balance sheet line Other financial liabilities designated at fair value.

Notes to the UBS Group AG consolidated financial statements

Note 1 Summary of material accounting policies

The following table provides an overview of information included in this Note.

261	a) Material accounting policies	272	3) Fee and commission income and expenses
261	Basis of accounting	272	4) Share-based and other deferred compensation plans
261	Comparability	273	5) Post-employment benefit plans
261	1) Consolidation and business combinations	273	6) Income taxes
261	<i>Consolidation</i>	274	7) Investments in associates
262	<i>Business combinations</i>	274	8) Property, equipment and software
262	2) Financial instruments	274	9) Goodwill and other separately identifiable intangible assets
262	a. <i>Recognition</i>	275	10) Provisions and contingent liabilities
262	b. <i>Classification, measurement and presentation</i>	275	11) Foreign currency translation
265	c. <i>Loan commitments and financial guarantees</i>	276	12) UBS Group AG shares held (treasury shares)
266	d. <i>Interest income and expense</i>	276	13) Cash and cash equivalents
266	e. <i>Derecognition</i>		
266	f. <i>Fair value of financial instruments</i>	276	b) Changes in IFRS Accounting Standards and Interpretations
267	g. <i>Allowances and provisions for expected credit losses</i>		
271	h. <i>Restructured and modified financial assets</i>		
271	i. <i>Offsetting</i>		
271	j. <i>Hedge accounting</i>		

Note 1 Summary of material accounting policies (continued)

a) Material accounting policies

This Note describes the material accounting policies applied in the preparation of the consolidated financial statements (the Financial Statements) of UBS Group AG and its subsidiaries (UBS or the Group). On 6 March 2026, the Financial Statements were authorized for issue by the Board of Directors of UBS Group AG (the BoD) and are subject to approval by the Annual General Meeting of Shareholders on 15 April 2026.

Basis of accounting

The Financial Statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB), and are presented in US dollars.

Disclosures marked as audited in the "Risk, capital, liquidity and funding, and balance sheet" section of this report form an integral part of the Financial Statements. These disclosures relate to requirements under IFRS 7, *Financial Instruments: Disclosures*, and IAS 1, *Presentation of Financial Statements*, and are not repeated in this section.

The accounting policies described in this Note have been applied consistently in all years presented unless otherwise stated in Note 1b.

Critical accounting estimates and judgments

Preparation of these Financial Statements under IFRS Accounting Standards requires management to apply judgment and make estimates and assumptions that affect reported amounts of assets, liabilities, income and expenses, and disclosure of contingent assets and liabilities, and may involve significant uncertainty at the time they are made. Such estimates and assumptions are based on the best available information. UBS regularly reassesses such estimates and assumptions, which encompass historical experience, expectations of the future and other pertinent factors, to determine their continuing relevance based on current conditions, updating them as necessary. Changes in those estimates and assumptions may have a significant effect on the Financial Statements. Furthermore, actual results may differ significantly from UBS's estimates, which could result in significant losses to the Group, beyond what was anticipated or provided for.

The following areas contain estimation uncertainty or require critical judgment and have a significant effect on amounts recognized in the Financial Statements:

- expected credit loss measurement (refer to item 2g in this Note and to Note 19);
- fair value measurement (refer to item 2f in this Note and to Note 20);
- income taxes (refer to item 6 in this Note and to Note 8);
- provisions and contingent liabilities (refer to item 10 in this Note and to Note 17); and
- goodwill (refer to item 9 in this Note and to Note 12).

Comparability

The income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the years ended 31 December 2025 and 31 December 2024 are based entirely on consolidated data following the acquisition of the Credit Suisse Group. The income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2023 include seven months of post-acquisition consolidated data following the acquisition of the Credit Suisse Group (June through December 2023) and five months of UBS Group data only (January through May 2023).

The balance sheet information as at 31 December 2025 and as at 31 December 2024 is based entirely on post-merger consolidated information.

› Refer to Note 28 for more information

1) Consolidation and business combinations

Consolidation

The Financial Statements include the financial statements of the parent company (UBS Group AG) and its subsidiaries, presented as a single economic entity; intercompany transactions and balances have been eliminated. UBS consolidates all entities that it controls, including structured entities (SEs), which is the case when it has: (i) power over the relevant activities of the entity; (ii) exposure to the variable returns from involvement with the entity; and (iii) the ability to use its power to affect its own returns.

Consideration is given to all facts and circumstances to determine whether the Group has power over another entity, i.e. the current ability to direct the relevant activities of an entity when decisions about those activities need to be made.

Subsidiaries, including SEs, are consolidated from the date when control is gained and deconsolidated from the date when control ceases. Control, or the lack thereof, is reassessed if facts and circumstances indicate that there is a change to one or more elements required to establish that control is present.

› Refer to Note 27 for more information

Note 1 Summary of material accounting policies (continued)

Business combinations

Business combinations are accounted for using the acquisition method, as prescribed by IFRS 3, *Business Combinations*. Under this method, any excess of the acquisition-date amounts of the identifiable net assets acquired over the fair value of the consideration transferred results in negative goodwill that is recognized in the income statement on the date of the acquisition, with transaction costs expensed as incurred.

2) Financial instruments

a. Recognition

UBS generally recognizes financial instruments when it becomes a party to contractual provisions of an instrument. However, UBS does not recognize assets received in transfers that do not qualify for derecognition by the transferor (symmetrically applying derecognition principles under IFRS Accounting Standards as described in item 2e below). UBS applies settlement date accounting to all standard purchases and sales of non-derivative financial instruments.

UBS may act in a fiduciary capacity for individuals, trusts, retirement benefit plans and other institutions, holding or placing assets on their behalf. Unless these activities qualify for recognition, applying the above criteria such assets are not recognized on UBS's balance sheet.

Client cash balances associated with derivatives clearing and execution services are not recognized on the balance sheet if, through contractual agreement, regulation or practice, UBS neither obtains benefits from nor controls such cash balances.

b. Classification, measurement and presentation

Financial assets

Where the contractual terms of a debt instrument held result in cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, the debt instrument is classified as measured at amortized cost if it is held within a business model that has an objective of holding financial assets to collect contractual cash flows, or at fair value through other comprehensive income (FVOCI) if it is held within a business model that has an objective of both collecting contractual cash flows and selling financial assets.

All other financial assets are measured at fair value through profit or loss (FVTPL), including those held for trading or those managed on a fair value basis, except for derivatives designated in certain hedge accounting relationships (refer to item 2j in this Note for more information).

UBS determines the nature of a business model by considering the way portfolios of financial assets are managed to achieve a particular business objective at the time an asset is recognized.

In assessing whether contractual cash flows are SPPI, the Group considers whether the contractual terms of the financial asset contain a term that could change the timing or amount of contractual cash flows arising over the life of the instrument by a significant amount. This assessment includes contractual cash flows that may vary due to environmental, social and governance (ESG) triggers.

Financial liabilities

Financial liabilities measured at amortized cost

Debt issued measured at amortized cost includes contingent capital instruments issued prior to November 2023 that contain contractual provisions under which the principal amounts would be written down upon either a specified common equity tier 1 (CET1) ratio breach or a determination by the Swiss Financial Market Supervisory Authority (FINMA) that a viability event has occurred. Such contractual provisions are not derivatives, as the underlying is deemed to be a non-financial variable specific to a party to the contract. Issuances after November 2023 include a contractual equity conversion feature with the same triggers, i.e. a CET1 ratio breach or a FINMA-determined viability event. When the debt is issued in US dollars, these conversion features are classified as equity and are presented in *Share premium* separately from the amortized cost debt host.

Note 1 Summary of material accounting policies (continued)

When the legal bail-in mechanism for write-down or conversion into equity does not form part of the contractual terms of issued debt instruments, it does not affect the accounting classification of these instruments as debt or equity.

If a debt were to be written down or converted into equity in a future period, it would be partially or fully derecognized, with the difference between its carrying amount and the fair value of any equity issued recognized in the income statement, with the conversion features classified as equity always remaining in *Equity attributable to shareholders*.

Financial liabilities measured at fair value through profit or loss

UBS designates certain issued debt instruments as financial liabilities at fair value through profit or loss, on the basis that such financial instruments include embedded derivatives that are not closely related to the host contract and that significantly impact the cash flows of the instrument and / or are managed on a fair value basis (refer to the table below for more information). Financial instruments including embedded derivatives arise predominantly from the issuance of certain structured debt instruments.

Measurement and presentation

On initial recognition, financial instruments are measured at fair value adjusted for directly attributable transaction costs, unless the instrument is classified at FVTPL, in which case transaction costs are excluded.

After initial recognition, UBS classifies, measures and presents its financial assets and liabilities in accordance with IFRS 9, as described in the table below.

Classification, measurement and presentation of financial assets

Financial assets classification		Significant items included	Measurement and presentation
Measured at amortized cost		This classification includes: – cash and balances at central banks; – amounts due from banks; – receivables from securities financing transactions; – cash collateral receivables on derivative instruments; – residential and commercial mortgages; – corporate loans; – secured loans, including Lombard loans, and unsecured loans; and – debt securities held as high-quality liquid assets (HQLA).	Measured at amortized cost using the effective interest method less allowances for expected credit losses (ECL) (refer to items 2d and 2g in this Note for more information). The following items are recognized in the income statement: – interest income, which is accounted for in accordance with item 2d in this Note; – ECL and reversals; and – foreign exchange (FX) translation gains and losses. When a financial asset at amortized cost is derecognized, the gain or loss is recognized in the income statement. For amounts arising from daily settlement of certain derivatives, see below in this table.
Measured at FVOCI	Debt instruments measured at FVOCI	This classification primarily includes debt securities held as HQLA.	Measured at fair value, with unrealized gains and losses reported in <i>Other comprehensive income</i>, net of applicable income taxes, until such instruments are derecognized. Upon derecognition, any accumulated balances in <i>Other comprehensive income</i> are reclassified to the income statement and reported within <i>Other income</i>. The following items, which are determined on the same basis as for financial assets measured at amortized cost, are recognized in the income statement: – interest income, which is accounted for in accordance with item 2d in this Note; – ECL and reversals; and – FX translation gains and losses.

Note 1 Summary of material accounting policies (continued)

Classification, measurement and presentation of financial assets

Financial assets classification	Significant items included	Measurement and presentation	
Measured at FVTPL	Held for trading	Financial assets held for trading include: – all derivatives with a positive replacement value, except those that are designated and effective hedging instruments; and – other financial assets originated or acquired principally for the purpose of selling or repurchasing in the near term, or that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Included in this category are debt instruments (including those in the form of securities, money market paper, and traded corporate and bank loans) and equity instruments.	Measured at fair value, with changes recognized in the income statement. Derivative assets (including derivatives that are designated and effective hedging instruments) are generally presented as <i>Derivative financial instruments</i>, except those exchange-traded derivatives (ETD) and over-the-counter (OTC)-cleared derivatives that are legally settled on a daily basis or economically net settled on a daily basis, which are presented within <i>Cash collateral receivables on derivative instruments</i>. Changes in fair value, initial transaction costs, dividends and gains and losses arising on disposal or redemption are recognized in <i>Other net income from financial instruments measured at fair value through profit or loss</i>, except interest income on instruments other than derivatives (refer to item 2d in this Note), interest on derivatives designated as hedging instruments in hedges of interest rate risk and forward points on certain short- and long-duration FX and interest rate contracts acting as economic hedges, which are reported in <i>Net interest income</i>. Changes in the fair value of derivatives that are designated and effective hedging instruments are presented either in the income statement or <i>Other comprehensive income</i>, depending on the type of hedge relationship (refer to item 2j in this Note for more information).
	Mandatorily measured at FVTPL – Other	Financial assets mandatorily measured at FVTPL that are not held for trading include: – certain structured instruments and receivables from securities financing transactions that are managed on a fair value basis; – loans managed on a fair value basis, including those hedged with credit derivatives; – certain debt securities held as HQLA and managed on a fair value basis; – brokerage receivables, for which contractual cash flows do not meet the SPPI criterion because the aggregate balance is accounted for as a single unit of account, with interest being calculated on the individual components; – equity instruments; and – assets held under unit-linked investment contracts.	

Note 1 Summary of material accounting policies (continued)

Classification, measurement and presentation of financial liabilities

Financial liabilities classification		Significant items included	Measurement and presentation
Measured at amortized cost		This classification includes: – demand and time deposits; – retail savings / deposits; – sweep deposits; – payables from securities financing transactions; – non-structured debt issued; – subordinated debt; – commercial paper and certificates of deposit; and – cash collateral payables on derivative instruments.	Measured at amortized cost using the effective interest method. When a financial liability at amortized cost is derecognized, the gain or loss is recognized in the income statement. Interest income generated from client deposits derecognized pursuant to certain deposit sweep programs is presented within <i>Net interest income from financial instruments measured at fair value through profit or loss and other</i>. For amounts arising from daily settlement of certain derivatives, see below in this table.
Measured at FVTPL	Held for trading	Financial liabilities held for trading include: – all derivatives with a negative replacement value (including certain loan commitments), except those that are designated and effective hedging instruments; and – obligations to deliver financial instruments, such as debt and equity instruments, that UBS has sold to third parties but does not own (short positions).	Measurement and presentation of financial liabilities classified at FVTPL follow the same principles as for financial assets classified at FVTPL, except that the amount of change in the fair value of a financial liability designated at FVTPL that is attributable to changes in UBS's own credit risk is presented in <i>Other comprehensive income</i> directly within <i>Retained earnings</i> and is never reclassified to the income statement.
	Designated at FVTPL	Financial liabilities designated at FVTPL include: – issued hybrid debt instruments, primarily equity-linked, credit-linked and rates-linked bonds or notes; – issued debt instruments managed on a fair value basis; – certain payables from securities financing transactions; – amounts due under unit-linked investment contracts, the cash flows of which are linked to financial assets measured at FVTPL and eliminate an accounting mismatch; and – brokerage payables, which arise in conjunction with brokerage receivables and are measured at FVTPL to achieve measurement consistency.	

c. Loan commitments and financial guarantees

Loan commitments are arrangements to provide credit under defined terms and conditions. Irrevocable loan commitments are classified as: (i) derivative loan commitments measured at fair value through profit or loss; (ii) loan commitments designated at fair value through profit or loss; or (iii) loan commitments not measured at fair value, in which case the ECL requirements as set out in item 2g in this Note apply.

Financial guarantee contracts are contracts that require UBS to make specified payments to reimburse the holder for an incurred loss because a specified debtor fails to make payments when due in accordance with the terms of a specified debt instrument. The ECL requirements as set out in item 2g in this Note apply to financial guarantees issued that are not accounted for at FVTPL.

Financial guarantee contracts held by UBS for credit risk mitigation purposes that are assessed to be integral to the guaranteed exposure are accounted for as a component of that exposure with cash flows expected from the credit enhancement included in the measurement of the ECL of the respective exposure. Rights to reimbursement arising from financial guarantees held that are not integral to the terms of the exposure they cover are recognized when their realization is considered to be virtually certain.

Note 1 Summary of material accounting policies (continued)

d. Interest income and expense

Interest income from financial instruments measured at amortized cost and FVOCI and interest expense from financial instruments measured at amortized cost are recognized in the income statement based on the effective interest method. When calculating the effective interest rate (the EIR) for financial instruments (other than credit-impaired financial instruments), UBS estimates future cash flows considering all contractual terms of the instrument, but not expected credit losses, with the EIR applied to the gross carrying amount of the financial asset or the amortized cost of a financial liability. However, when a financial asset becomes credit impaired after initial recognition, interest income is determined by applying the EIR to the amortized cost of the instrument, which represents the gross carrying amount adjusted for any credit loss allowance.

Upfront fees, including fees on loan commitments not measured at fair value where a loan is expected to be issued, and direct costs are included within the initial measurement of a financial instrument measured at amortized cost or FVOCI and recognized over the expected life of the instrument as part of its EIR.

Interest income on financial assets, excluding derivatives, is included in interest income when positive and in interest expense when negative. Similarly, interest expense on financial liabilities, excluding derivatives, is included in interest expense, except when interest rates are negative, in which case it is included in interest income.

› Refer to item 2b in this Note and Note 3 for more information

e. Derecognition

Financial assets

UBS derecognizes a transferred financial asset, or a portion of a financial asset, if the purchaser has obtained substantially all the risks and rewards of the asset or a significant part of the risks and rewards combined with a practical ability to sell or pledge the asset.

Where financial assets have been pledged as collateral or in similar arrangements, they are considered to have been transferred if the counterparty has received the contractual rights to the cash flows of the pledged assets, as may be evidenced by, for example, the counterparty's right to sell or repledge the assets. In transfers where control over the financial asset is retained, UBS continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset following the transfer.

› Refer to Note 22 for more information

Financial liabilities

UBS derecognizes a financial liability when it is extinguished, i.e. when the obligation specified in the contract is discharged, canceled or expires. When an existing financial liability is exchanged for a new one from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the original liability is derecognized and a new liability recognized with any difference in the respective carrying amounts recorded in the income statement.

Most OTC derivative contracts and ETD futures and option contracts cleared through central clearing counterparties and exchanges are considered to be settled on a daily basis, as the payment or receipt of a variation margin on a daily basis represents a legal or economic settlement, which results in derecognition of the associated derivatives.

› Refer to Note 21 for more information

f. Fair value of financial instruments

UBS accounts for a significant portion of its financial assets and liabilities at fair value. Fair value is the price on the measurement date that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or in the most advantageous market in the absence of a principal market.

› Refer to Note 20 for more information

Note 1 Summary of material accounting policies (continued)

Critical accounting estimates and judgments

The use of valuation techniques, modeling assumptions and estimates of unobservable market inputs in the fair valuation of financial instruments requires significant judgment and could affect the amount of gain or loss recorded for a particular position. Valuation techniques that rely more heavily on unobservable inputs and sophisticated models inherently require a higher level of judgment and may require adjustment to reflect factors that market participants would consider in estimating fair value, such as close-out costs, which are presented in Note 20d.

UBS's governance framework over fair value measurement is described in Note 20b, and UBS provides a sensitivity analysis of the estimated effects arising from changing significant unobservable inputs in Level 3 financial instruments to reasonably possible alternative assumptions in Note 20f.

› Refer to Note 20 for more information

g. Allowances and provisions for expected credit losses

ECL are recognized for financial assets measured at amortized cost, financial assets measured at FVOCI, fee and lease receivables, financial guarantees, and loan commitments not measured at fair value. ECL are also recognized on the undrawn portion of committed unconditionally revocable credit lines, which include UBS's credit card limits and master credit facilities, as UBS is exposed to credit risk because the borrower has the ability to draw down funds before UBS can take credit risk mitigation actions.

Recognition of expected credit losses

ECL are recognized on the following basis.

- Stage 1 – those instruments for which no significant increase in credit risk (SICR) has been observed (see *Significant increase in credit risk* below): maximum 12-month ECL are recognized from initial recognition, reflecting the portion of lifetime ECL that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.
- Stage 2 – those instruments for which an SICR is observed but which are not credit impaired: lifetime ECL are recognized reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of a financial instrument, weighted by the risk of a default occurring. When an SICR is no longer observed, the instrument will move back to stage 1.
- Stage 3 – credit-impaired financial instruments (as determined by the occurrence of one or more loss events): lifetime ECL are always recognized by estimating expected cash flows based on a chosen recovery strategy. Credit-impaired exposures may include positions with nil allowance, for example because they are expected to be fully recoverable through collateral held.
- Purchased credit-impaired (PCI) – those financial instruments that are purchased at a deep discount or newly originated with a defaulted counterparty; they remain a separate category until derecognition, with changes in lifetime ECL from initial recognition recognized as a loss allowance.

Consistent with the requirements of IFRS 3 and IFRS 9, immediately after the application of the acquisition method to the business combination, acquired financial instruments carried at amortized cost or FVOCI that are not deemed credit impaired are classified as stage 1 financial instruments and a maximum 12-month ECL is recognized, resulting in a carrying amount of the respective financial instruments below their acquisition-date fair value. As and when significant increases in credit risk subsequently arise, these exposures will move to stage 2, and if assessed to be credit impaired, to stage 3.

All or part of a financial asset is written off if it is deemed uncollectible or forgiven. Write-offs reduce the principal amount of a claim and are charged against related allowances for credit losses. Recoveries, in part or in full, of amounts previously written off are credited to *Credit loss expense / (release)*.

ECL are recognized in the income statement in *Credit loss expense / (release)*. A corresponding ECL allowance is reported as a decrease in the carrying amount of financial assets measured at amortized cost on the balance sheet. For financial assets that are measured at FVOCI, the carrying amount is not reduced, but an accumulated amount is recognized in *Other comprehensive income*. For off-balance sheet financial instruments and other credit lines, provisions for ECL are presented in *Provisions*.

Default and credit impairment

UBS applies a single definition of default for credit risk management purposes, regulatory reporting and ECL, with a counterparty classified as defaulted based on quantitative and qualitative criteria.

› Refer to the "Risk management and control" section of this report for more information

Measurement of expected credit losses

IFRS 9 ECL reflect an unbiased, probability-weighted estimate based on loss expectations resulting from default events. The method used to calculate ECL applies the following principal factors: probability of default (PD), loss given default (LGD) and exposure at default (EAD). Parameters are generally determined on an individual financial asset level. Based on the materiality of the portfolio, for credit card exposures and personal account overdrafts in Switzerland, a portfolio approach is applied that derives an average PD and LGD for the entire portfolio. PDs and LGDs used in the ECL calculation are point-in-time (PIT) based for key portfolios and consider both current conditions and expected cyclical changes. For material portfolios, PDs and LGDs are determined for different scenarios, whereas EAD projections are treated as scenario independent.

Note 1 Summary of material accounting policies (continued)

For the purpose of determining the ECL-relevant parameters, UBS leverages its Basel III advanced internal ratings-based (A-IRB) models that are also used in determining expected loss (EL) and risk-weighted assets under the Basel III framework and Pillar 2 stress loss models. Adjustments have been made to these models and IFRS-9-related models have been developed that consider the complexity, structure and risk profile of relevant portfolios and take account of the fact that PDs and LGDs used in the ECL calculation are PIT based, as opposed to the corresponding Basel III through-the-cycle (TTC) parameters. All models that are relevant for measuring expected credit losses are subject to UBS's model validation and oversight processes.

Probability of default: PD represents the probability of a default over a specified time period. A 12-month PD represents the probability of default determined for the next 12 months and a lifetime PD represents the probability of default over the remaining lifetime of the instrument. PIT PDs are derived from TTC PDs and scenario forecasts. The modeling is region, industry and client segment specific and considers both macroeconomic scenario dependencies and client-idiosyncratic information.

Exposure at default: EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring, considering expected repayments, interest payments and accruals, discounted at the EIR. Future drawdowns on facilities are considered through a credit conversion factor (a CCF) that is reflective of historical drawdown and default patterns and the characteristics of the respective portfolios.

Loss given default: LGD represents an estimate of the loss at the time of a potential default occurring, taking into account expected future cash flows from collateral and other credit enhancements, or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims. LGD is commonly expressed as a percentage of EAD.

Estimation of expected credit losses

Number of scenarios and estimation of scenario weights

Determination of probability-weighted ECL requires evaluating a range of diverse and relevant future economic conditions, especially with a view to modeling the non-linear effect of assumptions about macroeconomic factors on the estimate.

To accommodate this requirement, UBS uses different economic scenarios in the ECL calculation. Each scenario is represented by a specific scenario narrative, which is relevant considering the exposure of key portfolios to economic risks, and for which a set of consistent macroeconomic variables is determined. The estimation of the appropriate weights for these scenarios is predominantly judgment based. The assessment is based on a holistic review of the prevailing economic or political conditions, which may exhibit different levels of uncertainty. It takes into account the impact of changes in the nature and severity of the underlying scenario narratives and the projected economic variables.

The determined weights constitute the probabilities that the respective set of macroeconomic conditions will occur and not that the chosen particular narratives with the related macroeconomic variables will materialize.

Macroeconomic and other factors

The range of macroeconomic, market and other factors that is modeled as part of the scenario determination is wide, and historical information is used to support the identification of the key factors. As the forecast horizon increases, the availability of information decreases, requiring an increase in judgment. For cycle-sensitive PD and LGD determination purposes, UBS projects the relevant economic factors for a period of three years before reverting, over a specified period, to cycle-neutral PD and LGD for longer-term projections.

Factors relevant for ECL calculation vary by type of exposure. Regional and client-segment characteristics are generally taken into account, with a specific focus on Switzerland and the US, considering UBS's key ECL-relevant portfolios.

For UBS, the following forward-looking macroeconomic variables represent the most relevant factors for ECL calculation:

- gross domestic product (GDP) growth rates, given their significant effect on borrowers' performance;
- unemployment rates, given their significant effect on private clients' ability to meet contractual obligations;
- house price indices, given their significant effect on mortgage collateral valuations;
- interest rates, given their significant effect on counterparties' abilities to service debt;
- consumer price indices, given their overall relevance for companies' performance, private clients' purchasing power and economic stability;
- equity indices, given that they are an important factor in UBS's corporate rating tools; and
- commodity price indices, given their overall relevance for entities' performance due to the impact on operating costs.

➤ **Refer to Note 19 for more information**

Note 1 Summary of material accounting policies (continued)

ECL measurement period

The period for which lifetime ECL are determined is based on the maximum contractual period that UBS is exposed to credit risk, taking into account contractual extension, termination and prepayment options. For irrevocable loan commitments and financial guarantee contracts, the measurement period represents the maximum contractual period for which UBS has an obligation to extend credit.

Additionally, some financial instruments include both an on-demand loan and a revocable undrawn commitment, where the contractual cancellation right does not limit UBS's exposure to credit risk to the contractual notice period, as the borrower has the ability to draw down funds before UBS can take risk-mitigating actions. In such cases UBS is required to estimate the period over which it is exposed to credit risk. This applies to UBS's credit card limits, which do not have a defined contractual maturity date, are callable on demand and where the drawn and undrawn components are managed as one exposure. The exposure arising from UBS's credit card limits is not significant and is managed at a portfolio level, with credit actions triggered when balances are past due. An ECL measurement period of seven years is applied for credit card limits, capped at 12 months for stage 1 balances, as a proxy for the period that UBS is exposed to credit risk.

Customary master credit agreements in the Swiss corporate market also include on-demand loans and revocable undrawn commitments. For smaller commercial facilities, a risk-based monitoring (RbM) approach is in place that highlights negative trends as risk events, at an individual facility level, based on a combination of continuously updated risk indicators. The risk events trigger additional credit reviews by a risk officer, enabling informed credit decisions to be taken. Larger corporate facilities are not subject to RbM but are reviewed at least annually through a formal credit review. UBS has assessed these credit risk management practices and considers both the RbM approach and formal credit reviews as substantive credit reviews resulting in a re-origination of the given facility. Following this, a 12-month measurement period from the reporting date is used for both types of facilities as an appropriate proxy of the period over which UBS is exposed to credit risk, with 12 months also used as a look-back period for assessing an SICR, always from the respective reporting date.

Significant increase in credit risk

Financial instruments subject to ECL are monitored on an ongoing basis. To determine whether the recognition of stage 1 maximum 12-month ECL continues to be appropriate, an assessment is made as to whether an SICR has occurred since initial recognition of the financial instrument, applying both quantitative and qualitative factors.

Primarily, UBS assesses changes in an instrument's risk of default on a quantitative basis by comparing the annualized forward-looking and scenario-weighted lifetime PD of an instrument determined at two different dates:

- at the reporting date; and
- at inception of the instrument.

If, based on UBS's quantitative modeling, an increase exceeds a set threshold, an SICR is deemed to have occurred and the instrument is transferred to stage 2 with lifetime ECL recognized.

The threshold applied varies depending on the original credit quality of the borrower, with a higher SICR threshold set for those instruments with a low PD at inception. The SICR assessment based on PD changes is made at an individual financial asset level. A high-level overview of the SICR trigger, which is a multiple of the annualized remaining lifetime PIT PD expressed in rating downgrades, is provided in the "SICR thresholds" table below. The actual SICR thresholds applied are defined on a more granular level by interpolating between the values shown in the table.

Note 1 Summary of material accounting policies (continued)

SICR thresholds

Internal rating at origination of the instrument	Rating downgrades / SICR trigger
0–3	3
4–8	2
9–13	1

› Refer to the “Risk management and control” section of this report for more details about UBS’s internal rating system

Irrespective of the SICR assessment based on default probabilities, credit risk is generally deemed to have significantly increased for an instrument if contractual payments are more than 30 days past due. For certain less material portfolios, specifically the Swiss credit card portfolio, the 30-day past due criterion is used as the primary indicator of an SICR. Where instruments are transferred to stage 2 due to the 30-day past due criterion, a minimum period of six months is applied before a transfer back to stage 1 can be triggered, where applicable. For instruments in Personal & Corporate Banking and Global Wealth Management Region Switzerland that are between 90 and 180 days past due but have not been reclassified to stage 3, a one-year period is applied before a transfer back to stage 1 can be triggered.

Additionally, based on individual counterparty-specific indicators, external market indicators of credit risk or general economic conditions, counterparties may be moved to a watch list, which is used as a secondary qualitative indicator for an SICR. Exception management is further applied, allowing for individual and collective adjustments on exposures sharing the same credit risk characteristics to take account of specific situations that are not otherwise fully reflected.

In general, the overall SICR determination process does not apply to Lombard loans, securities financing transactions and certain other asset-based lending transactions, because of the risk management practices adopted, including daily monitoring processes with strict margining. If margin calls are not satisfied, a position is closed out and classified as a stage 3 position. In exceptional cases, an individual adjustment and a transfer into stage 2 may be made to take account of specific facts.

Credit risk officers are responsible for the identification of an SICR, which for accounting purposes is in some respects different from internal credit risk management processes. This difference mainly arises because ECL accounting requirements are instrument specific, such that a borrower can have multiple exposures allocated to different stages, and maturing loans in stage 2 will migrate to stage 1 upon renewal irrespective of the actual credit risk at that time. Under a risk-based approach, a holistic counterparty credit assessment and the absolute level of risk at any given date will determine what risk-mitigating actions may be warranted.

› Refer to the “Risk management and control” section of this report for more information

Critical accounting estimates and judgments

The calculation of ECL requires management to apply significant judgment and make estimates and assumptions that can result in significant changes to the timing and the amount of ECL recognized.

Determination of a significant increase in credit risk

IFRS 9 does not include a definition of what constitutes an SICR, with UBS’s assessment considering qualitative and quantitative criteria. An IFRS 9 ECL Management Forum has been established to review and challenge the SICR results.

Scenarios, scenario weights and macroeconomic variables

ECL reflect an unbiased and probability-weighted amount, which UBS determines by evaluating a range of possible outcomes. Management selects forward-looking scenarios that include relevant macroeconomic variables and management’s assumptions around future economic conditions. IFRS 9 Scenario Sounding Sessions, in addition to the IFRS 9 ECL Management Forum, are in place to derive, review and challenge the scenario selection and weights, and to determine whether any additional post-model adjustments are required that may significantly affect ECL.

ECL measurement period

Lifetime ECL are generally determined based upon the contractual maturity of the transaction, which significantly affects ECL. For credit card limits and Swiss callable master credit facilities, judgment is required, as UBS must determine the period over which it is exposed to credit risk. A seven-year period is applied for credit card limits, capped at 12 months for stage 1 positions, and a 12-month period applied for master credit facilities.

Modeling and post-model adjustments

A number of complex models have been developed or modified to calculate ECL, with additional post-model adjustments required that may significantly affect ECL. The models are subject to UBS’s Governance of Models policy and the related control framework. The post-model adjustments are approved by the ECL Management Forum and ratified by the Group Chief Financial Officer and Group Chief Risk Officer.

A sensitivity analysis covering key macroeconomic variables, scenario weights and SICR trigger points on ECL measurement is provided in Note 19f.

› Refer to Note 19 for more information

Note 1 Summary of material accounting policies (continued)

h. Restructured and modified financial assets

When payment default is expected, or where default has already occurred, UBS may grant concessions to borrowers experiencing financial difficulties that it would not consider in the normal course of its business, such as preferential interest rates, extension of maturity, modifying the schedule of repayments, debt / equity swap, subordination, etc.

› Refer to the “Risk management and control” section of this report for more information

Modifications may result in an alteration of future contractual cash flows and can occur within UBS’s normal risk tolerance or as part of a credit restructuring where a counterparty is in financial difficulties. The restructuring or modification of a financial asset could lead to a substantial change in the terms and conditions, resulting in the original financial asset being derecognized and a new financial asset being recognized, measured initially at fair value. Where the modification does not result in derecognition, any difference between the modified contractual cash flows discounted at the original EIR and the existing gross carrying amount of the given financial asset is recognized in the income statement as of the date of modification.

i. Offsetting

UBS presents recognized financial assets and liabilities net on its balance sheet only if (i) it has a legally enforceable right to set off the recognized amounts and (ii) it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Netted positions include, for example, certain derivatives and repurchase and reverse repurchase transactions with various counterparties, exchanges and clearing houses.

In assessing whether UBS intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously, emphasis is placed on the effectiveness of operational settlement mechanics in eliminating substantially all credit and liquidity exposure between the counterparties. This condition precludes offsetting on the balance sheet for substantial amounts of UBS’s financial assets and liabilities, even though they may be subject to enforceable netting arrangements. Securities financing transactions are presented net only to the extent that the settlement mechanism eliminates, or results in insignificant, credit and liquidity risk, and processes the receivables and payables in a single settlement process or cycle.

› Refer to Note 21 for more information

j. Hedge accounting

The Group applies hedge accounting requirements of IFRS 9 where the criteria for documentation and hedge effectiveness are met. If a hedge relationship no longer meets the criteria for hedge accounting, hedge accounting is discontinued. Voluntary discontinuation of hedge accounting is not permitted under IFRS 9.

Fair value hedges of interest rate risk related to debt instruments and loan assets

The fair value change of the hedged item attributable to a hedged risk is recognized as an adjustment to the carrying amount of a hedged item measured at amortized cost and already reflected in the measurement of a hedged item measured at FVOCI, with such changes recognized in the income statement (as opposed to *Other comprehensive income* for a hedged item measured at FVOCI) along with the change in the fair value of the hedging instrument.

Fair value hedges of FX risk related to debt instruments

The fair value change of the hedged item attributable to the hedged risk is reflected in the measurement of the hedged item and recognized in the income statement along with the change in the fair value of the hedging instrument. The foreign currency basis spread of cross-currency swaps designated as hedging derivatives is excluded from the designation and accounted for as a cost of hedging with amounts deferred in *Other comprehensive income* within *Equity*. These amounts are released to the income statement over the term of the hedged item.

Discontinuation of fair value hedges

When fair value hedges are discontinued for reasons other than derecognition of the hedged item, the effective interest rate of the hedged item is adjusted to amortize the fair value of the hedge risk at the point of discontinuation through the income statement over the remaining life of the hedged item. If the hedged item is derecognized, the derecognition gain or loss includes the impact of any fair value hedge adjustments. The deferred cost of hedging amount is reclassified from *Other comprehensive income* within *Equity* to the income statement regardless of the hedged item being derecognized.

Cash flow hedges of forecast transactions

Fair value gains or losses associated with the effective portion of derivatives designated as cash flow hedges for cash flow repricing risk are recognized initially in *Other comprehensive income* within *Equity* and reclassified to *Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income* or *Interest expense from financial instruments measured at amortized cost* in the periods when the hedged forecast cash flows affect profit or loss, including discontinued hedges for which forecast cash flows are expected to occur. If the forecast transactions are no longer expected to occur, the deferred gains or losses are immediately reclassified to the income statement.

Note 1 Summary of material accounting policies (continued)

Hedges of net investments in foreign operations

Gains or losses on the hedging instrument relating to the effective portion of a hedge are recognized directly in *Other comprehensive income* within *Equity*, while any gains or losses relating to the ineffective and / or undesignated portion (for example, the interest element of a forward contract) are recognized in the income statement. Upon disposal or partial disposal of the foreign operation, the cumulative value of any such gains or losses recognized in *Equity* associated with the entity is reclassified to *Other income*.

› Refer to Note 24 for more information

3) Fee and commission income and expenses

UBS earns fee income from the diverse range of services it provides to its clients. Fee income can be divided into two broad categories: fees earned from services that are provided over a certain period of time, such as management of clients' assets, custody services and certain advisory services; and fees earned from PIT services, such as underwriting fees, deal-contingent merger and acquisitions fees, and brokerage fees (e.g. securities and derivatives execution and clearing). UBS recognizes fees earned from PIT services when it has fully provided the service to the client. Where the contract requires services to be provided over time, income is recognized on a systematic basis over the life of the agreement. This includes fees related to loan commitments where it is not probable that a specific lending arrangement will be entered into, which are recognized over the life of the commitment.

Consideration received is allocated to the separately identifiable performance obligations in a contract. Owing to the nature of UBS's business, contracts that include multiple performance obligations are typically those that are considered to include a series of similar performance obligations fulfilled over time with the same pattern of transfer to the client, e.g. management of client assets and custodial services. As a consequence, UBS is not required to apply significant judgment in allocating the consideration received across the various performance obligations.

PIT services are generally for a fixed price or dependent on deal size, e.g. a fixed number of basis points of trade size, where the amount of revenue is known when the performance obligation is met. Fixed-over-time fees are recognized on a straight-line basis over the performance period. Custodial and asset management fees can be variable through reference to the size of the customer portfolio. However, they are generally billed on a monthly or quarterly basis once the customer's portfolio size is known or known with near certainty and therefore also recognized ratably over the performance period. UBS does not recognize performance fees related to management of clients' assets or fees related to contingencies beyond UBS's control until such uncertainties are resolved.

UBS's fees are generally earned from short-term contracts. As a result, UBS's contracts do not include a financing component or result in the recognition of significant receivables or prepayment assets. Furthermore, due to the short-term nature of such contracts, UBS has not capitalized any material costs to obtain or fulfill a contract or generated any significant contract assets or liabilities.

UBS presents expenses primarily in line with their nature in the income statement, differentiating between expenses that are directly attributable to the satisfaction of specific performance obligations associated with the generation of revenues, which are generally presented within *Total revenues* as *Fee and commission expense*, and those that are related to personnel, general and administrative expenses, or depreciation and amortization, which are presented within *Operating expenses*. For derivatives execution and clearing services (where UBS acts as an agent), UBS only recognizes its specific fees in the income statement, with fees payable to other parties not recognized as an expense but instead directly offset against the associated income collected from the given client.

› Refer to Note 4 for more information, including the disaggregation of revenues

4) Share-based and other deferred compensation plans

UBS recognizes expenses for deferred compensation awards over the period that the employee is required to provide service to become entitled to the award. Where the service period is shortened, for example in the case of employees affected by restructuring programs or mutually agreed termination provisions, recognition of such expense is accelerated to the termination date. Where no future service is required, such as for employees who are eligible for retirement or who have met certain age and length-of-service criteria, the services are presumed to have been received and compensation expense is recognized over the performance year or, in the case of off-cycle awards, immediately on the grant date.

Share-based compensation plans

Share-based compensation expense is measured by reference to the fair value of the equity instruments on the date of grant, taking into account the terms and conditions inherent in the award, including, where relevant, dividend rights, transfer restrictions in effect beyond the vesting date, market conditions, and non-vesting conditions.

For equity-settled awards, fair value is not remeasured unless the terms of the award are modified such that there is an incremental increase in value. Expenses are recognized, on a per-tranche basis, over the service period based on an estimate of the number of instruments expected to vest and are adjusted to reflect the actual outcomes of service or performance conditions.

Note 1 Summary of material accounting policies (continued)

For equity-settled awards, forfeiture events resulting from a breach of a non-vesting condition (i.e. one that does not relate to a service or performance condition) do not result in any adjustment to the share-based compensation expense.

For cash-settled share-based awards, fair value is remeasured at each reporting date, so that the cumulative expense recognized equals the cash distributed.

Other deferred compensation plans

Compensation expense for other deferred compensation plans is recognized on a per-tranche or straight-line basis, depending on the nature of the plan. The amount recognized is measured based on the present value of the amount expected to be paid under the plan and is remeasured at each reporting date, so that the cumulative expense recognized equals the cash or the fair value of respective financial instruments distributed.

› Refer to Note 26 for more information

5) Post-employment benefit plans

Defined benefit plans

Defined benefit plans specify an amount of benefit that an employee will receive, which usually depends on one or more factors, such as age, years of service and compensation. The defined benefit liability recognized in the balance sheet is the present value of the defined benefit obligation, measured using the projected unit credit method, less the fair value of the plan's assets at the balance sheet date, with changes resulting from remeasurements recorded immediately in *Other comprehensive income*. If the fair value of the plan's assets is higher than the present value of the defined benefit obligation, the recognition of the resulting net asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Calculation of the net defined benefit obligation or asset takes into account the specific features of each plan, including risk sharing between employee and employer, and is calculated periodically by independent qualified actuaries.

Defined contribution plans

A defined contribution plan pays fixed contributions into a separate entity from which post-employment and other benefits are paid. UBS has no legal or constructive obligation to pay further amounts if the plan does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods. Compensation expense is recognized when the employees have rendered services in exchange for contributions. This is generally in the year of contribution. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

› Refer to Note 25 for more information

6) Income taxes

UBS is subject to the income tax laws of Switzerland and those of the non-Swiss jurisdictions in which UBS has business operations.

The Group's provision for income taxes is composed of current and deferred taxes. Current income taxes represent taxes to be paid or refunded for the current period or previous periods.

Deferred tax assets (DTAs) and deferred tax liabilities (DTLs) are recognized for temporary differences between the carrying amounts and tax bases of assets and liabilities that will result in deductible or taxable amounts, respectively in future periods. DTAs may also arise from other sources, including unused tax losses and unused tax credits. DTAs and DTLs are measured using the applicable tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and that will be in effect when such differences are expected to reverse.

DTAs are recognized only to the extent it is probable that sufficient taxable profits will be available against which these differences can be used. When an entity or tax group has a history of recent losses, DTAs are only recognized to the extent that there are sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilized.

Deferred and current tax assets and liabilities are offset when: (i) they arise in the same tax reporting group; (ii) they relate to the same tax authority; (iii) the legal right to offset exists; and (iv) with respect to current taxes they are intended to be settled net or realized simultaneously.

Note 1 Summary of material accounting policies (continued)

Current and deferred taxes are recognized as income tax benefit or expense in the income statement, except for current and deferred taxes recognized in relation to: (i) the acquisition of a subsidiary (for which such amounts would affect the amount of goodwill arising from the acquisition); (ii) gains and losses on the sale of treasury shares (for which the tax effects are recognized directly in *Equity*); (iii) unrealized gains or losses on financial instruments that are classified at FVOCI; (iv) changes in fair value of derivative instruments designated as cash flow hedges; (v) remeasurements of defined benefit plans; or (vi) certain foreign currency translations of foreign operations. Amounts relating to points (iii) through (vi) above are recognized in *Other comprehensive income* within *Equity*.

UBS reflects the potential effect of uncertain tax positions for which acceptance by the relevant tax authority is not considered probable by adjusting current or deferred taxes, as applicable, using either the most likely amount or expected value methods, depending on which method is deemed a better predictor of the basis on which, and extent to which, the uncertainty will be resolved.

Critical accounting estimates and judgments

Tax laws are complex, and judgment and interpretations about the application of such laws are required when accounting for income taxes. UBS considers the performance of its businesses and the accuracy of historical forecasts and other factors when evaluating the recoverability of its DTAs, including the remaining tax loss carry-forward period, and its assessment of expected future taxable profits in the forecast period used for recognizing DTAs. Estimating future profitability and business plan forecasts is inherently subjective and is particularly sensitive to future economic, market and other conditions.

Forecasts are reviewed annually, but adjustments may be made at other times, if required. If recent losses have been incurred, convincing evidence is required to prove there is sufficient future profitability given that the value of UBS's DTAs may be affected, with effects primarily recognized through the income statement.

In addition, judgment is required to assess the expected value of uncertain tax positions and the related probabilities, including interpretation of tax laws, the resolution of any income-tax-related appeals and litigation.

➤ **Refer to Note 8 for more information**

7) Investments in associates

Interests in entities where UBS has significant influence over the financial and operating policies of these entities but does not have control are classified as investments in associates and are accounted for under the equity method of accounting. Typically, UBS has significant influence when it holds, or has the ability to hold, between 20% and 50% of an entity's voting rights. Investments in associates are initially recognized at cost, and the carrying amount is increased or decreased after the date of acquisition to recognize the Group's share of the investee's comprehensive income and dividends received and adjusted for any impairment losses. The net investment in an associate is impaired if there is objective evidence of a loss event and the carrying amount of the investment in the associate exceeds its recoverable amount.

➤ **Refer to Note 27 for more information**

8) Property, equipment and software

Property, equipment and software is measured at cost less accumulated depreciation and impairment losses. Software development costs are capitalized only when the costs can be measured reliably and it is probable that future economic benefits will arise. Depreciation of property, equipment and software begins when they are available for use and is calculated on a straight-line basis over an asset's estimated useful life.

Property, equipment and software are generally tested for impairment at the appropriate cash-generating unit level, alongside goodwill and intangible assets as described in item 9 in this Note. An impairment charge is recognized for such assets if the recoverable amount is below its carrying amount. The recoverable amounts of such assets, other than property that has a market price, are generally determined using a replacement cost approach that reflects the amount that would be currently required by a market participant to replace the service capacity of the asset. If such assets are no longer used, they are tested individually for impairment.

➤ **Refer to Note 11 for more information**

9) Goodwill and other separately identifiable intangible assets

Goodwill represents the excess of the consideration over the fair value of identifiable assets, liabilities and contingent liabilities acquired that arises in a business combination. Goodwill is not amortized but is assessed for impairment at the end of each reporting period, or when indicators of impairment exist. UBS tests goodwill for impairment annually, irrespective of whether there is any indication of impairment. An impairment charge is recognized in the income statement if the carrying amount exceeds the recoverable amount of a cash-generating unit.

Negative goodwill, generally determined based on the difference between the fair values for the identifiable assets acquired and liabilities assumed and consideration transferred, is recognized in the income statement on the acquisition date.

Note 1 Summary of material accounting policies (continued)

Separately from goodwill, UBS recognizes the identifiable intangible assets acquired in a business combination, including those that were not previously recognized in the financial statements of the acquiree. Amortization of these intangible assets is recognized on a straight-line basis over their estimated useful life. These assets are tested for impairment at the appropriate cash-generating-unit level.

Critical accounting estimates and judgments

UBS's methodology for goodwill impairment testing is based on a model that is most sensitive to the following key assumptions: (i) forecasts of earnings available to shareholders (typically estimated on a discrete basis for years one to three); (ii) changes in the discount rates; and (iii) changes in the long-term growth rate.

Earnings available to shareholders are estimated on the basis of forecast results, which are part of the business plan approved by the BoD. The discount rates and growth rates are determined using external information, and also considering inputs from both internal and external analysts and the view of management.

The key assumptions used to determine the recoverable amounts of each cash-generating unit are tested for sensitivity by applying reasonably possible changes to those assumptions.

› Refer to Notes 2 and 12 for more information

10) Provisions and contingent liabilities

Provisions are liabilities of uncertain timing or amount, and are generally recognized in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, when: (i) UBS has a present obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate of the amount of the obligation can be made. IAS 37 provisions are measured considering the best estimate of the consideration required to settle the present obligation at the balance sheet date.

When conditions required to recognize a provision are not met, a contingent liability is disclosed, unless the likelihood of an outflow of resources is remote. Contingent liabilities are also disclosed for possible obligations that arise from past events, the existence of which will be confirmed only by uncertain future events not wholly within the control of UBS.

Contingent liabilities, more specifically in relation to litigations, recognized in a business combination are initially measured at fair value. Subsequently, they are measured at the higher of the initial fair value and the amount that would be recognized in accordance with the requirements for provisions outlined above, until the contingency is resolved.

Critical accounting estimates and judgments

Recognition of provisions often involves significant judgment in assessing the existence of an obligation that results from past events and in estimating the probability, the timing and the amount of any outflows of resources. This is particularly the case for litigation, regulatory and similar matters, which, due to their nature, are subject to many uncertainties, making their outcome difficult to predict.

The amount of any provision recognized is sensitive to the assumptions used, and there could be a wide range of possible outcomes for any particular matter.

Management regularly reviews all the available information regarding such matters, including legal advice, to assess whether the recognition criteria for provisions have been satisfied and to determine the timing and the amount of any potential outflows.

› Refer to Note 17 for more information

11) Foreign currency translation

Transactions denominated in a foreign currency are translated into the functional currency of the reporting entity at the spot exchange rate on the date of the transaction. At the balance sheet date, all monetary assets, including those at FVOCI, and monetary liabilities denominated in foreign currency are translated into the functional currency using the closing exchange rate. Translation differences are reported in *Other net income from financial instruments measured at fair value through profit or loss*.

Non-monetary items measured at historical cost are translated at the exchange rate on the date of the transaction.

Upon consolidation, assets and liabilities of foreign operations are translated into US dollars, UBS's presentation currency, at the closing exchange rate on the balance sheet date, and income and expense items and other comprehensive income are translated at the average rate for the period. The resulting foreign currency translation differences are recognized in *Equity* and reclassified to the income statement when UBS disposes of the foreign operation, either partially or in its entirety, and UBS no longer controls the foreign operation.

Share capital issued, share premium and treasury shares held are translated at the historic average rate, with the difference between the historic average rate and the spot rate realized upon repayment of share capital or disposal of treasury shares reported as *Share premium*. Cumulative amounts recognized in *Other comprehensive income* in respect of cash flow hedges and financial assets measured at FVOCI are translated at the closing exchange rate as of the balance sheet dates, with any translation effects adjusted through *Retained earnings*.

› Refer to Note 31 for more information

12) UBS Group AG shares held (treasury shares)

UBS Group AG shares held by the Group, including those purchased as part of market-making activities, are presented in *Equity* as *Treasury shares* at their acquisition cost and are deducted from *Equity* until they are canceled or reissued. The difference between the proceeds from sales of treasury shares and their weighted average cost (net of tax, if any) is reported as *Share premium*.

13) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of balances with an original maturity of three months or less including cash, money market paper and balances with central and other banks.

In certain circumstances cash and cash equivalent balances held by UBS are not available for the use by the Group, for example amounts placed at central banks to meet local statutory minimum reserve requirements, balances protected under client asset segregation rules and balances pledged under the depositor protection schemes.

b) Changes in IFRS Accounting Standards and Interpretations

Disclosures about Uncertainties in the Financial statements

In November 2025, the IASB issued illustrative examples *Disclosures about Uncertainties in the Financial Statements*, using climate-related examples to illustrate how requirements in IFRS Accounting Standards are applied to report the effects of uncertainties in the financial statements. Examples have no stated effective date. The guidance provided through these examples is consistent with the manner in which UBS prepares its financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued a new standard, IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. The main changes introduced by IFRS 18 relate to:

- the structure of income statements;
- new disclosure requirements for management performance measures; and
- enhanced guidance on aggregation and disaggregation of information on the face of financial statements and in the notes thereto.

IFRS 18 is effective from 1 January 2027 and will also apply to comparative information. UBS will apply these new requirements from 1 January 2027. UBS is assessing the impact of the new requirements on its reporting but expects it to be limited. UBS will evaluate the grouping of items in the primary financial statements and in the notes thereto based on new principles of aggregation and disaggregation in IFRS 18.

Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (the Amendments).

The Amendments relate to:

- assessment of contractual cash flow characteristics in classifying financial assets, including those with environmental, social and corporate governance and similar features, non-recourse features, and contractually linked instruments;
- derecognition of financial instruments, including the introduction of an accounting policy election to derecognize financial liabilities settled through electronic transfer systems, if certain conditions are met; and
- disclosure of information about financial instruments with contingent features that can change the amount of contractual cash flows, as well as equity instruments designated at fair value through other comprehensive income.

The Amendments are effective from 1 January 2026 and are expected to have limited impact on UBS's financial statements.

Other amendments to IFRS Accounting Standards

The IASB has issued a number of minor amendments to IFRS Accounting Standards, effective from 1 January 2025 and later. These amendments do not have or are not expected to have a significant effect on UBS when they are adopted.

Note 2a Segment reporting

UBS's businesses are organized globally into five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. All five business divisions are supported by the Group functions and qualify as reportable segments for the purpose of segment reporting. Together with the Group functions, the five business divisions reflect the management structure of the Group.

- **Global Wealth Management** provides financial services, advice and solutions to private wealth clients, as well as select institutional clients. Its offering ranges from investment management to estate planning and corporate finance advice, in addition to specific wealth management and banking products and services.
- **Personal & Corporate Banking** provides an extensive range of financial products and services, from banking to retirement, financing, investments and strategic transactions, to private, corporate and institutional clients, in Switzerland, through its branch network and digital channels.
- **Asset Management** is a global, large-scale and diversified asset manager, offering investment capabilities and strategies across all major traditional and alternative asset classes and investing styles to institutions, wholesale intermediaries and Global Wealth Management clients.
- The **Investment Bank** provides services to institutional, corporate, financial sponsor and Global Wealth Management clients, helping them raise capital, invest and manage risks. Its offering includes equities, foreign exchange, precious metals, research, advisory and capital markets, complemented by a focused rates and credit platform.
- **Non-core and Legacy** incorporates selected assets and liabilities originating from the former Credit Suisse businesses not aligned with UBS's long-term strategic priorities or risk appetite, including associated financial and non-financial assets, operating expenses, and funding costs. A small part of the division is made up of positions from UBS's former Non-core and Legacy Portfolio and some other legacy UBS assets and liabilities that were assessed as non-strategic in the context of the acquisition of the Credit Suisse Group.
- The Group functions are support and control functions that provide services to the Group. Virtually all costs incurred by the Group functions are allocated to the business divisions, leaving a residual amount referred to as **Group Items** in the segment reporting. Group functions include the following major areas: Group Services (which consists of Group Technology, Group Compliance and Operational Risk Control, Group Finance, Group Risk Control, Group Human Resources and Corporate Services, Group Corporate Communications and Group Brand & Marketing, Group Legal, the Group Integration Office, Group Sustainability and Impact, and the Chief Strategy Office) and Group Treasury.

Financial information about the five business divisions and Group Items is presented separately in internal management reports to the Group Executive Board (the GEB), which is considered the "chief operating decision-maker" pursuant to IFRS 8, *Operating Segments*.

UBS's internal accounting policies, which include management accounting policies and service level agreements, determine the revenues and expenses directly attributable to each reportable segment. Transactions between the reportable segments are carried out at internally agreed rates and are reflected in the operating results of the reportable segments. Revenue-sharing agreements are used to allocate external client revenues to reportable segments where several reportable segments are involved in the value creation chain. Total intersegment revenues for the Group are immaterial, as the majority of the revenues are allocated across the segments by means of revenue-sharing agreements. Interest income earned from managing UBS's consolidated equity is allocated to the reportable segments based on average attributed equity and currency composition. Assets and liabilities of the reportable segments are funded through and invested with Group functions, and the net interest margin is reflected in the results of each reportable segment.

Segment assets are based on a third-party view and do not include intercompany balances. This view is in line with internal reporting to the GEB. If one operating segment is involved in an external transaction together with another operating segment or Group function, additional criteria are considered to determine the segment that will report the associated assets. This will include a consideration of which segment's business needs are being addressed by the transaction and which segment is providing the funding and / or resources. Allocation of liabilities follows the same principles.

Non-current assets disclosed for segment reporting purposes represent assets that are expected to be recovered more than 12 months after the reporting date, excluding financial instruments, deferred tax assets and post-employment benefits.

Note 2a Segment reporting (continued)

Segment reporting

	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS
USD m							
For the year ended 31 December 2025							
Net interest income	7,018	5,322	(69)	(2,938)	(72)	(1,514)	7,747
Non-interest income	18,941	3,832	3,224	15,278	226	325	41,826
Total revenues	25,960	9,154	3,156	12,340	154	(1,190)	49,573
Credit loss expense / (release)	48	339	1	133	(1)	2	524
Operating expenses	20,705	6,318	2,436	9,387	1,353	(2)	40,197
Operating profit / (loss) before tax	5,207	2,497	719	2,819	(1,199)	(1,190)	8,853
Tax expense / (benefit)							1,056
Net profit / (loss)							7,797
Additional information							
Total assets	578,394	479,956	27,357	488,964	25,376	17,380	1,617,427
Additions to non-current assets	1,169	485	159	971	16	0	2,800
USD m							
For the year ended 31 December 2024							
Net interest income	7,358	5,650	(63)	(3,597)	126	(2,365)	7,108
Non-interest income	17,158	3,684	3,246	14,544	1,480	1,391	41,503
Total revenues	24,516	9,334	3,182	10,948	1,605	(975)	48,611
Credit loss expense / (release)	(16)	404	(1)	97	69	(2)	551
Operating expenses	20,608	5,741	2,663	8,934	3,512	(220)	41,239
Operating profit / (loss) before tax	3,924	3,189	520	1,917	(1,976)	(752)	6,821
Tax expense / (benefit)							1,675
Net profit / (loss)							5,146
Additional information							
Total assets	559,601	447,068	22,702	453,422	68,260	13,975	1,565,028
Additions to non-current assets	889	361	100	768	88	0	2,206
USD m							
For the year ended 31 December 2023							
Net interest income	7,082	4,878	(40)	(2,915)	437	(2,144)	7,297
Non-interest income	14,474	2,810	2,726	11,619	260	1,648	33,536
Total revenues	21,556	7,687	2,686	8,703	697	(495)	40,834
Negative goodwill							27,264
Credit loss expense / (release)	166	482	0	190	193	6	1,037
Operating expenses	17,945	4,394	2,353	8,585	5,091	438	38,806
Operating profit / (loss) before tax	3,445	2,811	332	(72)	(4,587)	(938)	27,264
Tax expense / (benefit)							873
Net profit / (loss)							27,382
Additional information							
Total assets	567,648	483,794	21,804	428,269	201,131	14,277	1,716,924
Additions to non-current assets	2,584	3,279	709	530	3,062	550	10,714

Note 2b Segment reporting by geographic location

The operating regions shown in the table below correspond to the regional management structure of the Group. The allocation of total revenues to these regions reflects, and is consistent with, the basis on which the business is managed and its performance is evaluated. These allocations involve assumptions and judgments that management considers to be reasonable and may be refined to reflect changes in estimates or management structure. The main principles of the allocation methodology are that client revenues are attributed to the domicile of the given client, and trading and portfolio management revenues are attributed to the country where the risk is managed. This revenue attribution is consistent with the mandate of the regional Presidents. Certain revenues, such as those related to Non-core and Legacy and Group Items, are included in the *Global* line.

The geographical analysis of non-current assets is based on the location of the entity in which the given assets are recorded.

For 2023, the allocation of total revenues by geographical region for Credit Suisse is not available on the same allocation basis as for the UBS Group and the cost to develop this information would have been excessive. Therefore, as permitted under IFRS 8, the respective information is not disclosed. UBS AG and Credit Suisse AG disclosed total revenues by geographical region in their 2023 annual reports according to their respective allocation methodologies.

- Refer to “UBS AG consolidated financial information” in the “Consolidated financial statements” section of the UBS AG Annual Report 2023 for more information on total revenues by geographical region for UBS AG
- Refer to the Credit Suisse AG consolidated financial statements 2023, available at <https://www.ubs.com/global/en/investor-relations/complementary-financial-information/disclosure-legal-entities/credit-suisse-ag-consolidated.html>, for more information on total revenues by geographical region for Credit Suisse AG

Segment reporting by geographic location

For the year ended 31 December 2025

	Total revenues		Total non-current assets	
	USD bn	Share %	USD bn	Share %
Americas ¹	17.6	36	8.5	34
Asia Pacific	8.0	16	1.3	5
EMEA (excluding Switzerland)	8.5	17	3.2	12
Switzerland	15.8	32	12.3	49
Global ²	(0.4)	(1)	0.0	0
Total	49.6	100	25.3	100

For the year ended 31 December 2024

	Total revenues		Total non-current assets	
	USD bn	Share %	USD bn	Share %
Americas ¹	16.8	35	8.6	35
Asia Pacific	6.8	14	1.4	6
EMEA (excluding Switzerland)	7.7	16	3.1	12
Switzerland	15.1	31	11.6	47
Global ³	2.2	5	0.0	0
Total	48.6	100	24.7	100

For the year ended 31 December 2023

	Total revenues		Total non-current assets	
	USD bn	Share %	USD bn	Share %
Americas ¹			9.4	34
Asia Pacific			1.7	6
EMEA (excluding Switzerland)			3.3	12
Switzerland			13.3	48
Global			0.0	0
Total			27.7	100

¹ Predominantly related to the US. ² Includes certain revenues in Global Wealth Management that were not allocated to geographical regions. ³ Includes certain revenues in Asset Management and Global Wealth Management that were not allocated to geographical regions.

Income statement notes

Note 3 Net interest income and other net income from financial instruments measured at fair value through profit or loss

USD m	For the year ended		
	31.12.25	31.12.24	31.12.23
Net interest income from financial instruments measured at fair value through profit or loss and other	6,343	7,061	3,770
Other net income from financial instruments measured at fair value through profit or loss ¹	14,011	14,690	11,583
Total net income from financial instruments measured at fair value through profit or loss and other	20,353	21,752	15,353
Net interest income			
Interest income from loans and deposits ²	23,865	32,494	28,569
Interest income from securities financing transactions measured at amortized cost ³	3,399	4,074	3,948
Interest income from other financial instruments measured at amortized cost	1,622	1,371	1,187
Interest income from debt instruments measured at fair value through other comprehensive income	291	104	103
Interest resulting from derivative instruments designated as cash flow hedges	(1,229)	(2,049)	(2,064)
Total interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	27,948	35,994	31,743
Interest expense on loans and deposits ⁴	13,854	19,653	15,011
Interest expense on securities financing transactions measured at amortized cost ⁵	2,074	2,051	1,968
Interest expense on debt issued	10,456	14,053	11,072
Interest expense on lease liabilities	161	191	166
Total interest expense from financial instruments measured at amortized cost	26,544	35,947	28,216
Total net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	1,404	47	3,527
Total net interest income from financial instruments measured at fair value through profit or loss and other	6,343	7,061	3,770
Total net interest income	7,747	7,108	7,297

¹ Includes net losses from financial liabilities designated at fair value of USD 7,546m (net losses of USD 1,836m in 2024 and net losses of USD 4,843m in 2023). These amounts exclude fair value changes on hedges related to financial liabilities designated at fair value, and foreign currency translation effects arising from translating foreign currency transactions into the respective functional currency, both of which are reported within Other net income from financial instruments measured at fair value through profit or loss. Net losses from financial liabilities designated at fair value included net losses of USD 2,827m (net losses of USD 1,844m and net losses of USD 2,045m in 2024 and 2023, respectively) from financial liabilities related to unit-linked investment notes issued by UBS's Asset Management business division. These gains / (losses) are fully offset within Other net income from financial instruments measured at fair value through profit or loss by the fair value change on the financial assets hedging the unit-linked investment contracts, which are not disclosed as part of net losses from financial liabilities designated at fair value. ² Consists of interest income from cash and balances at central banks, amounts due from banks and customers, and cash collateral receivables on derivative instruments, as well as negative interest on amounts due to banks, customer deposits, and cash collateral payables on derivative instruments. ³ Includes negative interest, including fees, on payables from securities financing transactions measured at amortized cost. ⁴ Consists of interest expense on amounts due to banks, cash collateral payables on derivative instruments, and customer deposits, as well as negative interest on cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments. ⁵ Includes interest expense on payables from securities financing transactions and negative interest, including fees, on receivables from securities financing transactions measured at amortized cost.

Note 4 Net fee and commission income

USD m	For the year ended		
	31.12.25	31.12.24	31.12.23
Underwriting fees	957	786	568
M&A and corporate finance fees	1,105	1,049	840
Brokerage fees	5,426	4,586	3,542
Portfolio management, investment fund and related services fees ¹	19,560	18,090	15,510
Other	3,533	4,217	3,306
Total fee and commission income²	30,581	28,730	23,766
of which: recurring	19,562	18,208	15,911
of which: transaction-based	10,823	10,371	7,761
of which: performance-based	195	150	94
Fee and commission expense³	2,669	2,592	2,195
Net fee and commission income	27,912	26,138	21,570
of which: recurring net fee and commission income	18,015	16,690	14,670
of which: Global Wealth Management	13,671	12,625	10,988
of which: Personal & Corporate Banking	1,669	1,541	1,240
of which: Asset Management	2,800	2,710	2,452
of which: transaction-based net fee and commission income	9,702	9,299	6,807
of which: Global Wealth Management	3,399	2,841	2,219
of which: Personal & Corporate Banking	1,303	1,182	1,060
of which: Asset Management	79	77	60
of which: performance-based net fee and commission income	195	149	94
of which: Asset Management	195	149	94

¹ Fees for portfolio management and related services and investment fund fees are presented on a combined basis. Comparative-period information has been aligned with the information presented for the year ended 31 December 2025. This category includes fees earned on portfolio management mandates with clients and management and performance fees earned on UBS-managed funds and third-party-managed funds. ² For the year ended 31 December 2025 reflects third-party fee and commission income of USD 17,920m for Global Wealth Management, USD 3,175m for Personal & Corporate Banking, USD 4,089m for Asset Management, USD 5,248m for the Investment Bank, USD 88m for Non-core and Legacy, and USD 62m for Group Items (for the year ended 31 December 2024: USD 16,341m for Global Wealth Management, USD 2,996m for Personal & Corporate Banking, USD 3,737m for Asset Management, USD 5,235m for the Investment Bank, USD 428m for Non-core and Legacy, and negative USD 7m for Group Items; for the year ended 31 December 2023: USD 13,950m for Global Wealth Management, USD 2,417m for Personal & Corporate Banking, USD 3,376m for Asset Management, USD 3,979m for the Investment Bank, USD 128m for Non-core and Legacy, and negative USD 85m for Group Items). ³ Includes brokerage expense for the year ended 31 December 2025 of USD 332m (for year ended 31 December 2024: USD 362m; for the year ended 31 December 2023: USD 327m).

Note 5 Other income

USD m	For the year ended		
	31.12.25	31.12.24	31.12.23
Other income			
Associates, joint ventures and subsidiaries			
Net gains / (losses) from acquisitions and disposals of subsidiaries ¹	253 ²	9	24
Net gains / (losses) from disposals of investments in associates and joint ventures	3	135	4
Share of net profits of associates and joint ventures	79 ³	144	(348)
Impairments related to associates	(2)		
Total	333	288	(319)
Net gains / (losses) from disposals of financial assets measured at fair value through other comprehensive income	0	0	3
Income from properties ⁴	34	49	39
Net gains / (losses) from properties held for sale	20	(17)	12
Other ⁵	(483) ⁶	354 ⁷	648
Total other income	(96)	675	384

¹ Includes foreign exchange gains / (losses) reclassified from other comprehensive income related to the disposal or closure of foreign operations. Refer to Note 28 for more information about UBS's acquisitions and disposals of subsidiaries and businesses. ² Includes a gain of USD 128m from the sale of a stake in a subsidiary, Credit Suisse Securities (China) Limited, and a gain of USD 97m recognized upon the completion of the sale of the US mortgage servicing business of Credit Suisse, Select Portfolio Servicing, which was managed in Non-core and Legacy. Refer to Note 28 for more information. ³ Includes a gain of USD 64m related to UBS's share of the income recorded by Swisscard AECS GmbH for the sale of the Credit Suisse card portfolios to UBS. Refer to Note 28 for more information. ⁴ Includes rent received from third parties. ⁵ Included in 2025 are net losses of USD 574m related to the repurchase of UBS's own debt instruments (compared with net gains of USD 21m in 2024 and net gains of USD 160m in 2023). The net losses in 2025 include a USD 457m net loss from the repurchase of legacy Credit Suisse debt instruments, as the repurchase price exceeded the amortized-cost carrying value (the net loss reflects a loss of USD 885m before PPA adjustments, partly offset by a USD 427m gain from the release of PPA adjustments). ⁶ Includes a USD 33m gain from the sale of UBS's wealth management business in India. Refer to Note 28 for more information. ⁷ Includes USD 113m net gains in Asset Management from the sale of the Brazilian real estate fund management business.

Note 6 Personnel expenses

USD m	For the year ended		
	31.12.25	31.12.24	31.12.23
Personnel expenses			
Salaries ¹	11,904	12,178	10,997
Variable compensation ²	11,434	10,870	9,845
of which: performance awards	4,912	4,456	3,986
of which: financial advisors ³	5,654	5,293	4,549
of which: other	867	1,121	1,310
Contractors	301	325	334
Social security	1,696	1,622	1,473
Post-employment benefit plans ⁴	1,499	1,310	1,361
of which: defined benefit plans	921	731	847
of which: defined contribution plans	579	578	514
Other personnel expenses	1,027	1,013	890
Total personnel expenses	27,861	27,318	24,899

¹ Includes role-based allowances. ² Refer to Note 26 for more information. ³ Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. ⁴ Refer to Note 25 for more information. Includes curtailment gains of USD 120m for the year ended 31 December 2025 (for the year ended 31 December 2024: USD 104m; for the year ended 31 December 2023: USD 29m), which represent a reduction in the defined benefit obligation related to the Swiss pension plans resulting from a decrease in headcount following restructuring activities.

Note 7 General and administrative expenses

USD m	For the year ended		
	31.12.25	31.12.24	31.12.23
General and administrative expenses			
Outsourcing costs	1,594	1,816	1,492
Technology costs	2,517	2,356	1,851
Consulting, legal and audit fees	1,281	1,616	1,619
Real estate and logistics costs	1,061	1,200	1,342
Market data services	696	749	684
Marketing and communication	563	575	408
Travel and entertainment	362	337	278
Litigation, regulatory and similar matters ¹	(949)	(128)	809
Other	1,682 ²	1,604	1,673 ³
Total general and administrative expenses	8,807	10,124	10,156

¹ Reflects the net increase / (decrease) in provisions for litigation, regulatory and similar matters recognized in the income statement, including releases of IFRS 3 acquisition-related contingent liabilities. Refer to Note 17 for more information. ² Includes a USD 180m expense related to the payment to Swisscard AECS GmbH for the sale of the Credit Suisse card portfolios to UBS. Refer to Note 28 for more information. ³ Includes USD 296m attributable to setting up a provision related to onerous contracts.

Note 8 Income taxes

Income taxes			
	For the year ended		
USD m	31.12.25	31.12.24	31.12.23
Tax expense / (benefit)			
Swiss			
Current	597	672	883
Deferred	323	296	152
Total Swiss	920	968	1,035
Non-Swiss			
Current	841	1,498	684
Deferred	(705)	(791)	(846)
Total non-Swiss	136	707	(162)
Total income tax expense / (benefit) recognized in the income statement	1,056	1,675	873

Income tax recognized in the income statement

The Swiss current tax expenses related to taxable profits of UBS Switzerland AG and other Swiss entities.

The Swiss deferred tax expenses primarily related to the amortization of deferred tax assets (DTAs) previously recognized in relation to deductible temporary differences.

The non-Swiss current tax expenses included USD 145m that related to US corporate alternative minimum tax, with an equivalent deferred tax benefit for DTAs recognized in respect of tax credits carried forward and USD 696m in respect of other taxable profits of non-Swiss subsidiaries and branches.

The net non-Swiss deferred tax benefit included USD 145m related to the aforementioned deferred tax benefit, USD 747m in respect of a net upward revaluation of DTAs and USD 215m in respect of an increase in DTAs that resulted from an increase in the expected value of future tax deductions for deferred compensation awards due to an increase in the Group's share price during the year. These benefits were partly offset by an expense of USD 402m that primarily related to the amortization of DTAs previously recognized in relation to tax losses carried forward and deductible temporary differences.

Income tax expense / (benefit)

	For the year ended		
USD m	31.12.25	31.12.24	31.12.23
Operating profit / (loss) before tax	8,853	6,821	28,255
of which: Swiss	4,162	3,002	32,237
of which: non-Swiss	4,691	3,819	(3,981)
Income taxes at Swiss tax rate of 18.5% for 2025, 18.5% for 2024 and 18.5% for 2023	1,638	1,262	5,227
Increase / (decrease) resulting from:			
Non-Swiss tax rates differing from Swiss tax rate	186	(197)	(224)
Tax effects of losses not recognized	301	1,012	1,584
Previously unrecognized tax losses now utilized	(155)	(454)	(401)
Non-taxable and lower-taxed income ¹	(827)	(447)	(5,641)
Non-deductible expenses and additional taxable income	1,220	1,774	1,651
Adjustments related to prior years, current tax	(110)	(102)	(87)
Adjustments related to prior years, deferred tax	(4)	9	(1)
Change in deferred tax recognition	(1,306)	(1,480)	(1,288)
Adjustments to deferred tax balances arising from changes in tax rates	11	(40)	26
Other items	103	338	25
Income tax expense / (benefit)	1,056	1,675	873

¹ The reconciling item for non-taxable and lower-taxed income for 2023 primarily reflects that the negative goodwill gain that was recorded in the income statement in relation to the acquisition of the Credit Suisse Group did not result in any tax expense.

Note 8 Income taxes (continued)

The components of operating profit before tax, and the differences between income tax expense reflected in the financial statements and the amounts calculated at the Swiss tax rate, are provided in the table above and explained below.

Component	Description
Non-Swiss tax rates differing from the Swiss tax rate	To the extent that Group profits or losses arise outside Switzerland, the applicable local tax rate may differ from the Swiss tax rate. This item reflects, for such profits, an adjustment from the tax expense that would arise at the Swiss tax rate to the tax expense that would arise at the applicable local tax rate. Similarly, it reflects, for such losses, an adjustment from the tax benefit that would arise at the Swiss tax rate to the tax benefit that would arise at the applicable local tax rate.
Tax effects of losses not recognized	This item relates to tax losses of entities arising in the year that are not recognized as DTAs and where no tax benefit arises in relation to those losses. Therefore, the tax benefit calculated by applying the local tax rate to those losses as described above is reversed.
Previously unrecognized tax losses now utilized	This item relates to taxable profits of the year that are offset by tax losses of previous years for which no DTAs were previously recorded. Consequently, no current tax or deferred tax expense arises in relation to those taxable profits and the tax expense calculated by applying the local tax rate on those profits is reversed.
Non-taxable and lower-taxed income	This item relates to tax deductions for the year in respect of permanent differences. These include deductions in respect of profits that are either not taxable or are taxable at a lower rate of tax than the local tax rate. They also include deductions made for tax purposes, which are not reflected in the accounts.
Non-deductible expenses and additional taxable income	This item relates to additional taxable income for the year in respect of permanent differences. These include income that is recognized for tax purposes by an entity but is not included in its profit that is reported in the financial statements, as well as expenses for the year that are non-deductible (e.g. client entertainment costs are not deductible in certain locations).
Adjustments related to prior years, current tax	This item relates to adjustments to current tax expense for prior years (e.g. if the tax payable for a year is agreed with the tax authorities in an amount that differs from the amount previously reflected in the financial statements).
Adjustments related to prior years, deferred tax	This item relates to adjustments to deferred tax positions recognized in prior years (e.g. if a tax loss for a year is fully recognized and the amount of the tax loss agreed with the tax authorities is expected to differ from the amount previously recognized as DTAs in the accounts).
Change in deferred tax recognition	This item relates to changes in DTAs, including changes in DTAs previously recognized resulting from reassessments of expected future taxable profits. It also includes changes in temporary differences in the year, for which deferred tax is not recognized.
Adjustments to deferred tax balances arising from changes in tax rates	This item relates to remeasurements of DTAs and liabilities recognized due to changes in tax rates. These have the effect of changing the future tax saving that is expected from tax losses or deductible tax differences and therefore the amount of DTAs recognized or, alternatively, changing the tax cost of additional taxable income from taxable temporary differences and therefore the deferred tax liability.
Other items	Other items include other differences between profits or losses at the local tax rate and the actual local tax expense or benefit, including movements in provisions for uncertain positions in relation to the current year and other items.

Income tax recognized directly in equity

A net tax expense of USD 330m was recognized in *Other comprehensive income* (2024: net tax expense of USD 9m) and a net tax benefit of USD 160m was recognized in *Share premium* (2024: net tax benefit of USD 23m).

Deferred tax assets and liabilities

The Group has gross DTAs, valuation allowances and recognized DTAs related to tax loss carry-forwards and deductible temporary differences, as well as deferred tax liabilities in respect of taxable temporary differences, as shown in the table below. The valuation allowances reflect DTAs that were not recognized because, as of the last remeasurement period, management did not consider it probable that there would be sufficient future taxable profits available to utilize the related tax loss carry-forwards and deductible temporary differences.

The recognition of DTAs is supported by forecasts of taxable profits for the entities concerned. In addition, tax planning opportunities are available that would result in additional future taxable income and these would be utilized, if necessary.

Deferred tax liabilities are recognized in respect of investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that the Group can control the timing of the reversal of the associated taxable temporary difference and it is probable that such will not reverse in the foreseeable future. However, as of 31 December 2025, this exception was not considered to apply to any taxable temporary differences.

Note 8 Income taxes (continued)

Deferred tax assets and liabilities

USD m	31.12.25			31.12.24		
	Gross	Valuation allowance	Recognized	Gross	Valuation allowance	Recognized
Deferred tax assets¹						
Tax loss carry-forwards	20,261	(17,743)	2,518	19,940	(17,663)	2,277
Unused tax credits	808	0	808	675	0	675
Temporary differences	10,356	(2,157)	8,198	10,841	(2,659)	8,182
<i>of which: related to real estate costs capitalized for US tax purposes</i>	2,907	0	2,907	2,971	0	2,971
<i>of which: related to compensation and benefits</i>	2,240	(250)	1,991	1,984	(503)	1,482
<i>of which: related to cash flow hedges</i>	107	1	108	529	0	529
<i>of which: other</i>	5,101	(1,909)	3,193	5,358	(2,156)	3,201
Total deferred tax assets	31,425	(19,901)	11,525²	31,456	(20,322)	11,134²
<i>of which: related to the US</i>			10,063			9,340
<i>of which: related to other locations</i>			1,461			1,794

Deferred tax liabilities

Total deferred tax liabilities	471	340

¹ After offset of DTLs, as applicable. ² As of 31 December 2025, the Group recognized DTAs of USD 399m (31 December 2024: USD 697m) in respect of entities that incurred losses in either 2025 or 2024.

In general, US federal tax losses incurred prior to 31 December 2017 can be carried forward for 20 years. US federal tax losses incurred after that date can be carried forward indefinitely, although the utilization of such losses is limited to 80% of the entity's future year taxable profits. UK tax losses can also be carried forward indefinitely; they can shelter up to either 25% or 50% of future year taxable profits, depending on when the tax losses arose. The amounts of US tax loss carry-forwards that are included in the table below are based on their amount for federal tax purposes rather than for state and local tax purposes.

Unrecognized tax loss carry-forwards

USD m	31.12.25	31.12.24
Within 1 year	384	387
From 2 to 5 years	8,350	9,491
From 6 to 10 years	3,440	3,127
From 11 to 20 years	3,007	3,760
No expiry	47,717	50,838
Total	62,898	67,603
<i>of which: related to the US¹</i>	<i>16,932</i>	<i>19,213</i>
<i>of which: related to the UK</i>	<i>39,640</i>	<i>38,293</i>
<i>of which: related to other locations</i>	<i>6,325</i>	<i>10,097</i>

¹ Mainly related to UBS AG's US branch.

Pillar Two top-up taxes under Global Anti-Base Erosion rules

Certain countries in which the Group operates have enacted legislation implementing the Pillar Two Global Anti-Base Erosion rules published by the Organisation for Economic Co-operation and Development that introduced domestic top-up taxes that applied to UBS Group entities during 2025, including Switzerland, which introduced non-domestic top-up taxes with effect from 1 January 2025, that applies to the Group's worldwide entities.

The exception that was introduced by the amendments to IAS 12, *Income Taxes*, issued in May 2023, has been applied for the purposes of these financial statements, which requires that deferred tax assets and deferred tax liabilities be neither recognized nor disclosed in respect of such top-up taxes.

The Group's profits are primarily generated in countries that have effective tax rates of 15% or more and, as a result, its current tax expenses for 2025 that related to top-up taxes were only USD 8m.

Balance sheet notes

Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement

The tables below provide information about financial instruments and certain credit lines that are subject to expected credit loss (ECL) requirements. UBS's ECL disclosure segments, or "ECL segments", are aggregated portfolios based on shared risk characteristics and on the same or similar rating methods applied. The key segments are presented in the table below.

› Refer to Note 19 for more information about expected credit loss measurement

› Refer to Note 19f for more information about sensitivity

Segment	Segment description	Description of credit risk sensitivity	Business division
Private clients with mortgages	Lending to private clients secured by owner-occupied real estate and personal account overdrafts of those clients	Sensitive to Swiss GDP, interest rate environment, unemployment levels, real estate collateral values and other regional aspects	– Personal & Corporate Banking – Global Wealth Management
Real estate financing	Rental or income-producing real estate financing to private and corporate clients secured by real estate	Sensitive to Swiss GDP, unemployment levels, the interest rate environment, real estate collateral values and other regional aspects	– Personal & Corporate Banking – Global Wealth Management – Investment Bank
Large corporate clients	Lending to large corporate and multi-national clients	Sensitive to GDP developments, unemployment levels, credit default swap (CDS) indices, seasonality, business cycles, collateral values (diverse collateral, including real estate and other collateral types) and commodity prices	– Personal & Corporate Banking – Investment Bank – Global Wealth Management – Non-core and Legacy
SME clients	Lending to small and medium-sized corporate clients	Sensitive to GDP developments, unemployment levels, the interest rate environment and, to some extent, seasonality, business cycles and collateral values (diverse collateral, including real estate and other collateral types)	– Personal & Corporate Banking
Lombard	Loans secured by pledges of marketable securities, guarantees and other forms of collateral	Sensitive to equity and debt markets (e.g. changes in collateral values)	– Global Wealth Management – Non-core and Legacy
Credit cards	Credit card exposures in Switzerland and the US	Sensitive to unemployment levels	– Personal & Corporate Banking – Global Wealth Management
Commodity trade finance	Working capital financing of commodity traders, generally extended on a self-liquidating transactional basis	Sensitive primarily to the strength of individual transaction structures and collateral values (price volatility of commodities), as the primary source for debt service is directly linked to the shipments financed	– Personal & Corporate Banking
Consumer financing	Consumer loans and car leasing	Sensitive to unemployment levels	– Personal & Corporate Banking
Ship financing	Ship financing mainly includes bulk carriers, oil tankers, containers and liquefied natural gas carriers	Sensitive to real GDP, earnings of tankers and earnings of bulk carriers	– Global Wealth Management
Aircraft financing	Corporate aircraft financing	Sensitive to collateral values	– Global Wealth Management
Financial intermediaries and hedge funds	Lending to financial institutions and pension funds, including exposures to broker-dealers and clearing houses	Sensitive to GDP development, CDS indices, the interest rate environment, price and volatility risks in financial markets, regulatory and political risk, and collateral values (diverse collateral, including real estate and other collateral types)	– Personal & Corporate Banking – Investment Bank – Global Wealth Management – Non-core and Legacy

Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement (continued)

The tables below provide exposure and ECL allowance and provision information about financial instruments and certain non-financial instruments that are subject to ECL requirements.

ECL-relevant balance sheet and off-balance sheet positions

USD m	31.12.25									
	Carrying amount ¹					ECL allowances				
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 3	PCI
Cash and balances at central banks	209,858	209,606	21	0	231	(81)	0	(29)	0	(52)
Amounts due from banks	19,649	19,525	124	0	0	(14)	(9)	(5)	0	0
Receivables from securities financing transactions measured at amortized cost	83,656	83,656	0	0	0	(1)	(1)	0	0	0
Cash collateral receivables on derivative instruments	41,552	41,552	0	0	0	0	0	0	0	0
Loans and advances to customers	653,846	624,137	25,155	3,947	607	(2,490)	(353)	(271)	(1,629)	(237)
<i>of which: Private clients with mortgages</i>	287,424	276,377	9,599	1,400	49	(124)	(44)	(18)	(55)	(6)
<i>of which: Real estate financing</i>	92,334	86,954	5,261	111	8	(67)	(26)	(30)	(11)	0
<i>of which: Large corporate clients</i>	26,752	22,954	2,886	700	213	(762)	(116)	(94)	(413)	(139)
<i>of which: SME clients</i>	23,805	19,883	2,521	1,238	163	(1,068)	(80)	(81)	(872)	(36)
<i>of which: Lombard</i>	165,320	164,874	169	212	64	(64)	(6)	0	(27)	(31)
<i>of which: Credit cards</i>	2,408	1,860	501	47	0	(48)	(7)	(12)	(29)	0
<i>of which: Commodity trade finance</i>	4,849	3,570	1,274	5	0	(94)	(8)	0	(80)	(6)
<i>of which: Ship / aircraft financing</i>	8,753	7,609	1,025	119	0	(17)	(9)	(8)	0	0
<i>of which: Consumer financing</i>	2,966	2,677	130	92	67	(136)	(19)	(24)	(92)	0
Other financial assets measured at amortized cost	71,897	70,427	1,247	220	3	(124)	(29)	(9)	(86)	0
<i>of which: Loans to financial advisors</i>	2,716	2,567	53	95	0	(34)	(3)	(1)	(30)	0
Total financial assets measured at amortized cost	1,080,458	1,048,903	26,546	4,167	841	(2,711)	(392)	(314)	(1,715)	(289)
Financial assets measured at fair value through other comprehensive income	13,868	13,868	0	0	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	1,094,326	1,062,771	26,546	4,167	841	(2,711)	(392)	(314)	(1,715)	(289)

Off-balance sheet (in scope of ECL)	Notional exposure					ECL provisions				
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 3	PCI
Guarantees	47,102	45,512	1,448	120	22	(50)	(15)	(22)	(13)	0
<i>of which: Large corporate clients</i>	7,388	6,446	916	17	9	(17)	(7)	(6)	(4)	0
<i>of which: SME clients</i>	3,134	2,834	228	67	5	(24)	(5)	(15)	(4)	0
<i>of which: Financial intermediaries and hedge funds</i>	29,411	29,288	123	0	0	(1)	(1)	0	0	0
<i>of which: Lombard</i>	3,537	3,505	1	31	0	(2)	0	0	(1)	0
<i>of which: Commodity trade finance</i>	2,252	2,152	100	0	0	(1)	(1)	0	0	0
Irrevocable loan commitments	82,122	77,976	3,938	174	35	(227)	(114)	(77)	(27)	(9)
<i>of which: Large corporate clients</i>	50,000	46,556	3,292	118	35	(184)	(91)	(72)	(19)	(2)
Forward starting reverse repurchase and securities borrowing agreements	10,723	10,723	0	0	0	0	0	0	0	0
Committed unconditionally revocable credit lines	119,679	115,982	3,449	248	0	(67)	(51)	(16)	0	0
<i>of which: Real estate financing</i>	6,433	5,291	1,041	101	0	(3)	(5)	1	0	0
<i>of which: Large corporate clients</i>	11,393	10,737	650	6	0	(15)	(7)	(6)	(2)	0
<i>of which: SME clients</i>	11,814	11,278	418	118	0	(31)	(24)	(7)	0	0
<i>of which: Lombard</i>	60,500	60,435	63	1	0	0	0	0	0	0
<i>of which: Credit cards</i>	12,943	12,361	578	4	0	(9)	(7)	(2)	0	0
Irrevocable committed prolongation of existing loans	8,178	8,141	32	5	0	(3)	(3)	0	0	0
Total off-balance sheet financial instruments and other credit lines	267,803	258,333	8,867	546	57	(347)	(184)	(115)	(40)	(9)
Total allowances and provisions						(3,058)	(576)	(428)	(1,756)	(298)

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.

Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement (continued)

ECL-relevant balance sheet and off-balance sheet positions

USD m	31.12.24									
	Carrying amount ¹					ECL allowances				
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 3	PCI
Cash and balances at central banks	223,329	223,201	13	0	114	(47)	0	(21)	0	(25)
Amounts due from banks	18,903	18,704	198	0	0	(36)	(1)	(5)	0	(30)
Receivables from securities financing transactions measured at amortized cost	118,301	118,301	0	0	0	(2)	(2)	0	0	0
Cash collateral receivables on derivative instruments	43,959	43,959	0	0	0	0	0	0	0	0
Loans and advances to customers	579,967	553,532	22,049	3,565	820	(1,978)	(276)	(323)	(1,134)	(244)
<i>of which: Private clients with mortgages</i>	<i>249,756</i>	<i>239,540</i>	<i>8,987</i>	<i>1,146</i>	<i>84</i>	<i>(160)</i>	<i>(46)</i>	<i>(70)</i>	<i>(30)</i>	<i>(14)</i>
<i>of which: Real estate financing</i>	<i>82,602</i>	<i>78,410</i>	<i>3,976</i>	<i>195</i>	<i>20</i>	<i>(58)</i>	<i>(24)</i>	<i>(27)</i>	<i>(7)</i>	<i>0</i>
<i>of which: Large corporate clients</i>	<i>25,286</i>	<i>20,816</i>	<i>3,462</i>	<i>707</i>	<i>301</i>	<i>(573)</i>	<i>(72)</i>	<i>(123)</i>	<i>(277)</i>	<i>(100)</i>
<i>of which: SME clients</i>	<i>20,768</i>	<i>17,403</i>	<i>2,265</i>	<i>952</i>	<i>148</i>	<i>(742)</i>	<i>(55)</i>	<i>(47)</i>	<i>(613)</i>	<i>(26)</i>
<i>of which: Lombard</i>	<i>147,504</i>	<i>147,136</i>	<i>260</i>	<i>48</i>	<i>61</i>	<i>(42)</i>	<i>(6)</i>	<i>0</i>	<i>(18)</i>	<i>(18)</i>
<i>of which: Credit cards</i>	<i>1,978</i>	<i>1,533</i>	<i>406</i>	<i>39</i>	<i>0</i>	<i>(41)</i>	<i>(6)</i>	<i>(11)</i>	<i>(25)</i>	<i>0</i>
<i>of which: Commodity trade finance</i>	<i>4,203</i>	<i>4,089</i>	<i>106</i>	<i>8</i>	<i>0</i>	<i>(81)</i>	<i>(9)</i>	<i>0</i>	<i>(71)</i>	<i>0</i>
<i>of which: Ship / aircraft financing</i>	<i>7,848</i>	<i>6,974</i>	<i>874</i>	<i>0</i>	<i>0</i>	<i>(31)</i>	<i>(14)</i>	<i>(16)</i>	<i>0</i>	<i>0</i>
<i>of which: Consumer financing</i>	<i>2,820</i>	<i>2,480</i>	<i>114</i>	<i>159</i>	<i>67</i>	<i>(93)</i>	<i>(15)</i>	<i>(19)</i>	<i>(62)</i>	<i>4</i>
Other financial assets measured at amortized cost	58,835	58,209	436	178	12	(125)	(25)	(7)	(84)	(8)
<i>of which: Loans to financial advisors</i>	<i>2,723</i>	<i>2,568</i>	<i>59</i>	<i>95</i>	<i>0</i>	<i>(41)</i>	<i>(4)</i>	<i>(1)</i>	<i>(37)</i>	<i>0</i>
Total financial assets measured at amortized cost	1,043,293	1,015,906	22,697	3,743	946	(2,187)	(304)	(357)	(1,218)	(307)
Financial assets measured at fair value through other comprehensive income	2,195	2,195	0	0	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements	1,045,488	1,018,102	22,697	3,743	946	(2,187)	(304)	(357)	(1,218)	(307)

Off-balance sheet (in scope of ECL)	Notional exposure					ECL provisions				
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 3	PCI
Guarantees	40,279	38,858	1,242	151	27	(64)	(16)	(24)	(24)	0
<i>of which: Large corporate clients</i>	<i>7,817</i>	<i>7,096</i>	<i>635</i>	<i>78</i>	<i>8</i>	<i>(17)</i>	<i>(7)</i>	<i>(9)</i>	<i>(2)</i>	<i>0</i>
<i>of which: SME clients</i>	<i>2,524</i>	<i>2,074</i>	<i>393</i>	<i>41</i>	<i>15</i>	<i>(26)</i>	<i>(5)</i>	<i>(15)</i>	<i>(7)</i>	<i>0</i>
<i>of which: Financial intermediaries and hedge funds</i>	<i>21,590</i>	<i>21,449</i>	<i>141</i>	<i>0</i>	<i>0</i>	<i>(1)</i>	<i>(1)</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>of which: Lombard</i>	<i>3,709</i>	<i>3,652</i>	<i>24</i>	<i>29</i>	<i>4</i>	<i>(6)</i>	<i>(1)</i>	<i>0</i>	<i>(5)</i>	<i>0</i>
<i>of which: Commodity trade finance</i>	<i>2,678</i>	<i>2,676</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>(1)</i>	<i>(1)</i>	<i>0</i>	<i>0</i>	<i>0</i>
Irrevocable loan commitments	79,579	75,158	4,178	187	56	(177)	(105)	(61)	(10)	(2)
<i>of which: Large corporate clients</i>	<i>47,381</i>	<i>43,820</i>	<i>3,393</i>	<i>125</i>	<i>43</i>	<i>(155)</i>	<i>(91)</i>	<i>(54)</i>	<i>(8)</i>	<i>(2)</i>
Forward starting reverse repurchase and securities borrowing agreements	24,896	24,896	0	0	0	0	0	0	0	0
Committed unconditionally revocable credit lines	145,665	143,262	2,149	250	5	(76)	(59)	(17)	0	0
<i>of which: Real estate financing</i>	<i>7,674</i>	<i>7,329</i>	<i>345</i>	<i>0</i>	<i>0</i>	<i>(6)</i>	<i>(4)</i>	<i>(2)</i>	<i>0</i>	<i>0</i>
<i>of which: Large corporate clients</i>	<i>14,690</i>	<i>14,089</i>	<i>584</i>	<i>14</i>	<i>3</i>	<i>(22)</i>	<i>(14)</i>	<i>(7)</i>	<i>(2)</i>	<i>0</i>
<i>of which: SME clients</i>	<i>9,812</i>	<i>9,289</i>	<i>333</i>	<i>190</i>	<i>0</i>	<i>(34)</i>	<i>(28)</i>	<i>(6)</i>	<i>0</i>	<i>0</i>
<i>of which: Lombard</i>	<i>73,267</i>	<i>73,181</i>	<i>84</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>of which: Credit cards</i>	<i>10,074</i>	<i>9,604</i>	<i>467</i>	<i>3</i>	<i>0</i>	<i>(8)</i>	<i>(6)</i>	<i>(2)</i>	<i>0</i>	<i>0</i>
Irrevocable committed prolongation of existing loans	4,608	4,602	4	2	0	(3)	(3)	0	0	0
Total off-balance sheet financial instruments and other credit lines	295,027	286,776	7,572	590	89	(320)	(183)	(102)	(34)	(2)
Total allowances and provisions						(2,507)	(487)	(459)	(1,253)	(309)

¹ The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances.

Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement (continued)

Coverage ratios are calculated for the core loan portfolio by taking ECL allowances and provisions divided by the gross carrying amount of the exposures. Core loan exposure is defined as the sum of *Loans and advances to customers* and *Loans to financial advisors*.

These ratios are influenced by the following key factors:

- Lombard loans are generally secured with marketable securities in portfolios that are, as a rule, highly diversified, with strict lending policies that are intended to ensure that credit risk is minimal under most circumstances;
- mortgage loans to private clients and real estate financing are controlled by conservative eligibility criteria, including low loan-to-value ratios and strong debt service capabilities;
- the amount of unsecured retail lending (including credit cards and consumer financing) is not material;
- contractual maturities in the loan portfolio, which are a factor in the calculation of ECLs, are generally short, with Lombard lending typically having average contractual maturities of 12 months or less, real estate lending generally between two and three years in Switzerland, with long-dated maturities in the US, and corporate lending between one and two years with related loan commitments up to four years; and
- write-offs of ECL allowances against the gross loan balances when all or part of a financial asset is deemed uncollectible or forgiven reduce the coverage ratios.

The total on- and off-balance sheet coverage ratio was 31 basis points as of 31 December 2025, 4 basis points higher than the ratio as of 31 December 2024. The combined stage 1 and 2 ratio was 10 basis points, unchanged compared with 31 December 2024; the stage 3 ratio was 27%, 5 percentage points higher than the ratio as of 31 December 2024, and the PCI ratio was 27%.

Coverage ratios for core loan portfolio

31.12.25											
On-balance sheet	Gross carrying amount (USD m)					ECL coverage (bps)					
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3	PCI
Private clients with mortgages	287,548	276,421	9,617	1,455	55	4	2	19	2	380	1,162
Real estate financing	92,401	86,979	5,292	122	8	7	3	57	6	871	540
Total real estate lending	379,949	363,401	14,908	1,577	64	5	2	32	3	418	1,079
Large corporate clients	27,514	23,069	2,980	1,113	352	277	50	315	80	3,711	3,956
SME clients	24,873	19,964	2,602	2,109	198	429	40	310	71	4,132	1,793
Total corporate lending	52,387	43,033	5,581	3,222	550	349	46	313	76	3,986	3,177
Lombard	165,384	164,880	169	239	95	4	0	0	0	1,140	3,246
Credit cards	2,456	1,867	513	76	0	197	37	234	80	3,867	0
Commodity trade finance	4,943	3,584	1,274	86	0	190	22	2	17	9,379	0
Ship / aircraft financing	8,771	7,618	1,033	119	0	20	12	77	20	0	0
Consumer financing	3,102	2,696	154	184	68	439	70	1,590	152	5,012	58
Other loans and advances to customers	39,344	37,402	1,792	73	77	28	10	17	10	6,779	2,484
Loans to financial advisors	2,750	2,571	54	125	0	125	12	141	15	2,431	0
Total other lending	226,750	220,618	4,990	903	239	22	4	97	6	3,425	2,328
Total¹	659,086	627,051	25,479	5,702	853	38	6	107	10	2,911	2,782
Off-balance sheet	Notional exposure (USD m)					ECL coverage (bps)					
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3	PCI
Private clients with mortgages	13,016	12,757	245	13	0	3	2	16	3	0	0
Real estate financing	7,743	6,591	1,051	101	0	7	13	0	7	0	0
Total real estate lending	20,758	19,348	1,296	114	0	4	6	0	4	0	0
Large corporate clients	68,798	63,753	4,860	141	43	31	17	173	28	1,718	377
SME clients	16,511	15,531	732	242	5	46	23	386	39	275	9,581
Total corporate lending	85,308	79,284	5,592	383	48	34	18	201	30	807	1,353
Lombard	65,395	65,298	64	33	0	2	0	0	0	2,151	0
Credit cards	12,943	12,361	578	4	0	7	6	34	7	0	0
Commodity trade finance	2,613	2,512	101	0	0	5	5	6	5	0	0
Ship / aircraft financing	1,968	1,770	198	0	0	11	2	89	11	0	0
Consumer financing	153	153	0	0	0	0	0	0	0	0	0
Financial intermediaries and hedge funds	34,281	33,880	401	0	0	1	1	5	1	0	0
Other off-balance sheet commitments	33,659	33,004	635	12	8	6	5	19	5	1,781	2,438
Total other lending	151,013	148,978	1,978	48	8	3	2	26	2	1,882	2,438
Total²	257,080	247,610	8,867	546	57	13	7	129	12	733	1,510
Total on- and off-balance sheet³	916,166	874,662	34,346	6,248	910	31	6	112	10	2,720	2,703

¹ Includes Loans and advances to customers and Loans to financial advisors, which are presented on the Other financial assets measured at amortized cost balance sheet line. ² Excludes Forward starting reverse repurchase and securities borrowing agreements. ³ Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement (continued)

Coverage ratios for core loan portfolio

31.12.24											
On-balance sheet	Gross carrying amount (USD m)					ECL coverage (bps)					
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3	PCI
Private clients with mortgages	249,916	239,586	9,056	1,176	98	6	2	77	5	257	1,447
Real estate financing	82,660	78,434	4,003	202	20	7	3	67	6	353	2
Total real estate lending	332,576	318,020	13,059	1,378	118	7	2	74	5	271	1,203
Large corporate clients	25,859	20,888	3,585	983	402	222	35	344	80	2,814	2,500
SME clients	21,510	17,459	2,312	1,565	174	345	32	205	52	3,918	1,474
Total corporate lending	47,369	38,347	5,897	2,549	576	278	33	290	67	3,492	2,190
Lombard	147,547	147,141	260	66	79	3	0	8	0	2,719	2,317
Credit cards	2,019	1,539	416	64	0	205	39	256	85	3,857	0
Commodity trade finance	4,284	4,098	106	79	0	189	22	40	23	8,984	4,226
Ship / aircraft financing	7,879	6,988	891	0	0	39	20	184	39	0	0
Consumer financing	2,912	2,495	133	221	63	318	62	1,449	132	2,786	0
Other loans and advances to customers	37,359	35,179	1,610	342	228	42	8	57	10	917	3,909
Loans to financial advisors	2,764	2,571	60	132	0	149	14	159	17	2,785	0
Total other lending	204,764	200,012	3,477	905	370	24	4	164	7	2,691	2,804
Total¹	584,708	556,380	22,433	4,831	1,064	35	5	145	10	2,424	2,294
Off-balance sheet	Notional exposure (USD m)					ECL coverage (bps)					
	Total	Stage 1	Stage 2	Stage 3	PCI	Total	Stage 1	Stage 2	Stage 1&2	Stage 3	PCI
Private clients with mortgages	8,473	8,271	176	25	1	4	4	22	4	84	0
Real estate financing	8,694	8,300	394	0	0	7	6	33	7	0	0
Total real estate lending	17,167	16,571	570	25	1	6	5	30	6	84	0
Large corporate clients	69,892	65,009	4,612	217	54	28	17	150	26	588	290
SME clients	13,944	12,788	842	287	27	53	30	324	48	281	0
Total corporate lending	83,837	77,797	5,454	504	81	32	19	177	30	413	186
Lombard	80,390	80,235	120	30	4	1	0	1	0	1,764	0
Credit cards	10,074	9,604	467	3	0	8	6	36	8	0	0
Commodity trade finance	3,487	3,464	23	0	0	3	3	51	3	0	0
Ship / aircraft financing	2,669	2,663	6	0	0	13	13	49	13	0	0
Consumer financing	134	134	0	0	0	6	6	0	6	0	0
Financial intermediaries and hedge funds	19,609	19,145	464	0	0	1	1	8	1	0	0
Other off-balance sheet commitments	52,765	52,268	468	27	2	4	2	28	2	2,903	0
Total other lending	169,127	167,512	1,549	61	6	2	1	23	2	2,171	0
Total²	270,131	261,880	7,572	590	89	12	7	135	11	580	171
Total on- and off-balance sheet³	854,839	818,260	30,006	5,421	1,153	27	6	142	10	2,223	2,131

¹ Includes Loans and advances to customers and Loans to financial advisors, which are presented on the Other financial assets measured at amortized cost balance sheet line. ² Excludes Forward starting reverse repurchase and securities borrowing agreements. ³ Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 10 Derivative instruments

Overview

Over-the-counter (OTC) derivative contracts are usually traded under a standardized International Swaps and Derivatives Association (ISDA) master agreement or other recognized local industry-standard master agreements between UBS and its counterparties. Terms are negotiated directly with counterparties and the contracts have industry-standard settlement mechanisms prescribed by ISDA or similar industry-standard solutions. Other OTC derivatives are cleared through clearing houses, in particular interest rate swaps with London Clearing House (LCH), where a settled-to-market method has been generally adopted, under which cash collateral exchanged on a daily basis is considered to legally settle the market value of the derivatives. Regulators in various jurisdictions have introduced rules requiring the payment and collection of initial and variation margins on certain OTC derivative contracts, which may have a bearing on price and other relevant terms.

Exchange-traded derivatives (ETD) are standardized in terms of their amounts and settlement dates, and are bought and sold on regulated exchanges. Exchanges offer the benefits of pricing transparency, standardized daily settlement of changes in value and, consequently, reduced credit risk.

Most of the Group's derivative transactions relate to sales and market-making activity. Sales activities include the structuring and marketing of derivative products to customers to enable them to take, transfer, modify or reduce current or expected risks. Market-making aims to directly support the facilitation and execution of client activity, and involves quoting bid and offer prices to other market participants with the aim of generating revenues based on spread and volume. The Group also uses various derivative instruments for hedging purposes.

› Refer to Notes 15 and 20 for more information about derivative instruments

› Refer to Note 24 for more information about derivatives designated in hedge accounting relationships

Note 10 Derivative instruments (continued)

Risks of derivative instruments

The derivative financial assets shown on the balance sheet can be an important component of the Group's credit exposure; however, the positive replacement values related to a respective counterparty are rarely an adequate reflection of the Group's credit exposure in its derivatives business with that counterparty. This is generally the case because, on the one hand, replacement values can increase over time (potential future exposure), while, on the other hand, exposure may be mitigated by entering into master netting agreements and bilateral collateral arrangements. Both the exposure measures used internally by the Group to control credit risk and the capital requirements imposed by regulators reflect these additional factors.

- › Refer to Note 21 for more information about derivative financial assets and liabilities after consideration of netting potential permitted under enforceable netting arrangements
- › Refer to the "Risk management and control" section of this report for more information about the risks arising from derivative instruments

Derivative instruments

	31.12.25			31.12.24		
USD bn	Derivative financial assets	Derivative financial liabilities	Notional amounts ¹	Derivative financial assets	Derivative financial liabilities	Notional amounts ¹
Interest rate	34.8	30.9	25,425.9	41.4	36.6	20,487.3
of which: forwards (OTC) ²	0.1	0.0	1,426.2	0.1	0.0	944.4
of which: swaps (OTC)	22.9	17.7	20,721.6	26.5	20.3	16,328.3
of which: options (OTC)	11.8	13.1	2,080.8	14.7	16.1	2,189.1
of which: futures (ETD)			938.0			827.5
Foreign exchange	48.7	49.9	8,150.6	100.9	94.6	7,476.1
of which: forwards (OTC)	18.7	18.2	3,143.7	36.9	32.3	2,267.7
of which: swaps (OTC)	23.8	25.3	3,988.1	55.2	53.5	4,052.4
of which: options (OTC)	6.2	6.3	1,004.0	8.6	8.7	1,145.2
Equity / index	50.8	62.6	1,789.0	36.9	42.7	1,458.1
of which: swaps (OTC)	6.1	12.5	469.3	5.9	8.2	352.8
of which: options (OTC)	7.6	12.9	405.4	4.4	8.3	226.1
of which: futures (ETD)			90.9			84.6
of which: options (ETD)	16.7	16.4	800.8	13.4	13.5	793.4
Credit derivatives	3.9	4.4	162.9	3.1	3.7	143.8
Commodities	9.2	8.0	250.0	2.6	2.2	172.5
Other³	0.4	0.5	95.5	0.6	0.8	86.9
Total derivative instruments, based on netting under IFRS Accounting Standards⁴	147.8	156.2	35,873.7	185.6	180.6	29,824.8

¹ In cases where derivative financial instruments are presented on a net basis on the balance sheet, the respective notional amounts of the netted derivative financial instruments are still presented on a gross basis. Includes notional amounts related to derivatives that are cleared through either a central counterparty or an exchange and settled on a daily basis. The fair value of these derivatives is presented on the balance sheet net of the corresponding cash margin under Cash collateral receivables on derivative instruments and Cash collateral payables on derivative instruments and was not material for any of the periods presented. Notional amounts of client-cleared ETD and OTC transactions through central clearing counterparties are not disclosed, as they have a significantly different risk profile. ² Includes certain forward starting repurchase and reverse repurchase agreements that are classified as measured at fair value through profit or loss and are recognized within derivative instruments. ³ Includes mainly derivative loan commitments measured at FVTPL, as well as unsettled purchases and sales of non-derivative financial instruments for which the changes in the fair value between trade date and settlement date are recognized as derivative financial instruments. ⁴ Derivative financial assets and liabilities are presented net on the balance sheet if UBS has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of the entity and all of the counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Refer to Note 21 for more information about netting arrangements.

On a notional amount basis, approximately 44% of OTC interest rate contracts held as of 31 December 2025 (31 December 2024: 55%) mature within one year, 34% (31 December 2024: 27%) within one to five years and 22% (31 December 2024: 18%) after five years.

Notional amounts of interest rate contracts cleared through either a central counterparty or an exchange that are legally settled or economically net settled on a daily basis are presented under *Notional amounts* in the table above and are categorized into maturity buckets on the basis of contractual maturities of the cleared underlying derivative contracts. Notional amounts related to interest rate contracts increased by USD 4.9trn compared with 31 December 2024, mainly reflecting higher business volumes in the Investment Bank.

Note 11 Property, equipment and software

At historical cost less accumulated depreciation

USD m	Owned properties and equipment ¹	Leased properties and equipment ²	Software	Projects in progress	2025	2024
Historical cost						
Balance at the beginning of the year	15,721	6,467	12,421	776	35,385	35,913
Additions	303	366	48	2,028	2,744	2,199
Disposals / write-offs ³	(1,411)	(441)	(470)	(1)	(2,323)	(1,108)
Reclassifications ⁴	300	0	1,487	(1,895)	(107)	(94)
Foreign currency translation	1,660	375	622	113	2,769	(1,525)
Balance at the end of the year	16,573	6,767	14,107	1,020	38,468	35,385
Accumulated depreciation						
Balance at the beginning of the year	9,139	3,212	7,536		19,887	18,064
Depreciation	872	733	1,734		3,339	3,605
Impairment ⁵	6	1	63		69	52
Disposals / write-offs ³	(1,408)	(441)	(470)		(2,318)	(1,105)
Reclassifications ⁴	(45)	0	0		(45)	20
Foreign currency translation	913	179	386		1,479	(749)
Balance at the end of the year	9,477	3,684	9,249		22,411	19,887
Net book value						
Net book value at the beginning of the year	6,582	3,255	4,884	776	15,498	17,849
Net book value at the end of the year	7,096	3,083	4,858	1,020 ⁶	16,057	15,498

¹ Includes leasehold improvements and IT hardware. ² Represents right-of-use assets recognized by UBS as lessee. UBS predominantly enters into lease contracts, or contracts that include lease components, in relation to real estate, including offices, retail branches and sales offices. The total cash outflow for leases during 2025 was USD 947m (2024: USD 1,138m). Interest expense on lease liabilities is included within Interest expense from financial instruments measured at amortized cost, and lease liabilities are included within Other financial liabilities measured at amortized cost. Refer to Notes 3 and 18a, respectively. There were no material gains or losses arising from sale-and-leaseback transactions in 2025 and in 2024. ³ Includes write-offs of fully depreciated assets. ⁴ The total reclassification amount for the respective periods represents net reclassifications from / to Other non-financial assets. ⁵ Impairment charges recorded in 2025 generally relate to assets that are no longer used, of which USD 61m for Group Items, USD 6m for Global Wealth Management and USD 1m for Non-core and Legacy. The recoverable amount based on a value-in-use approach was determined to be zero. ⁶ Consists of USD 535m related to Owned properties and equipment and USD 485m related to Software.

Note 12 Goodwill and intangible assets

Introduction

UBS performs an impairment test on its goodwill assets on an annual basis or when indicators of impairment exist.

UBS considers Asset Management, as reported in Note 2a, as a separate cash-generating unit (a CGU), as that is the level at which the performance of investment (and the related goodwill) is reviewed and assessed by management. Given that a significant amount of goodwill in Global Wealth Management relates to the acquisition of PaineWebber Group, Inc. in 2000, which mainly affected the Americas portion of the business, this goodwill remains separately monitored by the Americas, despite the formation of Global Wealth Management in 2018. Therefore, goodwill for Global Wealth Management is separately considered for impairment at the level of two CGUs: Americas; and Switzerland and International (consisting of EMEA, Asia Pacific and Global).

The impairment test is performed for each CGU to which goodwill is allocated by comparing the recoverable amount with the carrying amount of the respective CGU. UBS determines the recoverable amount of the respective CGUs based on their value in use. An impairment charge is recognized if the carrying amount exceeds the recoverable amount.

As of 31 December 2025, total goodwill recognized on the balance sheet was USD 6.1bn, of which USD 3.7bn was carried by the Global Wealth Management Americas CGU, USD 1.2bn was carried by the Global Wealth Management Switzerland and International CGU, and USD 1.1bn was carried by Asset Management. Based on the impairment testing methodology described below, UBS concluded that the goodwill balances as of 31 December 2025 allocated to these CGUs were not impaired. For each of the CGUs, the recoverable amount substantially exceeded the carrying value as of 31 December 2025, and there was no indication of a significant risk of goodwill impairment based on the testing performed as of 31 December 2025.

Methodology for goodwill impairment testing

The recoverable amounts are determined using a discounted cash flow model, which has been adapted to use inputs that consider features of the banking business and its regulatory environment. The recoverable amount of a CGU is the sum of the discounted earnings attributable to shareholders from the first three forecast years and the terminal value, adjusted for the effect of the capital assumed to be needed over the next three years and to support growth beyond that period. The terminal value, which covers all periods beyond the third year, is calculated on the basis of the forecast of the third-year profit, the discount rate and the long-term growth rate, as well as the implied perpetual capital growth. For the Global Wealth Management Americas CGU, the methodology is consistently applied. That CGU's extended forecast period of five years (with a terminal value thereafter), which was applied in the 2024 and 2023 goodwill impairment testing to provide for that CGU's specific planning assumptions, namely the ongoing investments in the core banking infrastructure in the US to enhance the product capabilities and offerings in this market, has been reduced to three years (with a terminal value thereafter) following the implementation of major parts of these planning assumptions. The extended forecast period of five years did not trigger, defer or avoid an impairment of goodwill as of 31 December 2024 or 31 December 2023.

The carrying amount for each CGU is determined by reference to the Group's equity attribution framework. Within this framework, UBS attributes equity to the businesses on the basis of their risk-weighted assets and leverage ratio denominator (both metrics include resource allocations from Group functions to the business divisions), or by their common equity tier 1 (CET1) capital equivalent of risk-based capital if higher, their goodwill and their intangible assets, as well as attributed equity related to certain CET1 capital deduction items. The framework is primarily used for the purpose of measuring the performance of the businesses and includes certain management assumptions. Attributed equity is equal to the capital a CGU requires to conduct its business and is currently considered a reasonable approximation of the carrying amount of the CGUs. The attributed equity methodology is also applied in the business planning process, the inputs from which are used in calculating the recoverable amounts of the respective CGU.

Assumptions

Valuation parameters used within the Group's impairment test model are linked to external market information, where applicable. The model used to determine the recoverable amount is most sensitive to changes in the forecast earnings available to shareholders in years one to three, to changes in the discount rates and to changes in the long-term growth rate. The applied long-term growth rate is based on long-term economic growth rates for different regions worldwide. Earnings available to shareholders are estimated on the basis of forecast results, which are part of the business plan approved by the Board of Directors.

The discount rates are determined by applying a capital asset pricing model-based approach, as well as considering quantitative and qualitative inputs from both internal and external analysts and the view of management. They also take into account regional differences in risk-free rates at the level of the individual CGUs. In line with discount rates, long-term growth rates are determined at the regional level based on nominal GDP growth rate forecasts.

Key assumptions used to determine the recoverable amounts of each CGU are tested for sensitivity by applying a reasonably possible change to those assumptions. Forecast earnings available to shareholders were changed by 20%, the discount rates were changed by 1.5 percentage points, and the long-term growth rates were changed by 0.75 percentage points. Under all scenarios, reasonably possible changes in key assumptions did not result in an impairment of goodwill or intangible assets reported by Global Wealth Management Americas, Global Wealth Management Switzerland and International, and Asset Management.

If the estimated earnings and other assumptions in future periods deviate from the current outlook, the value of goodwill attributable to Global Wealth Management Americas, Global Wealth Management Switzerland and International, and Asset Management may become impaired in the future, giving rise to losses in the income statement. Recognition of any impairment of goodwill would reduce IFRS Accounting Standards equity and net profit. It would not affect cash flows and, as goodwill is required to be deducted from capital under the Basel III capital framework, no effect would be expected on the Group's capital ratios.

Discount and growth rates

In %	Discount rates		Growth rates	
	31.12.25	31.12.24	31.12.25	31.12.24
Global Wealth Management Americas	9.5	9.5	3.7	3.8
Global Wealth Management Switzerland and International	9.5	9.5	3.6	3.7
Asset Management	9.0	9.0	3.4	3.3

Note 12 Goodwill and intangible assets (continued)

Goodwill and intangible assets				
USD m	Goodwill	Intangible assets ¹	2025	2024
Historical cost				
Balance at the beginning of the year	5,990	2,451	8,441	9,006
Additions	0	0	0	7
Disposals ²	(2)	0	(2)	(1)
Reclassifications ³	0	0	0	(384)
Write-offs	0	(76)	(76)	0
Foreign currency translation	79	180	259	(187)
Balance at the end of the year	6,067	2,555	8,622	8,441
Accumulated amortization and impairment				
Balance at the beginning of the year	0	1,554	1,554	1,491
Amortization	0	140	140	190
Impairment / (reversal of impairment)	0	0	0	1
Reclassifications ³	0	0	0	(96)
Write-offs	0	(76)	(76)	0
Foreign currency translation	0	57	57	(32)
Balance at the end of the year	0	1,674	1,674	1,554
Net book value at the end of the year	6,067	880	6,948	6,887
<i>of which: Global Wealth Management Americas</i>	<i>3,716</i>	<i>29</i>	<i>3,745</i>	<i>3,734</i>
<i>of which: Global Wealth Management Switzerland and International</i>	<i>1,205</i>	<i>107</i>	<i>1,312</i>	<i>1,271</i>
<i>of which: Personal & Corporate Banking</i>	<i>0</i>	<i>644</i>	<i>644</i>	<i>657</i>
<i>of which: Asset Management</i>	<i>1,146</i>	<i>0</i>	<i>1,146</i>	<i>1,127</i>
<i>of which: Investment Bank</i>	<i>0</i>	<i>100</i>	<i>100</i>	<i>98</i>
<i>of which: Non-core and Legacy</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>

¹ Intangible assets mainly include customer relationships, core deposits, contractual rights and the fully amortized branch network intangible asset recognized in connection with the acquisition of PaineWebber Group, Inc. in 2000. ² Reflects the derecognition of goodwill allocated to businesses and intangible assets held by entities that have been disposed of. ³ In 2024, certain intangible assets were reclassified to Assets of disposal groups held for sale. Refer to Note 28 for more information.

Note 13 Other assets

a) Other financial assets measured at amortized cost

USD m	2025	2024
Debt securities	53,214	41,585
Loans to financial advisors	2,716	2,723
Fee- and commission-related receivables	2,422	2,242
Finance lease receivables	6,646	5,879
Settlement and clearing accounts	382	430
Accrued interest income	2,275	2,115
Other ¹	4,243	3,862
Total other financial assets measured at amortized cost	71,897	58,835

¹ Predominantly includes cash collateral provided to exchanges and clearing houses to secure securities trading activity through those counterparties.

Effective 1 April 2022, UBS reclassified a portfolio of high-quality liquid financial assets from *Financial assets measured at fair value through other comprehensive income* with a fair value of USD 6.9bn (the Portfolio) to *Other financial assets measured at amortized cost*. The Portfolio's cumulative fair value pre-tax loss of USD 449m and post-tax loss of USD 333m, previously recognized in *Other comprehensive income*, were removed from equity and adjusted against the value of the assets on the reclassification date, so that the Portfolio was measured as if the assets had always been classified at amortized cost, with a value of USD 7.4bn as on 1 April 2022. The reclassification has had no effect on the income statement. At the time, the accounting reclassification arose as a direct result of the planned transformation of UBS's Global Wealth Management Americas business, involving significant growth and extension of the business, generating substantial cash balances, with a number of new saving and deposit products being launched that are longer in duration. Additional lending, and a broader range of customer segments were targeted. As a consequence, the Portfolio is no longer held in a business model to collect the contractual cash flows and sell the assets but is instead solely held to collect the contractual cash flows until the assets mature, requiring a reclassification of the Portfolio in line with IFRS 9 with effect from 1 April 2022.

Note 13 Other assets (continued)

b) Other non-financial assets

<i>USD m</i>	31.12.25	31.12.24
Precious metals and other physical commodities	12,996	7,341
Deposits and collateral provided in connection with litigation, regulatory and similar matters ¹	769	1,946
Prepaid expenses	1,731	1,679
Current tax assets	1,516	1,546
VAT, withholding tax and other tax receivables	1,533	1,233
Properties and other non-current assets held for sale ²	425	196
Assets of disposal groups held for sale ³		1,705
Other	1,638	2,119
Total other non-financial assets	20,609	17,766

¹ Refer to Note 17 for more information. ² Refer to Note 28 for more information about the agreement to sell Swisscard AECS GmbH. ³ Refer to Note 28 for more information about the sale of Select Portfolio Servicing.

Note 14 Amounts due to banks and Customer deposits

Amounts due to banks and Customer deposits

<i>USD m</i>	31.12.25	31.12.24
Amounts due to banks	24,434	23,347
Customer deposits	788,367	745,777
<i>of which: demand deposits</i>	259,372	221,797
<i>of which: retail savings / deposits</i>	230,770	182,274
<i>of which: sweep deposits</i>	41,460	41,935
<i>of which: time deposits¹</i>	256,764	299,771
Total amounts due to banks and customer deposits	812,801	769,124

¹ Includes customer deposits in UBS AG Jersey Branch and UBS AG Guernsey Branch placed by UBS Switzerland AG and UBS AG Swiss Branch on behalf of their clients.

Customer deposits increased, mainly reflecting foreign currency effects. This was partly offset by net new deposit outflows, which mainly reflected maturities of time deposits that resulted in a shift of funds from time deposits into demand deposits and retail savings / deposits.

Note 15 Debt issued designated at fair value

<i>USD m</i>	31.12.25	31.12.24
Issued debt instruments		
Equity-linked ¹	60,303	54,069
Rates-linked	26,324	23,641
Fixed-rate	11,627	14,250
Credit-linked	3,597	5,225
Commodity-linked	3,030	3,592
Other	8,913	7,131
<i>of which: debt that contributes to total loss-absorbing capacity</i>	6,366	4,934
Total debt issued designated at fair value²	113,794	107,909
<i>of which: issued by UBS AG standalone with original maturity greater than one year³</i>	90,071	82,491

¹ Includes investment fund unit-linked instruments issued. ² As of 31 December 2025, 100% of Total debt issued designated at fair value was unsecured (31 December 2024: 100%). ³ Based on original contractual maturity without considering any early redemption features.

Note 16 Debt issued measured at amortized cost

USD m	31.12.25	31.12.24
Short-term debt¹	33,870	30,509
Senior unsecured debt	122,574	133,159
<i>of which: contributes to total loss-absorbing capacity (TLAC)</i>	<i>89,739</i>	<i>92,515</i>
<i>of which: issued by UBS AG standalone with original maturity greater than one year</i>	<i>24,648</i>	<i>32,664</i>
Covered bonds	11,651	8,762
Subordinated debt	17,878	15,030
<i>of which: eligible as high-trigger loss-absorbing additional tier 1 capital instruments²</i>	<i>17,551</i>	<i>13,084</i>
<i>of which: eligible as low-trigger loss-absorbing additional tier 1 capital instruments</i>		<i>1,245</i>
<i>of which: eligible as non-Basel III-compliant tier 2 capital instruments</i>		<i>207</i>
Debt issued through the Swiss central mortgage institutions	28,278	26,335
Other long-term debt	456	424
Long-term debt³	180,836	183,709
Total debt issued measured at amortized cost^{4,5}	214,706	214,219

¹ Debt with an original contractual maturity of less than one year, includes mainly certificates of deposit and commercial paper. ² For 31 December 2025 includes USD 13.0bn (31 December 2024: USD 6.9bn) that is, upon the occurrence of a trigger event or a viability event, subject to conversion into ordinary UBS shares. ³ Debt with an original contractual maturity greater than or equal to one year. The classification of debt issued into short-term and long-term does not consider any early redemption features. ⁴ Net of bifurcated embedded derivatives, the fair value of which was not material for the periods presented. ⁵ Except for Covered bonds (100% secured; 31 December 2024: 100% secured), Debt issued through the Swiss central mortgage institutions (100% secured; 31 December 2024: 100% secured) and Other long-term debt (97% secured; 31 December 2024: 91% secured), 100% of the balance was unsecured as of 31 December 2025 (31 December 2024: 100% unsecured).

The Group uses interest rate and foreign exchange derivatives to manage the risks inherent in certain debt instruments held at amortized cost. In some cases, the Group applies hedge accounting for interest rate risk as discussed in item 2j in Note 1a and Note 24. As a result of applying hedge accounting, the life-to-date adjustment to the carrying amount of debt issued was a decrease of USD 1.8bn as of 31 December 2025 and a decrease of USD 3.1bn as of 31 December 2024, reflecting changes in fair value due to interest rate movements.

Subordinated debt consists of unsecured debt obligations that are contractually subordinated in right of payment to all other present and future non-subordinated obligations of the respective issuing entity. All of the subordinated debt instruments outstanding as of 31 December 2025 pay a fixed rate of interest.

➤ Refer to Note 23 for maturity information

UBS Group AG, together with UBS AG, has fully and unconditionally guaranteed the outstanding US Securities and Exchange Commission (SEC)-registered debt securities of Credit Suisse (USA) LLC, which as of 31 December 2025 consisted of a single outstanding issuance with a balance of USD 742m maturing in July 2032. Credit Suisse (USA) LLC is an indirect, wholly owned subsidiary of UBS Group AG. UBS Group AG assumed Credit Suisse Group AG's obligations under the guarantee as of 12 June 2023 (i.e. the date on which the UBS Group completed the acquisition of the Credit Suisse Group). In accordance with the guarantee, if Credit Suisse (USA) LLC fails to make a timely payment under the agreements governing such debt securities, the holders of the debt securities may demand payment from either UBS Group AG or UBS AG, without first proceeding against Credit Suisse (USA) LLC.

Note 17 Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions and contingent liabilities.

Overview of total provisions and contingent liabilities

USD m	31.12.25	31.12.24
Provisions related to expected credit losses (IFRS 9, <i>Financial Instruments</i>) ¹	347	320
Provisions related to Credit Suisse loan commitments (IFRS 3, <i>Business Combinations</i>)	371	997
Provisions related to litigation, regulatory and similar matters (IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	2,200	3,602
Acquisition-related contingent liabilities relating to litigation, regulatory and similar matters (IFRS 3, <i>Business Combinations</i>)	531	2,122
Restructuring, real-estate and other provisions (IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1,586	1,368
Total provisions and contingent liabilities	5,035	8,409

¹ Refer to Note 9 for more information about ECL provisions recognized for off-balance sheet financial instruments and credit lines.

Note 17 Provisions and contingent liabilities (continued)

The table below presents additional information for provisions under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Additional information for provisions under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*

USD m	Litigation, regulatory and similar matters ¹	Restructuring ²	Real estate ³	Other ⁴	Total 2025
Balance at the beginning of the year	3,602	813	240	315	4,969
Increase in provisions recognized in the income statement	934 ⁵	1,320	17	291	2,561
Release of provisions recognized in the income statement	(555) ⁶	(297)	(8)	(91)	(952)
Provisions used in conformity with designated purpose	(2,259) ⁷	(1,016)	(40)	(101)	(3,416)
Reclassifications	295 ⁸	0	0	0	295
Foreign currency translation and other movements	185	71	36	35	328
Balance at the end of the year	2,200	891	245	449	3,785

¹ Consists of provisions for losses resulting from legal, liability and compliance risks. ² Includes USD 493m of personnel-related restructuring provisions as of 31 December 2025 (31 December 2024: USD 334m), USD 270m of provisions for onerous contracts related to real estate as of 31 December 2025 (31 December 2024: USD 383m) and USD 128m of restructuring provisions for onerous contracts related to technology as of 31 December 2025 (31 December 2024: USD 96m). ³ Mainly includes provisions for reinstatement costs with respect to leased properties. ⁴ Mainly includes provisions in relation to employee benefits, VAT, onerous contracts related to technology, and operational risks. ⁵ Includes a provision for the estimated costs of UBS's ongoing obligations with the US Department of Justice as described in item 1 of section b) of this Note. ⁶ Mainly includes the releases of provisions regarding the resolution of the legacy matter related to UBS's cross-border business activities in France in the third quarter of 2025 as described in item 1 of section b) of this Note and the resolution reached with the US Department of Justice in the second quarter of 2025 as described in item 1 of section b) of this Note. ⁷ Mainly includes provisions used for the settlement of the legacy matter related to UBS's cross-border business activities in France as described in item 1 of section b) of this Note and for the resolutions reached with the US Department of Justice in the second and third quarters of 2025 as described in item 1 and item 4 of section b) of this Note. ⁸ Includes reclassifications from IFRS 3 contingent liabilities to IAS 37 provisions.

Restructuring provisions are generally recognized as a consequence of management agreeing to materially change the scope of the business or the manner in which it is conducted, including changes in management structures. Restructuring provisions relate to onerous contracts and personnel-related provisions. Onerous contracts for property are recognized when UBS is committed to pay for non-lease components, such as utilities, service charges, taxes and maintenance, when a property is vacated or not fully recovered from sub-tenants. Personnel-related restructuring provisions are generally used within a short period of time. The level of personnel-related provisions can change when natural staff attrition reduces the number of people affected by a restructuring event, and therefore results in lower estimated costs.

Other provisions mainly include provisions related to onerous contracts, employee benefits and operational risks. Onerous contracts are recognized for certain contractual arrangements where the costs exceed the economic benefits expected to be received.

Information about provisions and contingent liabilities with respect to litigation, regulatory and similar matters, as a class, is included in Note 17b. There are no material contingent liabilities associated with the other classes of provisions.

b) Litigation, regulatory and similar matters

The Group operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS (which for purposes of this Note may refer to UBS Group AG and/or one or more of its subsidiaries, as applicable) is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations.

Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where the Group may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which the Group believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. The Group makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against the Group, but are nevertheless expected to be, based on the Group's experience with similar asserted claims. If any of those conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to such matters could be significant. Developments relating to a matter that occur after the relevant reporting period, but prior to the issuance of financial statements, which affect management's assessment of the provision for such matter (because, for example, the developments provide evidence of conditions that existed at the end of the reporting period), are adjusting events after the reporting period under IAS 10 and must be recognized in the financial statements for the reporting period.

Specific litigation, regulatory and other matters are described below, including all such matters that management considers to be material and others that management believes to be of significance to the Group due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

Note 17 Provisions and contingent liabilities (continued)

In the case of certain matters below, we state that we have established a provision, and for the other matters, we make no such statement. When we make this statement and we expect disclosure of the amount of a provision to prejudice seriously our position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, we do not disclose that amount. In some cases we are subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which we do not state whether we have established a provision, either: (a) we have not established a provision; or (b) we have established a provision but expect disclosure of that fact to prejudice seriously our position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which we have established provisions, we are able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which we are able to estimate expected timing is immaterial relative to our current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in the "Provisions" table in Note 17a) above. UBS provides below an estimate of the aggregate liability for its litigation, regulatory and similar matters as a class of contingent liabilities. Estimates of contingent liabilities are inherently imprecise and uncertain as these estimates require UBS to make speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Taking into account these uncertainties and the other factors described herein, UBS estimates the future losses that could arise from litigation, regulatory and similar matters disclosed below for which an estimate is possible, that are not covered by existing provisions (including acquisition-related contingent liabilities established under IFRS 3 in connection with the acquisition of Credit Suisse), are in the range of USD 0bn to USD 1.5bn.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. A guilty plea to, or conviction of, a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations, and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

The amounts shown in the table below reflect the provisions recorded under IFRS Accounting Standards. In connection with the acquisition of Credit Suisse, UBS Group AG additionally has reflected in its purchase accounting under IFRS 3 a valuation adjustment reflecting an estimate of outflows relating to contingent liabilities for all present obligations included in the scope of the acquisition at fair value upon closing, even if it is not probable that the contingent liability will result in an outflow of resources, significantly decreasing the recognition threshold for litigation liabilities beyond those that generally apply under IFRS Accounting Standards. The IFRS 3 acquisition-related contingent liabilities of USD 0.5bn at 31 December 2025 reflect a decrease of USD 1.6bn from 31 December 2024 mainly as a result of releases upon resolution of the relevant matters.

Provisions for litigation, regulatory and similar matters by business division and in Group Items¹

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total 2025
Balance at the beginning of the year	1,271	147	1	266	1,779	139	3,602
Increase in provisions recognized in the income statement	137	2	0	56	662 ²	76	934
Release of provisions recognized in the income statement	(309) ³	(39) ³	0	(37)	(169) ³	(1)	(555)
Provisions used in conformity with designated purpose	(913) ⁴	(111) ⁴	(1)	(26)	(1,190) ⁴	(19)	(2,259)
Reclassifications ⁵	2	0	0	0	293	0	295
Foreign currency translation and other movements	129	18	0	23	14	1	185
Balance at the end of the year	317	16	0	283	1,388	196	2,200

¹ Provisions, if any, for the matters described in items 2 and 9 of this Note are recorded in Global Wealth Management. Provisions, if any, for the matters described in items 4, 5, 6, 7, 8, 11 and 12 of this Note are recorded in Non-core and Legacy. Provisions, if any, for the matters described in item 1 of this Note are allocated between Global Wealth Management, Personal & Corporate Banking and Non-core and Legacy. Provisions, if any, for the matters described in item 3 of this Note are allocated between the Investment Bank, Non-core and Legacy and Group Items. Provisions, if any, for the matters described in item 10 of this Note are allocated between the Investment Bank and Non-core and Legacy. ² Includes a provision for the estimated costs of UBS's ongoing obligations with the US Department of Justice as described in item 1 of this Note. ³ Mainly includes the releases of provisions regarding the resolution of the legacy matter related to UBS's cross-border business activities in France in the third quarter of 2025 as described in item 1 of this Note and the resolution reached with the US Department of Justice in the second quarter of 2025 as described in item 1 of this Note. ⁴ Mainly includes provisions used for the settlement of the legacy matter related to UBS's cross-border business activities in France as described in item 1 of this Note and for the resolutions reached with the US Department of Justice in the second and third quarters of 2025 as described in item 1 and item 4 of this Note. ⁵ Includes reclassifications from IFRS 3 contingent liabilities to IAS 37 provisions.

1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS, Credit Suisse and other financial institutions, including Credit Suisse offices in the Netherlands and Belgium.

Note 17 Provisions and contingent liabilities (continued)

In proceedings in France, UBS AG was found guilty in lower courts of unlawful solicitation of clients on French territory and aggravated laundering of the proceeds of tax fraud in the period between 2004 and 2012. On appeal, the French Supreme Court, in November 2023, upheld the lower court's decision regarding unlawful solicitation and aggravated laundering of the proceeds of tax fraud, but overturned the awards of penalties, confiscation and civil damages by the lower court, aggregating EUR 1.8bn, and remanded the case to the Court of Appeal for a retrial regarding these overturned elements. In September 2025, UBS AG resolved the case and subsequently paid a fine of EUR 730m and EUR 105m in civil damages to the French State.

In May 2014, Credit Suisse AG entered into settlement agreements with the SEC, the Federal Reserve and the New York Department of Financial Services and agreed with the US Department of Justice (the DOJ) to plead guilty to conspiring to aid and assist US taxpayers in filing false tax returns (the 2014 Plea Agreement). Credit Suisse continued to report to and cooperate with US authorities in accordance with its obligations under the 2014 Plea Agreement, including by conducting a review of cross-border services provided by Credit Suisse. In this connection, Credit Suisse provided information to US authorities regarding potentially undeclared US assets held by clients at Credit Suisse since the 2014 Plea Agreement. In May 2025, Credit Suisse Services AG entered into a plea agreement (the 2025 Plea Agreement) with the DOJ under which it agreed to plead guilty to one count of conspiracy to aid and assist in the preparation of false income tax returns relating to legacy Credit Suisse accounts booked in Credit Suisse's Swiss booking center, thereby settling the investigation into Credit Suisse's implementation of the 2014 Plea Agreement. In addition, Credit Suisse Services AG entered into a non-prosecution agreement with the DOJ (the 2025 NPA) relating to legacy Credit Suisse accounts booked in Credit Suisse's Singapore booking center. The 2025 Plea Agreement and the 2025 NPA provide for penalties, restitution and forfeiture of USD 511m in the aggregate. The 2025 Plea Agreement and the 2025 NPA include ongoing obligations of UBS to furnish information and cooperate with DOJ's investigations of legacy Credit Suisse accounts held by US persons in its Switzerland and Singapore booking centers and related accounts in other booking centers.

Our balance sheet at 31 December 2025 reflected provisions in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

2. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC (BMIS) investment fraud, UBS AG, UBS (Luxembourg) S.A. (now UBS Europe SE, Luxembourg branch) and certain other UBS subsidiaries were subject to inquiries by a number of regulators, including the Swiss Financial Market Supervisory Authority (FINMA) and the Luxembourg Commission de Surveillance du Secteur Financier. Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds faced severe losses, and the Luxembourg funds are in liquidation. The documentation establishing both funds identifies UBS entities in various roles, including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees served as board members.

In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims against UBS entities, non-UBS entities and certain individuals, including current and former UBS employees, seeking amounts totaling approximately EUR 2.1bn, which includes amounts that the funds may be held liable to pay the trustee for the liquidation of BMIS (BMIS Trustee).

A large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff fraud. The majority of these cases have been decided in favor of UBS or dismissed for want of prosecution.

In the US, the BMIS Trustee filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2bn. In 2014, the US Supreme Court rejected the BMIS Trustee's motion for leave to appeal decisions, dismissing all claims against UBS defendants except those for the recovery of approximately USD 125m of payments alleged to be fraudulent conveyances and preference payments. Similar claims have been filed against Credit Suisse entities seeking to recover redemption payments. In 2016, the bankruptcy court dismissed these claims against the UBS entities and most of the Credit Suisse entities. In 2019, the Court of Appeals reversed the dismissal of the BMIS Trustee's remaining claims. The cases were remanded to the Bankruptcy Court for further proceedings.

Note 17 Provisions and contingent liabilities (continued)

3. Foreign exchange, LIBOR and benchmark rates, and other trading practices

Foreign-exchange-related regulatory matters: Beginning in 2013, numerous authorities commenced investigations concerning possible manipulation of foreign exchange markets and precious metals prices. As a result of these investigations, UBS entered into resolutions with Swiss, US and UK regulators and the European Commission. UBS was granted conditional immunity by the Antitrust Division of the DOJ and by authorities in other jurisdictions in connection with potential competition law violations relating to foreign exchange and precious metals businesses. In December 2021, the European Commission issued a decision imposing a fine of EUR 83.3m on Credit Suisse entities based on findings of anticompetitive practices in the foreign exchange market. UBS received leniency and accordingly no fine was assessed. Credit Suisse appealed the decision to the European General Court and, in July 2025, the court issued a judgment reducing the fine to EUR 28.9m. The judgment is now final.

Foreign-exchange-related civil litigation: Putative class actions have been filed since 2013 in US federal courts and in other jurisdictions against UBS, Credit Suisse and other banks on behalf of persons who engaged in foreign currency transactions with any of the defendant banks. UBS and Credit Suisse have resolved US federal court class actions relating to foreign currency transactions with the defendant banks and persons who transacted in foreign exchange futures contracts and options on such futures. Certain class members have excluded themselves from that settlement and filed individual actions in US and English courts against UBS, Credit Suisse and other banks, alleging violations of US and European competition laws and unjust enrichment. UBS, Credit Suisse and the other banks have resolved those individual matters. In addition, Credit Suisse and UBS, together with other financial institutions, were named in a consolidated putative class action in Israel, which made allegations similar to those made in the actions pursued in other jurisdictions. Credit Suisse and UBS entered into agreements to settle all claims in this action in April 2022 and February 2024, respectively. Credit Suisse's settlement received court approval and became final in May 2025. UBS's settlement remains subject to court approval.

LIBOR and other benchmark-related regulatory matters: Numerous government agencies conducted investigations regarding potential improper attempts by UBS, among others, to manipulate LIBOR and other benchmark rates at certain times. UBS and Credit Suisse reached settlements or otherwise concluded investigations relating to benchmark interest rates with the investigating authorities. UBS was granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ, in connection with potential antitrust or competition law violations related to certain rates. In December 2025, the Swiss Competition Commission (WEKO) announced that it had reached a final resolution with UBS.

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are a number of other actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. The complaints allege manipulation, through various means, of certain benchmark interest rates, including USD LIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, and GBP LIBOR and seek unspecified compensatory and other damages under various legal theories.

USD LIBOR class and individual actions in the US: Beginning in 2013, putative class actions were filed in US federal district courts (and subsequently consolidated in the US District Court for the Southern District of New York (SDNY)) by plaintiffs who engaged in over-the-counter instruments, exchange-traded Eurodollar futures and options, bonds or loans that referenced USD LIBOR. The complaints allege violations of antitrust law and the Commodities Exchange Act, as well as breach of contract and unjust enrichment. Following various rulings by the SDNY and the US Court of Appeals for the Second Circuit dismissing certain of the causes of action and allowing others to proceed, one class action with respect to transactions in over-the-counter instruments and several actions brought by individual plaintiffs proceeded in the district court. In September 2025, the district court granted defendants' motion for summary judgment as to all remaining actions. Plaintiffs have appealed. UBS and Credit Suisse previously entered into settlement agreements in respect of the class actions relating to exchange-traded instruments, bonds and loans. These settlements have received final court approval, and the actions have been dismissed as to UBS and Credit Suisse.

Other benchmark class actions in the US: The Yen LIBOR/Euroyen TIBOR, EURIBOR and GBP LIBOR actions have been dismissed. Plaintiffs have appealed the dismissals. In August 2025, the Second Circuit affirmed in part and reversed in part the district court's dismissal of the complaint in the EURIBOR action, returning the action to the district court. In September 2025, the Second Circuit affirmed the dismissal of the complaint in the GBP LIBOR action; the matter has concluded.

Note 17 Provisions and contingent liabilities (continued)

In January 2023, defendants moved to dismiss the complaint in the CHF LIBOR action. In 2023, the court approved a settlement by Credit Suisse of the claims against it in this matter. In September 2025, the court dismissed the complaint against the remaining defendants, including UBS.

Government bonds: In 2021, the European Commission issued a decision finding that UBS and six other banks breached European Union antitrust rules between 2007 and 2011 relating to European government bonds. The European Commission fined UBS EUR 172m, which amount was confirmed on appeal in March 2025. UBS has appealed to the European Court of Justice.

Credit default swap auction litigation – In June 2021, Credit Suisse, along with other banks and entities, was named in a putative class action filed in federal court in New Mexico alleging manipulation of credit default swap (CDS) final auction prices. Defendants filed a motion to enforce a previous CDS class action settlement in the SDNY. In January 2024, the SDNY ruled that, to the extent claims in the New Mexico action arise from conduct prior to 30 June 2014, those claims are barred by the SDNY settlement. The plaintiffs appealed and, in May 2025, the Second Circuit affirmed the SDNY decision. Defendants filed a motion for judgment on the pleadings in December 2025.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, UBS's balance sheet at 31 December 2025 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

4. Mortgage-related matters

Government and regulatory related matters: DOJ RMBS settlement – In January 2017, Credit Suisse Securities (USA) LLC (CSS LLC) and its current and former US subsidiaries and US affiliates reached a settlement with the DOJ related to its legacy Residential Mortgage-Backed Securities (RMBS) business, a business conducted through 2007. The settlement resolved potential civil claims by the DOJ related to certain of those Credit Suisse entities' packaging, marketing, structuring, arrangement, underwriting, issuance and sale of RMBS. Pursuant to the terms of the settlement a civil monetary penalty was paid to the DOJ in January 2017. The settlement also required the Credit Suisse entities to provide certain levels of consumer relief measures, including affordable housing payments and loan forgiveness, and the DOJ and Credit Suisse agreed to the appointment of an independent monitor to oversee the completion of the consumer relief requirements of the settlement. In August 2025, CSS LLC entered into an agreement with the DOJ to resolve all of Credit Suisse's outstanding Consumer Relief Obligations under the 2017 settlement by paying USD 300m.

Civil litigation: Repurchase litigations – Credit Suisse affiliates are defendants in various civil litigation matters related to their roles as issuer, sponsor, depositor, underwriter and/or servicer of RMBS transactions. These cases currently include repurchase actions by RMBS trusts and/or trustees, in which plaintiffs generally allege breached representations and warranties in respect of mortgage loans and failure to repurchase such mortgage loans as required under the applicable agreements. The amounts disclosed below do not reflect actual realized plaintiff losses to date. Unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions.

DLJ Mortgage Capital, Inc. (DLJ) is a defendant in New York State court in five actions: An action brought by Asset Backed Securities Corporation Home Equity Loan Trust, Series 2006-HE7 alleges damages of not less than USD 374m. In December 2023, the trial court granted in part DLJ's motion to dismiss, dismissing with prejudice all notice-based claims. On appeal, the appellate court modified the trial court's dismissal in April 2025 to reinstate certain of plaintiff's notice-based claims and otherwise dismissed plaintiff's claims. Plaintiff has sought leave from the New York Court of Appeals to further appeal the dismissal of certain of its claims. An action by Home Equity Asset Trust, Series 2006-8, alleges damages of not less than USD 436m. An action by Home Equity Asset Trust 2007-1 alleges damages of not less than USD 420m. In August 2025, the parties agreed to a settlement to resolve this litigation for USD 66.39m. The settlement has received court approval and is final. An action by Home Equity Asset Trust 2007-2 alleges damages of not less than USD 495m. An action by CSMC Asset-Backed Trust 2007-NC1 does not allege a damages amount.

Note 17 Provisions and contingent liabilities (continued)

5. ATA litigation

Since November 2014, a series of lawsuits have been filed against a number of banks, including Credit Suisse, in the US District Court for the Eastern District of New York (EDNY) and the SDNY alleging claims under the United States Anti-Terrorism Act (ATA) and the Justice Against Sponsors of Terrorism Act. The plaintiffs in each of these lawsuits are, or are relatives of, victims of various terrorist attacks in Iraq and allege a conspiracy and/or aiding and abetting based on allegations that various international financial institutions, including the defendants, agreed to alter, falsify or omit information from payment messages that involved Iranian parties for the express purpose of concealing the Iranian parties' financial activities and transactions from detection by US authorities. The lawsuits allege that this conduct has made it possible for Iran to transfer funds to Hezbollah and other terrorist organizations actively engaged in harming US military personnel and civilians. In January 2023, the Second Circuit affirmed a September 2019 ruling by the EDNY granting defendants' motion to dismiss the first filed lawsuit. In October 2023, the US Supreme Court denied plaintiffs' petition for a writ of certiorari, and in September 2025 the EDNY denied plaintiffs' motion to vacate the judgment; the matter has concluded. Of the other seven cases, four are stayed, including one that was dismissed as to Credit Suisse and most of the bank defendants prior to entry of the stay, and in three cases defendants moved to dismiss plaintiffs' amended complaints.

6. Customer account matters

Several clients have claimed that a former relationship manager in Switzerland had exceeded his investment authority in the management of their portfolios, resulting in excessive concentrations of certain exposures and investment losses. Credit Suisse AG has investigated the claims, as well as transactions among the clients. Credit Suisse AG filed a criminal complaint against the former relationship manager with the Geneva Prosecutor's Office upon which the prosecutor initiated a criminal investigation. Several clients of the former relationship manager also filed criminal complaints with the Geneva Prosecutor's Office. In February 2018, the former relationship manager was sentenced to five years in prison by the Geneva criminal court for fraud, forgery and criminal mismanagement and ordered to pay damages of approximately USD 130m. On appeal, the Criminal Court of Appeals of Geneva and, subsequently, the Swiss Federal Supreme Court upheld the main findings of the Geneva criminal court.

Civil lawsuits have been initiated against Credit Suisse AG and / or certain affiliates in various jurisdictions, based on the findings established in the criminal proceedings against the former relationship manager.

In Singapore, in a now-concluded civil lawsuit, Credit Suisse Trust Limited was ordered to pay USD 461m, including interest and costs.

In Bermuda, in the civil lawsuit brought against Credit Suisse Life (Bermuda) Ltd., the Supreme Court of Bermuda issued a judgment awarding damages of USD 607.35m to the plaintiff. Credit Suisse Life (Bermuda) Ltd. appealed the decision. In June 2023, the Bermuda Court of Appeal confirmed the award and the Supreme Court of Bermuda's finding that Credit Suisse Life (Bermuda) Ltd. breached its contractual and fiduciary duties, but overturned the finding that Credit Suisse Life (Bermuda) Ltd. made fraudulent misrepresentations. In March 2024, Credit Suisse Life (Bermuda) Ltd. was granted leave to appeal the judgment to the Judicial Committee of the Privy Council and a hearing on the appeal was held in June 2025. The Bermuda Court of Appeal also ordered that the current stay continue pending determination of the appeal on the condition that the damages awarded, plus interest calculated at the Bermuda statutory rate of 3.5%, remain in the escrow account. In November 2025, the Judicial Committee of the Privy Council issued its final judgment on the appeal, denying Credit Suisse Life (Bermuda) Ltd.'s appeal on liability, but partially granting its appeal concerning the quantum of damages and directing the parties to recalculate damages.

In Switzerland, certain civil lawsuits have been commenced against Credit Suisse AG and UBS AG (as the successor of Credit Suisse AG) in the Court of First Instance of Geneva since March 2023.

7. Mozambique matter

Credit Suisse was subject to investigations by regulatory and enforcement authorities, as well as civil litigation, regarding certain Credit Suisse entities' arrangement of loan financing to Mozambique state enterprises, Proindicus S.A. and Empresa Moçambicana de Atum S.A. (EMATUM), a distribution to private investors of loan participation notes (LPN) related to the EMATUM financing in September 2013, and certain Credit Suisse entities' subsequent role in arranging the exchange of those LPNs for Eurobonds issued by the Republic of Mozambique. In 2019, three former Credit Suisse employees pleaded guilty in the EDNY to accepting improper personal benefits in connection with financing transactions carried out with two Mozambique state enterprises.

In October 2021, Credit Suisse reached settlements with the DOJ, the US Securities and Exchange Commission (SEC), the UK Financial Conduct Authority (FCA) and FINMA to resolve inquiries by these agencies, including findings that Credit Suisse failed to appropriately organize and conduct its business with due skill and care, and manage risks. Credit Suisse Group AG entered into a three-year Deferred Prosecution Agreement (DPA) with the DOJ in connection with the criminal information charging Credit Suisse Group AG with conspiracy to commit wire fraud and Credit Suisse Securities (Europe) Limited (CSSEL) entered into a Plea Agreement and pleaded guilty to one count of conspiracy to violate the US federal wire fraud statute. Under the terms of the DPA, UBS Group AG (as successor to Credit Suisse Group AG) continued compliance enhancement and remediation efforts agreed by Credit Suisse, and undertake additional measures as outlined in the DPA. In January 2025, as permitted under the terms of the DPA, the DOJ elected to extend the term of the DPA until January 2026.

Note 17 Provisions and contingent liabilities (continued)

8. ETN-related litigation

XIV litigation: Since March 2018, three class action complaints were filed in the SDNY on behalf of a putative class of purchasers of VelocityShares Daily Inverse VIX Short-Term Exchange Traded Notes linked to the S&P 500 VIX Short-Term Futures Index (XIV ETNs). The complaints have been consolidated and asserts claims against Credit Suisse for violations of various anti-fraud and anti-manipulation provisions of US securities laws arising from a decline in the value of XIV ETNs in February 2018. On appeal from an order of the SDNY dismissing all claims, the Second Circuit issued an order that reinstated a portion of the claims. In decisions in March 2023 and February 2025, the court granted class certification for two of the three classes proposed by plaintiffs and denied class certification of the third proposed class.

9. Credit Suisse anti-money laundering matters

In December 2020, the Swiss Office of the Attorney General brought charges against Credit Suisse AG and other parties concerning the diligence and controls applied to a historical relationship with Bulgarian former clients who are alleged to have laundered funds through Credit Suisse AG accounts. In June 2022, following a trial, Credit Suisse AG was convicted in the Swiss Federal Criminal Court of certain historical organizational inadequacies in its anti-money-laundering framework and ordered to pay a fine of CHF 2m. In addition, the court seized certain client assets in the amount of approximately CHF 12m and ordered Credit Suisse AG to pay a compensatory claim in the amount of approximately CHF 19m. Credit Suisse AG appealed the decision to the Chamber of Appeals of the Swiss Federal Criminal Court (Chamber of Appeals). Following the merger of UBS AG and Credit Suisse AG, UBS AG confirmed the appeal. In November 2024, the Chamber of Appeals acquitted UBS AG and annulled the fine and compensatory claim ordered by the first instance court. Subsequently, the Office of the Attorney General has appealed the judgment to the Swiss Federal Supreme Court. UBS has also appealed, limited to the issue of whether a successor entity by merger can be criminally liable for acts of the predecessor entity. In July 2025, the Swiss Federal Supreme Court remanded the case back to the Chamber of Appeals for a full and reasoned judgment. In March 2026, the Chamber of Appeals issued a judgment again acquitting UBS AG. This judgment may be appealed by the parties to the Swiss Federal Supreme Court. Separately, in November 2025, the Swiss Office of the Attorney General filed criminal charges against UBS Group and UBS AG, as the successors to Credit Suisse Group AG and Credit Suisse AG, respectively, alleging that Credit Suisse failed to maintain appropriate controls to detect and prevent money laundering in connection with certain payments from accounts at Credit Suisse by parties associated with the Mozambique transactions between 2013 and 2016.

10. Archegos

Credit Suisse and UBS have received requests for documents and information in connection with inquiries, investigations and / or actions relating to their relationships with Archegos Capital Management (Archegos), including from FINMA (assisted by a third party appointed by FINMA), the DOJ, the SEC, the US Federal Reserve, the US Commodity Futures Trading Commission (CFTC), the US Senate Banking Committee, the Prudential Regulation Authority (PRA), the FCA, the WEKO, the Hong Kong Competition Commission and other regulatory and governmental agencies. UBS is cooperating with the authorities in these matters. In July 2023, CSI and CSSEL entered into a settlement agreement with the PRA providing for the resolution of the PRA's investigation. Also in July 2023, FINMA issued a decree ordering remedial measures and the Federal Reserve Board issued an Order to Cease and Desist. Under the terms of the order, Credit Suisse paid a civil money penalty and agreed to undertake certain remedial measures relating to counterparty credit risk management, liquidity risk management and non-financial risk management, as well as enhancements to board oversight and governance. UBS Group, as the legal successor to Credit Suisse Group AG, is a party to the FINMA decree and Federal Reserve Board Cease and Desist Order.

Civil actions relating to Credit Suisse's relationship with Archegos have been filed against Credit Suisse and / or certain officers and directors, including claims for breaches of fiduciary duties. In one such case, the parties agreed in July 2025 to a settlement of USD 115m that remains subject to court approval. Because the action was brought by shareholders on behalf of and for the benefit of Credit Suisse, after deducting any Court-awarded attorneys' fees and expenses and any applicable taxes, the cash recovery for the settlement will go to UBS, as successor to Credit Suisse, and will result in a net recovery for UBS.

11. Credit Suisse financial disclosures

Credit Suisse Group AG and certain directors, officers and executives have been named in securities class action complaints pending in the SDNY and New Jersey federal court. These complaints, filed since 2023 on behalf of purchasers of Credit Suisse shares, additional tier 1 capital notes, and other securities, allege that defendants made misleading statements regarding: (i) customer outflows in late 2022 and early 2023; (ii) the adequacy of Credit Suisse's financial reporting controls; and (iii) the adequacy of Credit Suisse's risk management processes, and include allegations relating to Credit Suisse Group AG's merger with UBS Group AG. As of November 2025, the SDNY certified classes in two cases.

Credit Suisse has received requests for documents and information from regulatory and governmental agencies in connection with inquiries, investigations and/or actions relating to these matters, as well as for other statements regarding Credit Suisse's financial condition, including from the SEC, the DOJ and FINMA. UBS is cooperating with the authorities in these matters.

Note 17 Provisions and contingent liabilities (continued)

12. Merger-related litigation

Certain Credit Suisse Group AG affiliates and certain directors, officers and executives have been named in class action complaints pending in the SDNY. One complaint, brought on behalf of Credit Suisse shareholders, alleges breaches of fiduciary duty under Swiss law and civil RICO claims under US federal law. In February 2024, the court granted defendants' motions to dismiss the civil RICO claims and conditionally dismissed the Swiss law claims pending defendants' acceptance of jurisdiction in Switzerland. In March 2024, having received consents to Swiss jurisdiction from all defendants served with the complaint, the court dismissed the Swiss law claims against those defendants. In February 2026, the Second Circuit Court of Appeals affirmed the dismissal. Plaintiffs have appealed the dismissal. Additional complaints, brought on behalf of holders of Credit Suisse additional tier 1 capital notes (AT1 noteholders) allege breaches of fiduciary duty under Swiss law, arising from a series of scandals and misconduct, which led to Credit Suisse Group AG's merger with UBS Group AG, causing losses to shareholders and AT1 noteholders. Motions to dismiss these complaints were granted in March 2024 and September 2024 on the basis that Switzerland is the most appropriate forum for litigation. Plaintiffs in two of these cases appealed the dismissal and in January 2026 withdrew their appeals.

Note 18 Other liabilities

a) Other financial liabilities measured at amortized cost

USD m	31.12.25	31.12.24
Other accrued expenses	2,973	3,140
Accrued interest expenses	4,778	5,876
Settlement and clearing accounts	1,508	1,944
Lease liabilities	4,257	4,597
Other	2,346	5,476
Total other financial liabilities measured at amortized cost	15,862	21,033

b) Other financial liabilities designated at fair value

USD m	31.12.25	31.12.24
Financial liabilities related to unit-linked investment contracts	21,052	17,203
Securities financing transactions	3,848	5,798
Over-the-counter debt instruments and other	3,284	5,698
Total other financial liabilities designated at fair value	28,184	28,699

c) Other non-financial liabilities

USD m	31.12.25	31.12.24
Compensation-related liabilities	10,484	9,592
<i>of which: Deferred Contingent Capital Plan</i>	2,130	1,847
<i>of which: financial advisor compensation plans</i>	1,799	1,621
<i>of which: cash awards and other compensation plans</i>	4,731	4,393
<i>of which: net defined benefit liability</i>	710	763
<i>of which: other compensation-related liabilities¹</i>	1,114	969
Current tax liabilities	1,152	1,671
Deferred tax liabilities	471	340
VAT, withholding tax and other tax payables	1,040	1,156
Deferred income	683	555
Liabilities of disposal groups held for sale ²		1,199
Other	140	320
Total other non-financial liabilities	13,970	14,834

¹ Includes liabilities for payroll taxes and untaken vacation. ² Refer to Note 28 for more information about the sale of Select Portfolio Servicing.

Additional information

Note 19 Expected credit loss measurement

a) Expected credit losses in the period

Total net credit loss expenses were USD 524m in 2025, reflecting net credit loss expenses of USD 6m related to stage 1 and 2 positions and net credit loss expenses of USD 518m related to credit-impaired (stage 3 and purchased credit-impaired) positions, predominantly in the corporate lending portfolios.

› Refer to Note 19b for more information regarding changes to ECL models, scenarios, scenario weights and post-model adjustments and to Note 19c for more information regarding the development of ECL allowances and provisions

Credit loss expense / (release)

	Performing positions	Credit-impaired positions		
USD m	Stages 1 and 2	Stage 3	Purchased	Total
For the year ended 31.12.25				
Global Wealth Management	(12)	60	0	48
Personal & Corporate Banking	1	338	1	339
Asset Management	0	1	0	1
Investment Bank	17	116	0	133
Non-core and Legacy	(2)	0	2	(1)
Group Items	2	0	0	2
Total	6	516	2	524
For the year ended 31.12.24				
Global Wealth Management	(60)	41	3	(16)
Personal & Corporate Banking	(63)	487	(21)	404
Asset Management	(1)	0	0	(1)
Investment Bank	56	42	0	97
Non-core and Legacy	(30)	42	57	69
Group Items	(2)	0	0	(2)
Total	(99)	612	39	551
For the year ended 31.12.23				
Global Wealth Management	127	27	13	166
Personal & Corporate Banking	271	183	27	482
Asset Management	1	(1)	0	0
Investment Bank	110	78	2	190
Non-core and Legacy	78	91	25	193
Group Items	5	0	0	6
Total	593	378	67	1,037

b) Changes to ECL models, scenarios, scenario weights and key inputs

Refer to Note 1a for information about the principles governing expected credit loss (ECL) models, scenarios, scenario weights and key inputs.

Governance

Comprehensive cross-functional and cross-divisional governance processes are in place and are used to discuss and approve scenario updates and weights, to assess whether significant increases in credit risk resulted in stage transfers, to review model outputs and to reach conclusions regarding post-model adjustments.

Model changes

During 2025, the regular and the Credit Suisse integration-related model review and enhancement processes led to adjustments in the probability of default (PD), loss given default (LGD) and credit conversion factor (CCF) models, resulting in net releases of USD 13m. This included USD 22m releases related to real estate lending, driven by USD 33m releases in Switzerland, partly offset by USD 11m expenses in the US. The corporate lending portfolio contributed USD 3m expenses (USD 11m expenses in Personal & Corporate Banking, partly offset by USD 8m releases in the Investment Bank), with USD 6m expenses in the remaining segments.

Scenario and key input updates

During 2025, the scenarios and related macroeconomic factors were updated from those applied at the end of 2024 by considering the prevailing economic and political conditions and uncertainty. The review focused on events that significantly changed the economic outlook during the year: an escalation of trade and geopolitical tensions globally, along with uncertainty regarding the inflation and growth outlook leading to divergent monetary policy paths.

Note 19 Expected credit loss measurement (continued)

Baseline scenario: the projections of the baseline scenario, which are aligned to the economic and market assumptions used for UBS's business planning purposes, are broadly in line with external benchmarks, such as those from Bloomberg Consensus, Oxford Economics and the International Monetary Fund World Economic Outlook. The expectation for 2026 is that the global economy will navigate a soft patch in the first half of the year, as tariffs still feed through to prices and exports, but accelerate in the second half of the year, supported by improved confidence, a positive credit impulse and several major advanced economies benefiting from fiscal stimulus. In the US, inflation is likely to remain elevated in the first half of the year and weigh on real incomes, but the support from the One Big Beautiful Bill should emerge over time. Weakness in the labor market should prompt the Federal Reserve to deliver more cuts in the next few meetings, although in a measured fashion, as inflation hovering above its target remains a risk. Long-term interest rates in key developed markets are expected to rise slightly over the rest of the year. House price growth for 2026 is supported by strong data in 2025. However, less price upside is expected in the following months as the economy weakens.

Moderate stagflation crisis scenario: The first hypothetical downside scenario is the moderate stagflation crisis scenario. The moderate stagflation crisis scenario assumes heightened geopolitical and trade tensions that disrupt supply chains and drive inflationary pressures. Despite signs of slowing global demand, resilient labor markets sustain upward wage pressures and escalating geopolitical tensions prompt central banks to hike interest rates and actively reduce their balance sheets. Yield curves steepen and the global economy and financial markets are negatively affected.

Global trade war scenario: The second downside scenario is aligned with the 2026 Group binding stress scenario and was updated in 2025 to reflect relevant risks. The global trade war scenario assumes heightened geopolitical tensions and explores tail risks concerning US protectionist policies and retaliation by the US's trading partners. US policies solidify Switzerland as a safe-haven country and the US dollar depreciates against the Swiss franc. The scenario assumes that disruptions in global trade contribute to rising inflation and a large economic contraction. Despite rising inflation, the Federal Reserve makes measured rate cuts, and other major central banks in advanced economies follow the same course.

Asset price appreciation scenario: The upside scenario is based on positive developments, such as an easing of geopolitical tensions across the globe, less fear of a Chinese hard landing, falling oil prices and resilient labor markets, which enhance economic stability and confidence. Under these circumstances, the adoption of productivity-enhancing technologies boosts economic growth and strengthens risk appetite. As a result, asset prices rise sustainably.

The table below details the key assumptions for the four scenarios applied as of 31 December 2025.

Scenario generation, review process and governance

A team of economists within Group Risk Control develops the forward-looking macroeconomic assumptions, supported and challenged by experts from relevant functions.

The scenarios, their weights and the key macroeconomic and other factors are subject to a critical assessment by the IFRS 9 Scenario Sounding Sessions and ECL Management Forum, which include senior management from Group Risk and Group Finance. An important consideration in the review is whether there may be particular credit risk concerns that are not possible to address systematically, requiring post-model adjustments for stage allocation and ECL allowances.

The Group Chief Financial Officer and the Group Chief Risk Officer ratify the decisions taken by the ECL Management Forum.

Scenario weights and post-model adjustments

The asset price appreciation scenario was added, two scenarios were substituted and -weights were adjusted over the course of 2025. The mild debt crisis scenario was replaced by the moderate stagflation crisis scenario, and the stagflationary geopolitical crisis scenario was replaced by the global trade war scenario. Scenario weights were adjusted during 2025 in line with the shift in risks and their coverage in the scenarios. The asset price appreciation, baseline, moderate stagflation crisis and global trade war scenarios had a 5%, 50%, 30% and 15% weight, respectively, as of 31 December 2025.

However, unquantifiable risks continue to be relevant, as geopolitical risks remained high in 2025, and the impact on the world economy from escalations with unforeseeable consequences could be severe. In the near term, this uncertainty relates primarily to developments in US domestic and foreign policies, the Russia-Ukraine war, European security, and regional conflicts.

Models, which are based on supportable statistical information from past experiences regarding interdependencies of macroeconomic factors and their implications for credit risk portfolios, cannot comprehensively reflect such extraordinary events, such as a pandemic or a fundamental change in the world political order. Rather than creating multiple additional scenarios to attempt to gauge these risks and applying model parameters that lack supportable information and cannot be robustly validated, management continued to also apply post-model adjustments.

Total stage 1 and 2 allowances and provisions were USD 1,004m as of 31 December 2025 and included post-model adjustments of USD 237m (31 December 2024: USD 235m). Post-model adjustments were made to address uncertainty levels, including those arising from the broad geopolitical uncertainty and US trade tariffs, and mainly relate to corporate lending books in Switzerland. In 2024, post-model adjustments also addressed uncertainty levels to align Credit Suisse's model outputs with those expected under the comparable UBS models.

Note 19 Expected credit loss measurement (continued)

Scenario weights were as illustrated in the table below.

Economic scenarios and weights applied

ECL scenario	Assigned weights in %	
	31.12.25	31.12.24
Asset price appreciation / inflation	5.0	0.0
Baseline	50.0	60.0
Mild debt crisis	0.0	15.0
Moderate stagflation crisis	30.0	0.0
Stagflationary geopolitical crisis	0.0	25.0
Global trade war	15.0	0.0

Scenario assumptions

	One year				Three years cumulative			
	Asset price appreciation	Baseline	Moderate stagflation crisis	Global trade war	Asset price appreciation	Baseline	Moderate stagflation crisis	Global trade war
31.12.25								
Real GDP growth (percentage change)								
United States	3.5	2.0	(1.4)	(6.8)	8.6	6.6	0.5	(2.7)
Eurozone	2.5	1.5	(1.6)	(7.9)	5.6	3.8	(0.6)	(4.6)
Switzerland	2.7	1.9	(1.2)	(6.3)	6.2	5.2	0.0	(3.0)
Consumer price index (percentage change)								
United States	2.0	2.6	6.0	4.8	7.7	7.0	14.6	11.0
Eurozone	1.8	1.8	5.2	4.5	7.0	6.0	12.9	10.5
Switzerland	1.4	0.6	4.0	3.7	5.7	2.4	10.3	9.0
Unemployment rate (end-of-period level, %)								
United States	3.2	4.5	6.8	11.0	3.0	4.3	8.4	10.8
Eurozone	6.0	6.4	7.7	11.0	6.0	6.3	8.4	10.4
Switzerland	2.7	3.1	3.7	5.1	2.6	2.7	4.1	5.4
Fixed income: 10-year government bonds (change in yields, basis points)								
USD	0	11	198	99	48	40	171	15
EUR	0	15	198	110	38	40	180	15
CHF	0	13	173	76	38	35	153	5
Equity indices (percentage change)								
S&P 500	20.0	12.5	(25.0)	(50.0)	51.7	26.0	(5.2)	(33.0)
EuroStoxx 50	16.0	7.2	(25.0)	(50.0)	41.7	19.4	(13.9)	(33.5)
SPI	14.0	2.5	(25.0)	(50.0)	37.9	13.3	(9.0)	(29.0)
Swiss real estate (percentage change)								
Single-Family Homes	4.5	2.5	(3.4)	(18.5)	12.0	7.7	(4.2)	(25.6)
Other real estate (percentage change)								
United States (S&P / Case-Shiller)	6.3	1.7	(6.2)	(25.6)	17.0	8.2	(7.3)	(33.0)
Eurozone (House Price Index)	4.5	4.1	(5.1)	(12.4)	12.9	12.7	(6.7)	(18.8)

Scenario assumptions

	One year				Three years cumulative			
	Asset price inflation	Baseline	Mild debt crisis	Stagflationary geopolitical crisis	Asset price inflation	Baseline	Mild debt crisis	Stagflationary geopolitical crisis
31.12.24								
Real GDP growth (percentage change)								
United States	3.5	2.0	(1.4)	(4.8)	8.6	5.5	0.8	(4.4)
Eurozone	2.5	0.9	(1.7)	(5.6)	5.6	3.2	(0.1)	(5.7)
Switzerland	2.7	0.9	(1.1)	(4.8)	6.2	4.2	0.4	(4.9)
Consumer price index (percentage change)								
United States	2.3	2.6	0.0	10.0	8.1	7.8	2.5	15.8
Eurozone	2.0	2.2	0.0	9.6	7.3	5.9	2.0	14.8
Switzerland	1.4	0.7	(0.2)	5.8	5.7	2.7	1.4	10.7
Unemployment rate (end-of-period level, %)								
United States	3.1	4.3	6.8	9.8	3.0	4.1	8.1	12.4
Eurozone	6.0	7.0	7.9	10.5	6.0	6.8	8.3	11.7
Switzerland	2.3	2.6	3.4	4.6	2.3	2.5	4.2	5.5
Fixed income: 10-year government bonds (change in yields, basis points)								
USD	0	77	(137)	270	45	82	(77)	245
EUR	0	25	(113)	245	38	35	(68)	215
CHF	0	(4)	(22)	195	38	11	(1)	180
Equity indices (percentage change)								
S&P 500	20.0	12.0	(28.1)	(56.5)	51.7	26.7	(14.0)	(51.2)
EuroStoxx 50	16.0	(0.6)	(27.9)	(56.6)	41.7	9.9	(18.3)	(52.7)
SPI	14.0	(0.6)	(26.0)	(56.6)	37.9	8.0	(13.0)	(52.7)
Swiss real estate (percentage change)								
Single-Family Homes	4.5	3.2	(4.3)	(18.5)	10.7	8.8	(3.0)	(28.6)
Other real estate (percentage change)								
United States (S&P / Case-Shiller)	6.3	3.4	(7.6)	(20.2)	16.8	11.9	(5.2)	(30.5)
Eurozone (House Price Index)	4.5	3.7	(6.1)	(8.4)	10.7	11.6	(5.6)	(12.9)

Note 19 Expected credit loss measurement (continued)

c) Development of ECL allowances and provisions

The ECL allowances and provisions recognized in the period are impacted by a variety of factors, such as:

- the effect of selecting and updating forward-looking scenarios and the respective weights;
- origination of new instruments during the period;
- the effect of passage of time (lower residual lifetime PD and the effect of discount unwind) as the ECL on an instrument for the remaining lifetime decreases (all other factors remaining the same);
- derecognition of instruments in the period;
- change in individual asset quality of instruments;
- movements from a maximum 12-month ECL to the recognition of lifetime ECL (and vice versa) following transfers between stages 1 and 2;
- movements from stages 1 and 2 to stage 3 (credit-impaired status) when default has become certain and PD increases to 100% (or vice versa);
- changes in models or updates to model parameters;
- write-offs; and
- foreign exchange translation for assets denominated in foreign currencies.

The table below explains the changes in the ECL allowances and provisions for on- and off-balance sheet financial instruments and credit lines within the scope of ECL requirements between the beginning and the end of the period due to the factors listed above.

Development of ECL allowances and provisions

USD m	Total	Stage 1	Stage 2	Stage 3	PCI
Balance as of 31 December 2024	(2,507)	(487)	(459)	(1,253)	(309)
Net movement from new and derecognized transactions¹	1	(31)	32	0	0
of which: Private clients with mortgages	2	0	2	0	0
of which: Real estate financing	1	(3)	4	0	0
of which: Large corporate clients	(12)	(22)	10	0	0
of which: Ship and aircraft financing	(2)	(2)	0	0	0
of which: SME clients	6	3	3	0	0
of which: Other	6	(8)	14	0	0
of which: Loans to financial advisors	1	0	1	0	0
Remeasurements with stage transfers²	(284)	26	2	(309)	(4)
of which: Private clients with mortgages	45	2	40	0	0
of which: Real estate financing	(3)	2	1	(7)	0
of which: Large corporate clients	(88)	20	(32)	(76)	0
of which: SME clients	(149)	0	(6)	(144)	0
of which: Other	(87)	1	(1)	(82)	(4)
Remeasurements without stage transfers³	(253)	(52)	4	(206)	1
of which: Private clients with mortgages	(19)	(9)	3	(12)	0
of which: Real estate financing	(24)	(5)	0	(19)	0
of which: Large corporate clients	(61)	(20)	(1)	(38)	(2)
of which: Ship and aircraft financing	19	9	10	0	0
of which: SME clients	(142)	(22)	(8)	(116)	3
of which: Other	(26)	(5)	0	(20)	(1)
of which: Financial intermediaries and hedge funds	(8)	(6)	0	(3)	0
of which: Loans to financial advisors	(6)	0	1	(7)	0
Model changes⁴	13	11	1	0	0
Movements with profit or loss impact⁵	(524)	(46)	40	(515)	(2)
Movements without profit or loss impact (write-off, FX and other)⁶	(27)	(44)	(8)	11	14
Balance as of 31 December 2025	(3,058)	(576)	(428)	(1,756)	(298)

¹ Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. ² Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. ³ Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. ⁴ Represents the change in the allowances and provisions related to changes in models and methodologies. ⁵ Includes ECL movements from new and derecognized transactions, remeasurement changes, and model and methodology changes. ⁶ Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

Note 19 Expected credit loss measurement (continued)

Movements with profit or loss impact: stage 1 and 2 ECL allowances and provisions increased on a net basis by USD 6m.

- *Net movement from new and derecognized transactions* includes stage 1 increases of USD 31m and stage 2 releases of USD 32m. Stage 1 increases were mainly driven by growth in the corporate lending portfolios, while stage 2 releases were predominantly due to repayments in other smaller segments.
- *Remeasurements with stage transfers* include USD 26m in releases in stage 1, primarily driven by the corporate lending portfolio and USD 2m releases in stage 2. Movements in stage 2 include expenses of USD 38m following corporate credit reviews. These expenses were offset by releases of USD 41m in the real estate lending portfolio.
- Stage 3 exposures which were already defaulted as of 31 December 2025 contributed approximately 40% to stage 3 expenses.
- *For model changes*, refer to Note 19b for more information.

Movements without profit or loss impact: stage 1 and 2 allowances increased by USD 52m, almost entirely due to foreign exchange effects.

Stage 3 and PCI allowances decreased by USD 24m, driven by net write-offs of USD 374m, partly offset by foreign exchange effects and other movements totaling USD 350m.

Development of ECL allowances and provisions

USD m	Total	Stage 1	Stage 2	Stage 3	PCI
Balance as of 31 December 2023	(2,261)	(700)	(416)	(993)	(153)
Net movement from new and derecognized transactions¹	37	30	(21)	29	0
of which: Private clients with mortgages	2	(6)	8	0	0
of which: Real estate financing	8	5	3	0	0
of which: Large corporate clients	(12)	(6)	(34)	28	0
of which: SME clients	10	4	5	0	0
of which: Other	30	33	(3)	0	1
of which: Loans to financial advisors	(2)	(2)	0	0	0
Remeasurements with stage transfers²	(509)	32	(53)	(488)	0
of which: Private clients with mortgages	(6)	0	(7)	0	0
of which: Real estate financing	(8)	2	(4)	(5)	0
of which: Large corporate clients	(100)	21	(20)	(101)	0
of which: SME clients	(295)	3	(11)	(287)	0
of which: Other	(100)	6	(10)	(96)	1
Remeasurements without stage transfers³	(30)	127	36	(153)	(40)
of which: Private clients with mortgages	27	18	18	(7)	(2)
of which: Real estate financing	44	16	5	6	17
of which: Large corporate clients	29	55	31	(25)	(32)
of which: SME clients	(90)	5	2	(97)	0
of which: Other	(40)	32	(19)	(29)	(23)
of which: Sovereign	(9)	12	(21)	0	0
Model changes⁴	(49)	(14)	(35)	0	0
Movements with profit or loss impact⁵	(551)	175	(74)	(612)	(39)
Movements without profit or loss impact (write-off, FX and other)⁶	305	37	31	353	(116)
Balance as of 31 December 2024	(2,507)	(487)	(459)	(1,253)	(309)

¹ Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. ² Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. ³ Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value.

⁴ Represents the change in the allowances and provisions related to changes in models and methodologies. ⁵ Includes ECL movements from new and derecognized transactions, remeasurement changes, and model and methodology changes. ⁶ Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

Note 19 Expected credit loss measurement (continued)

As explained in Note 1a, the assessment of a significant increase in credit risk (an SICR) considers a number of qualitative and quantitative factors to determine whether a stage transfer between stage 1 and stage 2 is required, although the primary assessment considers changes in PD based on rating analyses and economic outlook. Additionally, UBS takes into consideration counterparties that have moved to a credit watch list and those with payments that are at least 30 days past due.

ECL stage 2 ("significant deterioration in credit risk") allowances / provisions as of 31 December 2025 – classification by trigger

<i>USD m</i>	Total	<i>of which: PD layer</i>	<i>of which: watch list</i>	<i>of which: ≥30 days past due</i>
<i>Private clients with mortgages</i>	(18)	(11)	0	(7)
<i>Real estate financing</i>	(27)	(26)	0	(1)
<i>Large corporate clients</i>	(178)	(79)	(95)	(5)
<i>SME clients</i>	(119)	(97)	(19)	(3)
<i>Ship / aircraft financing</i>	(10)	(9)	0	(1)
<i>Loans to financial advisors</i>	(1)	0	0	(1)
<i>Consumer financing / credit cards</i>	(39)	0	(16)	(23)
<i>Other</i>	(35)	(34)	(1)	(1)
On- and off-balance sheet	(428)	(255)	(131)	(42)

d) Maximum exposure to credit risk

The tables below provide the Group's maximum exposure to credit risk for financial instruments subject to ECL requirements and the respective collateral and other credit enhancements mitigating credit risk for these classes of financial instruments.

The maximum exposure to credit risk includes the carrying amounts of financial instruments recognized on the balance sheet subject to credit risk and the notional amounts for off-balance sheet arrangements. Where information is available, collateral is presented at fair value. For other collateral, such as real estate, a reasonable alternative value is used. Credit enhancements, such as credit derivative contracts and guarantees, are included at their notional amounts. Both are capped at the maximum exposure to credit risk for which they serve as security. The "Risk management and control" section of this report describes management's view of credit risk and the related exposures, which can differ in certain respects from the requirements of IFRS Accounting Standards.

Note 19 Expected credit loss measurement (continued)

Maximum exposure to credit risk

31.12.25									
USD bn	Maximum exposure to credit risk	Collateral ^{1,2}				Credit enhancements ¹			Exposure to credit risk after collateral and credit enhancements
		Cash collateral received	Collateralized by equity and debt instruments	Secured by real estate	Other collateral ³	Netting	Credit derivative contracts	Guarantees and sub-participations	
Financial assets measured at amortized cost on the balance sheet									
Cash and balances at central banks	209.9								209.9
Amounts due from banks	19.6	0.0	0.0		0.0			0.1	19.5
Receivables from securities financing transactions measured at amortized cost	83.7	0.0	78.1		4.5				1.0
Cash collateral receivables on derivative instruments ^{4,5}	41.6					25.8			15.7
Loans and advances to customers	653.8	36.1	151.5	379.5	47.4		0.0	7.3	32.1
Other financial assets measured at amortized cost	71.9	0.2	0.7	0.0	6.7			0.0	64.3
Total financial assets measured at amortized cost	1,080.5	36.3	230.3	379.5	58.6	25.8	0.0	7.4	342.5
Financial assets measured at fair value through other comprehensive income – debt									
	13.9								13.9
Total maximum exposure to credit risk reflected on the balance sheet within the scope of ECL	1,094.3	36.3	230.3	379.5	58.6	25.8	0.0	7.4	356.3
Guarantees ⁶	47.1	1.6	28.6	0.3	1.8		0.0	2.6	12.1
Irrevocable loan commitments	81.9	0.3	4.9	2.2	23.9		0.0	3.1	47.6
Forward starting reverse repurchase and securities borrowing agreements	10.7		10.7						0.0
Committed unconditionally revocable credit lines	119.6	14.9	48.2	11.9	1.5			1.3	41.7
Total maximum exposure to credit risk not reflected on the balance sheet within the scope of ECL	259.3	16.8	92.4	14.4	27.2	0.0	0.0	7.1	101.4
31.12.24									
USD bn	Maximum exposure to credit risk	Collateral ^{1,2}				Credit enhancements ¹			Exposure to credit risk after collateral and credit enhancements
		Cash collateral received	Collateralized by equity and debt instruments	Secured by real estate	Other collateral ³	Netting	Credit derivative contracts	Guarantees and sub-participations	
Financial assets measured at amortized cost on the balance sheet									
Cash and balances at central banks	223.3								223.3
Amounts due from banks	18.9	0.0	0.2		0.1			0.2	18.4
Receivables from securities financing transactions measured at amortized cost	118.3	0.0	113.2		4.1				1.0
Cash collateral receivables on derivative instruments ^{4,5}	44.0					28.3			15.7
Loans and advances to customers	580.0	30.8	130.1	337.5	40.9		0.0	9.3	31.4
Other financial assets measured at amortized cost	58.8	0.2	0.7	0.0	5.3				52.7
Total financial assets measured at amortized cost	1,043.3	31.0	244.1	337.5	50.3	28.3	0.0	9.5	342.6
Financial assets measured at fair value through other comprehensive income – debt									
	2.2								2.2
Total maximum exposure to credit risk reflected on the balance sheet within the scope of ECL	1,045.5	31.0	244.1	337.5	50.3	28.3	0.0	9.5	344.7
Guarantees ⁶	40.2	1.9	19.6	0.4	2.3		0.0	3.9	12.3
Irrevocable loan commitments	79.4	0.2	3.8	1.6	22.7		0.0	4.2	46.8
Forward starting reverse repurchase and securities borrowing agreements	24.9		24.9						0.0
Committed unconditionally revocable credit lines	145.6	19.4	61.6	12.9	1.5			3.1	47.1
Total maximum exposure to credit risk not reflected on the balance sheet within the scope of ECL	290.1	21.4	109.9	14.9	26.4	0.0	0.0	11.2	106.2

¹ Of which USD 3,808m for 31 December 2025 (31 December 2024: USD 3,742m) relates to total credit-impaired financial assets measured at amortized cost and USD 135m for 31 December 2025 (31 December 2024: USD 356m) relates to total off-balance sheet financial instruments and credit lines for credit-impaired positions. ² Collateral arrangements generally incorporate a range of collateral, including cash, equity and debt instruments, real estate, and other collateral. For the purpose of this disclosure, UBS applies a risk-based approach that generally prioritizes collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements, the collateral is first allocated to the funded element. For legacy Credit Suisse infrastructure a risk-based approach is applied that generally prioritizes real estate collateral and prioritizes other collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements, the collateral is proportionally allocated. ³ Includes but is not limited to life insurance contracts, rights in respect of subscription or capital commitments from fund partners, lien claims on assets of borrowers, leasing items, mortgage loans, inventory, gold and other commodities. ⁴ Included within Cash collateral receivables on derivative instruments are margin balances due from exchanges or clearing houses. Some of these margin balances reflect amounts transferred on behalf of clients who retain the associated credit risk. ⁵ The amount shown in the "Netting" column represents the netting potential not recognized on the balance sheet. Refer to Note 21 for more information. ⁶ Guarantees collateralized by equity and debt instruments include certain overnight repurchase and reverse repurchase transactions where UBS acts as a sponsoring member for eligible clients when clearing through the Fixed Income Clearing Corporation (the FICC). As part of this arrangement, UBS guarantees the FICC for prompt and full payment and performance of the clients' respective obligations under the FICC's rules. The Group minimizes its liability under these guarantees by obtaining a security interest in the cash or high-quality securities collateral that the clients place with the clearing house; therefore, the risk of loss is expected to be remote.

Note 19 Expected credit loss measurement (continued)

e) Financial assets subject to credit risk by rating category

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. Under IFRS 9, the credit risk rating reflects the Group's assessment of the probability of default of individual counterparties, prior to substitutions. The amounts presented are gross of impairment allowances.

➤ Refer to the "Risk management and control" section of this report for more details about the Group's internal grading system

Financial assets subject to credit risk by rating category

USD m	31.12.25								
Rating category ¹	0-1	2-3	4-5	6-8	9-13	Credit-impaired (defaulted)	Total gross carrying amount	ECL allowances	Net carrying amount (maximum exposure to credit risk)
Financial assets measured at amortized cost									
Cash and balances at central banks	209,251	24	28	303	50	283	209,939	(81)	209,858
of which: stage 1	209,251	24	28	303	0	0	209,606	0	209,606
of which: stage 2	0	0	0	0	50	0	50	(29)	21
of which: PCI	0	0	0	0	0	283	283	(52)	231
Amounts due from banks	63	12,380	2,400	3,889	932	0	19,663	(14)	19,649
of which: stage 1	63	12,378	2,368	3,881	844	0	19,534	(9)	19,525
of which: stage 2	0	2	31	8	88	0	129	(5)	124
of which: PCI	0	0	0	0	0	0	0	0	0
Receivables from securities financing transactions	29,077	27,613	12,827	13,131	1,009	0	83,657	(1)	83,656
of which: stage 1	29,077	27,613	12,827	13,131	1,009	0	83,657	(1)	83,656
Cash collateral receivables on derivative instruments	11,655	13,495	9,248	6,950	204	0	41,552	0	41,552
of which: stage 1	11,655	13,495	9,248	6,950	204	0	41,552	0	41,552
Loans and advances to customers	11,484	261,921	180,185	148,949	47,377	6,419	656,336	(2,490)	653,846
of which: stage 1	11,292	259,203	174,090	139,208	40,696	0	624,490	(353)	624,137
of which: stage 2	192	2,717	6,096	9,741	6,680	0	25,425	(271)	25,155
of which: stage 3	0	0	0	0	0	5,577	5,577	(1,629)	3,947
of which: PCI	0	0	0	0	1	842	844	(237)	607
Other financial assets measured at amortized cost	18,235	40,053	2,803	8,542	2,079	309	72,021	(124)	71,897
of which: stage 1	18,234	39,974	2,697	8,092	1,459	0	70,457	(29)	70,427
of which: stage 2	1	79	106	451	620	0	1,256	(9)	1,247
of which: stage 3	0	0	0	0	0	306	306	(86)	220
of which: PCI	0	0	0	0	0	2	3	0	3
Total financial assets measured at amortized cost	279,765	355,486	207,491	181,765	51,651	7,010	1,083,168	(2,711)	1,080,458
On-balance sheet financial instruments									
Financial assets measured at FVOCI – debt instruments	1,148	12,590	9	113	8	0	13,868	0	13,868
Total on-balance sheet financial instruments	280,913	368,076	207,501	181,877	51,659	7,010	1,097,036	(2,711)	1,094,326

¹ Refer to the "Internal UBS rating scale and mapping of external ratings" table in the "Risk management and control" section of this report for more information about rating categories.

Off-balance sheet positions subject to expected credit loss by rating category

USD m	31.12.25								
Rating category ¹	0-1	2-3	4-5	6-8	9-13	Credit-impaired (defaulted)	Total carrying amount (maximum exposure to credit risk)	ECL provision	
Off-balance sheet financial instruments									
Guarantees	26,246	6,121	6,497	6,387	1,708	142	47,102	(50)	
of which: stage 1	26,245	6,035	6,256	5,604	1,371	0	45,512	(15)	
of which: stage 2	1	86	241	783	337	0	1,448	(22)	
of which: stage 3	0	0	0	0	0	120	120	(13)	
of which: PCI	0	0	0	0	0	22	22	0	
Irrevocable loan commitments	1,570	22,972	20,787	19,574	17,045	174	82,122	(227)	
of which: stage 1	1,570	22,778	20,493	19,339	13,796	0	77,976	(114)	
of which: stage 2	0	194	294	235	3,215	0	3,938	(77)	
of which: stage 3	0	0	0	0	0	174	174	(27)	
of which: PCI	0	0	0	0	35	0	35	(9)	
Forward starting reverse repurchase and securities borrowing agreements	3,783	6,057	234	648	0	0	10,723	0	
Total off-balance sheet financial instruments	31,600	35,150	27,518	26,609	18,753	315	139,946	(277)	
Credit lines									
Committed unconditionally revocable credit lines	44,348	31,742	23,783	15,032	4,525	248	119,679	(67)	
of which: stage 1	44,298	30,573	22,830	14,135	4,146	0	115,982	(51)	
of which: stage 2	50	1,170	953	897	379	0	3,449	(16)	
of which: stage 3	0	0	0	0	0	247	248	0	
of which: PCI	0	0	0	0	0	0	0	0	
Irrevocable committed prolongation of existing loans	6	2,882	2,372	1,841	1,071	5	8,178	(3)	
of which: stage 1	6	2,871	2,369	1,831	1,064	0	8,141	(3)	
of which: stage 2	0	11	3	10	8	0	32	0	
of which: stage 3	0	0	0	0	0	5	5	0	
Total credit lines	44,354	34,624	26,156	16,873	5,596	253	127,857	(70)	

¹ Refer to the "Internal UBS rating scale and mapping of external ratings" table in the "Risk management and control" section of this report for more information about rating categories.

Note 19 Expected credit loss measurement (continued)

Financial assets subject to credit risk by rating category

USD m	31.12.24								
Rating category ¹	0–1	2–3	4–5	6–8	9–13	Credit-impaired (defaulted)	Total gross carrying amount	ECL allowances	Net carrying amount (maximum exposure to credit risk)
Financial assets measured at amortized cost									
Cash and balances at central banks	222,735	442	24	0	174	0	223,375	(47)	223,329
of which: stage 1	222,735	442	24	0	0	0	223,201	0	223,201
of which: stage 2	0	0	0	0	35	0	35	(21)	13
of which: PCI	0	0	0	0	140	0	140	(25)	114
Amounts due from banks	156	15,238	2,409	809	326	0	18,938	(36)	18,903
of which: stage 1	156	15,206	2,331	791	221	0	18,705	(1)	18,704
of which: stage 2	0	32	78	18	75	0	203	(5)	198
of which: PCI	0	0	0	0	30	0	30	(30)	0
Receivables from securities financing transactions	67,467	17,033	6,361	26,097	1,345	0	118,303	(2)	118,301
of which: stage 1	67,467	17,033	6,361	26,097	1,345	0	118,303	(2)	118,301
Cash collateral receivables on derivative instruments	10,166	19,998	7,794	5,893	109	0	43,959	0	43,959
of which: stage 1	10,166	19,998	7,794	5,893	109	0	43,959	0	43,959
Loans and advances to customers	1,868	261,017	169,139	106,577	37,652	5,692	581,944	(1,978)	579,967
of which: stage 1	1,868	259,251	165,762	98,176	28,752	0	553,808	(276)	553,532
of which: stage 2	0	1,754	3,373	8,375	8,870	0	22,373	(323)	22,049
of which: stage 3	0	0	0	0	0	4,699	4,699	(1,134)	3,565
of which: PCI	0	11	5	25	30	992	1,064	(244)	820
Other financial assets measured at amortized cost	26,078	21,060	2,920	6,958	1,661	282	58,959	(125)	58,835
of which: stage 1	26,078	21,030	2,893	6,820	1,413	0	58,233	(25)	58,209
of which: stage 2	0	30	27	139	247	0	444	(7)	436
of which: stage 3	0	0	0	0	0	262	262	(84)	178
of which: PCI	0	0	0	0	0	20	20	(8)	12
Total financial assets measured at amortized cost	328,469	334,788	188,646	146,334	41,267	5,974	1,045,479	(2,187)	1,043,293
On-balance sheet financial instruments									
Financial assets measured at FVOCI – debt instruments	1,393	702	0	101	0	0	2,195	0	2,195
Total on-balance sheet financial instruments	329,862	335,490	188,646	146,435	41,267	5,974	1,047,675	(2,187)	1,045,488

¹ Refer to the "Internal UBS rating scale and mapping of external ratings" table in the "Risk management and control" section of this report for more information about rating categories.

Off-balance sheet positions subject to expected credit loss by rating category

USD m	31.12.24						Total carrying amount (maximum exposure to credit risk)	ECL provision
Rating category ¹	0–1	2–3	4–5	6–8	9–13	Credit-impaired (defaulted)		
Off-balance sheet financial instruments								
Guarantees	17,395	7,282	8,403	5,196	1,829	174	40,279	(64)
of which: stage 1	17,395	7,247	8,362	4,484	1,371	0	38,858	(16)
of which: stage 2	0	35	41	708	459	0	1,242	(24)
of which: stage 3	0	0	0	0	0	151	151	(24)
of which: PCI	0	0	0	4	0	23	27	0
Irrevocable loan commitments	1,119	23,843	22,361	14,249	17,807	200	79,579	(177)
of which: stage 1	1,119	23,650	21,974	13,742	14,673	0	75,158	(105)
of which: stage 2	0	193	387	507	3,091	0	4,178	(61)
of which: stage 3	0	0	0	0	0	187	187	(10)
of which: PCI	0	0	0	0	43	13	56	(2)
Forward starting reverse repurchase and securities borrowing agreements	0	0	0	24,896	0	0	24,896	0
Total off-balance sheet financial instruments	18,515	31,125	30,763	44,340	19,636	374	144,754	(241)
Credit lines								
Committed unconditionally revocable credit lines	2,180	100,663	22,875	13,258	6,434	255	145,665	(76)
of which: stage 1	2,180	100,106	22,414	12,690	5,872	0	143,262	(59)
of which: stage 2	0	557	461	568	562	0	2,149	(17)
of which: stage 3	0	0	0	0	0	250	250	0
of which: PCI	0	0	0	0	0	5	5	0
Irrevocable committed prolongation of existing loans	6	1,997	946	739	918	2	4,608	(3)
of which: stage 1	6	1,997	946	739	914	0	4,602	(3)
of which: stage 2	0	0	0	1	3	0	4	0
of which: stage 3	0	0	0	0	0	2	2	0
Total credit lines	2,186	102,661	23,821	13,997	7,351	257	150,273	(79)

¹ Refer to the "Internal UBS rating scale and mapping of external ratings" table in the "Risk management and control" section of this report for more information about rating categories.

f) Sensitivity information

As outlined in Note 1a, ECL estimates involve significant uncertainties at the time they are made.

ECL models

The models applied to determine point-in-time PD and LGD rely on market and statistical data, which has been found to correlate well with historically observed defaults in sufficiently homogeneous segments. The risk sensitivities for each of the ECL reporting segments to such factors are summarized in Note 9.

Climate risk

Climate risk may negatively affect clients or portfolios due to direct or indirect transition costs, or exposure to chronic and acute physical risks in locations likely to be impacted by climate change. Such effects could lead to a deterioration in creditworthiness, which in turn would have an impact on ECLs.

Although some macroeconomic indicators used in the current PD models could be influenced by climate change, UBS currently does not use specific climate risk scenarios in addition to the four general economic scenarios applied to derive the weighted-average ECL. The rationale for the approach at this point in time is the significance of model risks and the insufficient level of qualitative and quantitative data necessary for calibration and probability weighting.

Instead, UBS focuses on the process of vetting clients and business transactions, where both physical and transition risks for selected sensitive portfolios use internally developed, climate assessment models. This review process may lead to a downward revision of the counterparty's credit rating or the adoption of risk mitigating actions, impacting the individual contribution to ECLs.

UBS assesses climate risk impacts across key lending portfolios using a combination of qualitative and quantitative inputs, including climate scenario analysis and exposures to climate-sensitive sectors, as part of its financial risk materiality assessment. These assessments rely on conservative climate stress-testing methodologies that differ from ECL models in assumptions, horizons and calibration, with credit risk impacts primarily arising through indirect macroeconomic effects, and therefore do not allow a direct inference of impacts on ECL allowances. UBS instead assesses the need for climate-related ECL adjustments through post-model adjustments. As part of the quarterly ECL governance, climate-related events, such as landslides, floods and wildfires, are discussed at senior management level, and if required, dedicated post-model adjustments are booked to increase the model-based ECL allowance levels.

It was assessed that the magnitude of any impact of climate risk on the weighted-average ECL would not be material as of 31 December 2025. Therefore, no specific post-model adjustment was made in this regard.

- › Refer to "Sustainability and climate risk" in the "Risk management and control" section of this report for more information about identification and measurement of climate risk
- › Refer to "Our focus on sustainability" in the "Our stakeholders" section of this report
- › Refer to the "UBS Group AG consolidated supplemental disclosures required under SEC regulations" section of this report for more information about the maturity profile of UBS's core loan book

Forward-looking scenarios

Depending on the scenario selection and related macroeconomic assumptions for the risk factors, the components of the relevant weighted-average ECL change. This is particularly relevant for interest rates, which can move in both directions under a given growth assumption, e.g. low growth with high interest rates in a stagflation scenario, versus low growth and falling interest rates in a recession. Management generally looks for scenario narratives that reflect the key risk drivers of a given credit portfolio.

As forecasting models are complex, due to multiple factors, simple what-if analyses involving a change of individual parameters do not necessarily provide realistic information on the exposure of segments to changes in the macroeconomy. Portfolio-specific analyses based on their key risk factors would also not be meaningful, as potential compensatory effects in other segments would be ignored. The table below indicates some sensitivities to ECLs, if a key macroeconomic variable for the forecasting period is amended across all scenarios with all other factors remaining unchanged.

Note 19 Expected credit loss measurement (continued)

Potential effect on stage 1 and stage 2 positions from changing the global key parameters as of 31 December 2025

USD m	100% Baseline	100% Asset price appreciation	100% Moderate stagflation crisis	100% Global trade war	Weighted average
Change in key parameters					
Fixed income: Government bonds (absolute change)					
-1.00%	(2)	(2)	(62)	(61)	(11)
-0.50%	(2)	(2)	(34)	(42)	(6)
+0.50%	11	9	39	96	12
+1.00%	25	20	86	208	28
Unemployment rate (absolute change)					
-1.00%	(9)	(7)	(25)	(36)	(8)
-0.50%	(5)	(4)	(10)	(20)	(5)
+0.50%	8	6	18	22	5
+1.00%	14	12	33	52	13
Real GDP growth (relative change)					
-2.00%	32	17	46	75	31
-1.00%	15	9	25	37	16
+1.00%	(7)	(6)	(20)	(27)	(13)
+2.00%	(15)	(12)	(45)	(60)	(27)
House Price Index (relative change)					
-5.00%	20	13	56	240	34
-2.50%	9	5	25	110	15
+2.50%	(6)	(5)	(22)	(97)	(13)
+5.00%	(12)	(9)	(40)	(182)	(25)
Equity & Commodity Index (relative change)					
-10.00%	13	7	10	6	7
-5.00%	5	4	6	1	3
+5.00%	(2)	(2)	0	(5)	(3)
+10.00%	(4)	(4)	(3)	(6)	(5)
Equity Volatility (absolute change)					
-10.00%	(7)	(4)	(11)	(17)	(9)
-5.00%	(4)	(2)	(5)	(9)	(5)
+5.00%	7	2	6	12	5
+10.00%	12	6	16	26	10

Sensitivities can be more meaningfully assessed in the context of coherent scenarios with consistently developed macroeconomic factors. The table above outlines favorable and unfavorable effects, based on reasonably possible alternative changes to the economic conditions for stage 1 and stage 2 positions. The ECL impact is calculated for material portfolios and disclosed for each scenario.

Changes to forecasting timelines may have an effect on ECLs: depending on the cycle, a longer or shorter forecasting horizon might lead to different annualized lifetime PD and average LGD estimations. This is currently not deemed to be material for UBS, as a large proportion of loans, including mortgages in Switzerland, have maturities that are within the forecasting horizon.

Scenario weights and stage allocation

Potential effect on stage 1 and stage 2 positions from changing scenario weights or moving to an ECL lifetime calculation as of 31 December 2025

		Pro forma ECL allowances and provisions, including staging and assuming application of 100% scenario weighting				Pro forma ECL allowances and provisions, assuming all positions are subject to lifetime ECL
Actual ECL allowances and provisions, including staging (as per Note 9)						
Scenarios	Weighted average	100% Asset price appreciation	100% Baseline	100% Moderate stagflation	100% Global trade war	Weighted average
<i>USD m, except where indicated</i>						
Segmentation						
Private clients with mortgages	(62)	(35)	(38)	(114)	(436)	(215)
Real estate financing	(60)	(49)	(53)	(108)	(129)	(151)
Large corporate clients	(399)	(260)	(306)	(525)	(791)	(664)
SME clients	(212)	(195)	(208)	(312)	(493)	(340)
Ship financing	(10)	(9)	(9)	(10)	(14)	(22)
Consumer financing / credit cards	(80)	(74)	(75)	(80)	(87)	(239)
Other segments	(182)	(176)	(180)	(209)	(236)	(281)
Total	(1,004)	(797)	(869)	(1,358)	(2,185)	(1,913)

Note 19 Expected credit loss measurement (continued)

Potential effect on stage 1 and stage 2 positions from changing scenario weights or moving to an ECL lifetime calculation as of 31 December 2024

	Actual ECL allowances and provisions, including staging (as per Note 9)	Pro forma ECL allowances and provisions, including staging and assuming application of 100% scenario weighting			Pro forma ECL allowances and provisions, assuming all positions are subject to lifetime ECL
Scenarios	Weighted average	100% Baseline	100% Stagflationary geopolitical crisis	100% Mild debt crisis	Weighted average
<i>USD m, except where indicated</i>					
Segmentation					
Private clients with mortgages	(118)	(43)	(718)	(68)	(408)
Real estate financing	(57)	(40)	(164)	(49)	(185)
Large corporate clients	(377)	(247)	(757)	(401)	(673)
SME clients	(180)	(151)	(259)	(223)	(327)
Ship financing	(24)	(27)	(42)	(28)	(78)
Consumer financing / credit cards	(58)	(63)	(72)	(65)	(168)
Other segments	(131)	(82)	(206)	(119)	(231)
Total	(946)	(654)	(2,217)	(952)	(2,071)

Scenario weights

ECL is sensitive to changing scenario weights, in particular if narratives and parameters are selected that are not close to the baseline scenario, highlighting the non-linearity of credit losses.

As shown in the table above, the ECLs for stage 1 and stage 2 positions would have been USD 869m (31 December 2024: USD 654m) instead of USD 1,004m (31 December 2024: USD 946m) if ECLs had been determined solely on the baseline scenario. The weighted-average ECL therefore amounted to 115% (31 December 2024: 143%) of the baseline value. The effects of weighting each of the four scenarios at 100% are shown in the table above.

Stage allocation and SICR

The determination of what constitutes an SICR is based on management judgment, as explained in Note 1a. Changing the SICR trigger will have a direct effect on ECLs, as more or fewer positions would be subject to lifetime ECLs under any scenario.

The impact of the SICR trigger on overall ECL is demonstrated in the table above with the indication that the ECL allowances and provisions for stage 1 and stage 2 positions would have been USD 1,913m, if all non-impaired positions across the portfolio had been measured for lifetime ECLs irrespective of their actual SICR status. This amount compares with actual stage 1 and 2 allowances and provisions of USD 1,004m as of 31 December 2025.

Maturity profile

The maturity profile is an important driver in ECLs, in particular for transactions in stage 2. A transfer of a transaction into stage 2 may therefore have a significant effect on ECLs. The current maturity profile of most lending books is relatively short.

Lending to large corporate clients is generally between one and two years, with related loan commitments up to four years. Real estate lending is generally between two and three years in Switzerland, with long-dated maturities in the US. Lombard-lending contracts typically have average contractual maturities of 12 months or less, and include callable features.

A significant portion of UBS's lending to SME clients and real estate financing is documented under multi-purpose credit agreements, which allow for various forms of utilization but are unconditionally cancelable by UBS at any time: (i) for drawings under such agreements with a fixed maturity, the respective term is applied for ECL calculations, or a maximum of 12 months in stage 1; (ii) for unused credit lines and all drawings that have no fixed maturity (e.g. current accounts), UBS generally applies a 12-month maturity from the reporting date, given the credit review policies, which require either continuous monitoring of key indicators and behavioral patterns for smaller positions or an annual formal review for any other limit. The ECLs for these products are sensitive to shortening or extending the maturity assumption.

a) Valuation principles

All financial and non-financial assets and liabilities measured or disclosed at fair value are categorized into one of three fair value hierarchy levels in accordance with IFRS Accounting Standards. The fair value hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. In certain cases, the inputs used to measure fair value may fall within different levels of the fair value hierarchy. For disclosure purposes, the level in the hierarchy within which an instrument is classified in its entirety is based on the lowest level input that is significant to the position's fair value measurement:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – valuation techniques for which all significant inputs are, or are based on, observable market data; or
- Level 3 – valuation techniques for which significant inputs are not based on observable market data.

Fair values are determined using quoted prices in active markets for identical assets or liabilities, where available. Where the market for a financial instrument or non-financial asset or liability is not active, fair value is established using a valuation technique, including pricing models. Valuation adjustments may be made to allow for additional factors, including model, liquidity, credit and funding risks, which are not explicitly captured within the valuation technique, but which would nevertheless be considered by market participants when establishing a price. The limitations inherent in a particular valuation technique are considered in the determination of the classification of an asset or liability within the fair value hierarchy. Generally, the unit of account for a financial instrument is the individual instrument, and UBS applies valuation adjustments at an individual instrument level, consistent with that unit of account. However, if certain conditions are met, UBS may estimate the fair value of a portfolio of financial assets and liabilities with substantially similar and offsetting risk exposures on the basis of the net open risks.

› Refer to Note 20d for more information

b) Valuation governance

UBS's fair value measurement and model governance framework includes numerous controls and other procedural safeguards that are intended to maximize the quality of fair value measurements reported in the financial statements. New products and valuation techniques must be reviewed and approved by key stakeholders from the risk and finance control functions. Responsibility for the ongoing measurement of financial and non-financial instruments at fair value is with the business divisions.

Fair value estimates are validated by the risk and finance control functions, which are independent of the business divisions. Independent price verification is performed by Finance through benchmarking the business divisions' fair value estimates with observable market prices and other independent sources. A governance framework and associated controls are in place to monitor the quality of third-party pricing sources, where used. For instruments where valuation models are used to determine fair value, independent valuation and model control groups within Finance and Risk Control evaluate UBS's models on a regular basis, including valuation and model input parameters, as well as pricing. As a result of the valuation controls employed, valuation adjustments may be made to the business divisions' estimates of fair value to align with independent market data and the relevant accounting standard.

› Refer to Note 20d for more information

Note 20 Fair value measurement (continued)

c) Fair value hierarchy

The table below provides the fair value hierarchy classification of financial and non-financial assets and liabilities measured at fair value. The narrative that follows describes valuation techniques used in measuring the fair value of different product types (including significant valuation inputs and assumptions used) and the factors considered in determining their classification within the fair value hierarchy.

During 2025, there were no material transfers of assets or liabilities between Level 1 and Level 2 that were held for the entire reporting period.

Determination of fair values from quoted market prices or valuation techniques¹

USD m	31.12.25				31.12.24			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value on a recurring basis								
Financial assets at fair value held for trading	143,009	29,358	2,333	174,699	128,393	27,564	3,108	159,065
of which: Equity instruments	127,455	538	151	128,144	116,501	430	91	117,022
of which: Government bills / bonds	6,868	4,298	2	11,168	4,443	3,261	41	7,746
of which: Investment fund units	8,319	1,287	71	9,677	6,537	987	151	7,675
of which: Corporate and municipal bonds	367	21,208	874	22,449	911	17,462	838	19,211
of which: Loans	0	1,703	1,111	2,814	0	5,200	1,799	6,998
of which: Asset-backed securities	0	324	123	447	1	219	153	373
Derivative financial instruments	581	143,966	3,230	147,778	795	181,965	2,792	185,551
of which: Foreign exchange	293	48,056	306	48,655	472	100,328	66	100,867
of which: Interest rate	0	33,631	1,159	34,789	0	40,553	878	41,431
of which: Equity / index	0	49,379	1,435	50,814	0	35,747	1,129	36,876
of which: Credit	0	3,587	323	3,910	0	2,555	581	3,136
of which: Commodities	3	9,239	5	9,247	1	2,599	17	2,617
Brokerage receivables	0	35,579	0	35,579	0	25,858	0	25,858
Financial assets at fair value not held for trading	47,564	51,097	8,913	107,575	35,911	50,813	8,748	95,472
of which: Financial assets for unit-linked investment contracts	20,776	145	0	20,922	17,101	6	0	17,106
of which: Corporate and municipal bonds	0	16,936	89	17,026	31	14,695	133	14,859
of which: Government bills / bonds	26,208	6,147	0	32,355	18,264	6,204	0	24,469
of which: Loans	0	5,760	4,226	9,987	0	4,427	3,192	7,619
of which: Securities financing transactions	0	20,553	937	21,490	0	24,026	611	24,638
of which: Asset-backed securities	0	1,002	480	1,482	0	972	597	1,569
of which: Auction rate securities	0	0	191	191	0	0	191	191
of which: Investment fund units	480	381	678	1,539	423	401	681	1,505
of which: Equity instruments	100	0	2,082	2,182	93	0	2,917	3,010
Financial assets measured at fair value through other comprehensive income on a recurring basis								
Financial assets measured at fair value through other comprehensive income	11,735	2,133	0	13,868	59	2,137	0	2,195
of which: Government bills / bonds	11,659	0	0	11,659	0	0	0	0
of which: Commercial paper and certificates of deposit	0	1,944	0	1,944	0	1,959	0	1,959
of which: Corporate and municipal bonds	76	189	0	265	59	178	0	237
Non-financial assets measured at fair value on a recurring basis								
Precious metals and other physical commodities	12,996	0	0	12,996	7,341	0	0	7,341
Non-financial assets measured at fair value on a non-recurring basis								
Other non-financial assets ²	0	0	62	62	0	0	84	84
Total assets measured at fair value	215,886	262,133	14,538	492,557	172,499	288,337	14,732	475,568

Note 20 Fair value measurement (continued)

Determination of fair values from quoted market prices or valuation techniques (continued)¹

USD m	31.12.25				31.12.24			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value on a recurring basis								
Financial liabilities at fair value held for trading	39,315	14,278	107	53,700	24,577	10,429	240	35,247
of which: Equity instruments	32,533	135	65	32,734	18,528	257	29	18,814
of which: Corporate and municipal bonds	12	11,818	37	11,867	5	8,771	206	8,982
of which: Government bills / bonds	4,894	2,007	0	6,901	4,336	1,174	0	5,510
of which: Investment fund units	1,874	177	3	2,054	1,708	162	3	1,873
Derivative financial instruments	688	150,575	4,981	156,243	829	175,747	4,060	180,636
of which: Foreign exchange	346	49,473	77	49,895	506	94,035	46	94,587
of which: Interest rate	0	30,539	317	30,856	0	36,313	324	36,636
of which: Equity / index	0	58,396	4,224	62,620	0	39,597	3,142	42,739
of which: Credit	0	4,052	314	4,366	0	3,280	414	3,694
of which: Commodities	2	8,024	16	8,043	1	2,200	15	2,216
of which: Loan commitments measured at FVTPL	0	6	26	33	0	75	62	137
Financial liabilities designated at fair value on a recurring basis								
Brokerage payables designated at fair value	0	62,202	0	62,202	0	49,023	0	49,023
Debt issued designated at fair value	0	101,103	12,691	113,794	0	94,573	13,336	107,909
Other financial liabilities designated at fair value	0	26,548	1,636	28,184	0	25,931	2,768	28,699
of which: Financial liabilities related to unit-linked investment contracts	0	21,052	0	21,052	0	17,203	0	17,203
of which: Securities financing transactions	0	3,389	459	3,848	0	5,798	0	5,798
of which: Over-the-counter debt instruments and others	0	2,107	1,177	3,284	0	2,930	2,768	5,698
Total liabilities measured at fair value	40,003	354,706	19,415	414,123	25,406	355,703	20,405	401,514

¹ Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are not included in this table. The fair value of these derivatives was not material for the periods presented.

² Other non-financial assets primarily consist of properties and other non-current assets held for sale, which are measured at the lower of their net carrying amount or fair value less costs to sell.

Valuation techniques

UBS uses widely recognized valuation techniques for determining the fair value of financial and non-financial instruments that are not actively traded and quoted. The most frequently applied valuation techniques include discounted value of expected cash flows, relative value and option pricing methodologies.

Discounted value of expected cash flows is a valuation technique that measures fair value using expected future cash flows from assets or liabilities and then discounts these cash flows using a discount rate or discount margin that reflects the credit and / or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by using industry-standard cash flow projection models. The discount factors within the calculation are generated using industry-standard yield curve modeling techniques and models.

Relative value models measure fair value based on the market prices of equivalent or comparable assets or liabilities, making adjustments for differences between the characteristics of the observed instrument and the instrument being valued.

Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry-standard yield curve modeling techniques and models. The option pricing model may be implemented using a closed-form analytical formula or other mathematical techniques (e.g. binomial tree or Monte Carlo simulation).

Where available, valuation techniques use market-observable assumptions and inputs. If such data is not available, inputs may be derived by reference to similar assets in active markets, from recent prices for comparable transactions or from other observable market data. In such cases, the inputs selected are based on historical experience and practice for similar or analogous instruments, derivation of input levels based on similar products with observable price levels, and knowledge of current market conditions and valuation approaches. Where relevant, these inputs include assumptions about climate risk and relevant geopolitical risks.

Note 20 Fair value measurement (continued)

For more complex instruments, fair values may be estimated using a combination of observed transaction prices, consensus pricing services and relevant quotes. Consideration is given to the nature of the quotes (e.g. indicative or firm) and the relationship of recently evidenced market activity to the prices provided by consensus pricing services. UBS also uses internally developed models, which are typically based on valuation methods and techniques recognized as standard within the industry. Assumptions and inputs used in valuation techniques include benchmark interest rate curves, credit and funding spreads used in estimating discount rates, bond and equity prices, equity index prices, foreign exchange rates, levels of market volatility and correlation. Refer to Note 20e for more information. The discount curves used by the Group incorporate the funding and credit characteristics of the instruments to which they are applied.

Financial instruments excluding derivatives: valuation and classification in the fair value hierarchy

Product	Valuation and classification in the fair value hierarchy	
Government bills and bonds	Valuation	– Generally valued using prices obtained directly from the market. – Instruments not priced directly using active-market data are valued using discounted cash flow valuation techniques that incorporate market data for similar government instruments.
	Fair value hierarchy	– Generally traded in active markets with prices that can be obtained directly from these markets, resulting in classification as Level 1, while the remaining positions are classified as Level 2 or Level 3.
Corporate and municipal bonds	Valuation	– Generally valued using prices obtained directly from the market for the security, or similar securities, adjusted for seniority, maturity and liquidity. – When prices are not available, instruments are valued using discounted cash flow valuation techniques incorporating the credit spread of the issuer or similar issuers. – For convertible bonds without directly comparable prices, issuances may be priced using a convertible bond model.
	Fair value hierarchy	– Generally classified as Level 1 or Level 2, depending on the depth of trading activity behind price sources. – Level 3 instruments have no suitable pricing information available.
Traded loans and loans measured at fair value	Valuation	– Valued directly using market prices that reflect recent transactions or quoted dealer prices, where available. – Where no market price data is available, loans are valued by relative value benchmarking using pricing derived from debt instruments in comparable entities or different products in the same entity, or by using a credit default swap valuation technique, which requires inputs for credit spreads, credit recovery rates and interest rates. – Securitization lending facilities are valued using a discounted cash flow analysis that incorporates adjustments for any bespoke features of the loan and collateral. Recently originated commercial real estate loans are measured using a securitization approach based on rating agency guidelines.
	Fair value hierarchy	– Instruments with suitably deep and liquid pricing information are classified as Level 2. – Positions requiring the use of valuation techniques, or for which the price sources have insufficient trading depth, are classified as Level 3.
Investment fund units	Valuation	– Predominantly exchange-traded, with readily available quoted prices in liquid markets. Where market prices are not available, fair value may be measured using net asset values (NAVs).
	Fair value hierarchy	– Listed units are classified as Level 1, provided there is sufficient trading activity to justify active-market classification, while other positions are classified as Level 2. – Positions for which NAVs are not available, or where the unit or underlying investments are illiquid, are classified as Level 3.
Asset-backed securities (ABS)	Valuation	– For liquid securities, the valuation process will use trade and price data, updated for movements in market levels between the time of trading and the time of valuation. Less liquid instruments are measured using discounted expected cash flows incorporating price data for instruments or indices with similar risk profiles.
	Fair value hierarchy	– Residential mortgage-backed securities, commercial mortgage-backed securities and other ABS are generally classified as Level 2 when reliable external price quotes are available. However, if significant inputs are unobservable, or if market or fundamental data is not available, they are classified as Level 3.
Auction rate securities (ARS)	Valuation	– ARS are valued utilizing a discounted cash flow methodology. The model captures interest rate risk emanating from the note coupon, credit risk attributable to the underlying closed-end fund investments, liquidity risk as a function of the level of trading volume in these positions, and extension risk, as ARS are perpetual instruments that require an assumption regarding their maturity or issuer redemption date.
	Fair value hierarchy	– Granular and liquid pricing information is generally not available for ARS. As a result, these securities are classified as Level 3.
Equity instruments	Valuation	– Listed equity instruments are generally valued using prices obtained directly from the market. – Unlisted equity holdings, including private equity positions, are initially marked at their transaction price and are revalued when reliable evidence of price movement becomes available or when the position is deemed to be impaired.
	Fair value hierarchy	– The majority of equity securities are actively traded on public stock exchanges where quoted prices are readily and regularly available, resulting in Level 1 classification. – Equity securities less actively traded will be classified as Level 2 and illiquid positions as Level 3.
Financial assets for unit-linked investment contracts	Valuation	– The majority of assets are listed on exchanges and fair values are determined using quoted prices.
	Fair value hierarchy	– Most assets are classified as Level 1 if actively traded, or Level 2 if trading is not active. – Instruments for which prices are not readily available are classified as Level 3.

Note 20 Fair value measurement (continued)

Product	Valuation and classification in the fair value hierarchy	
Securities financing transactions	Valuation	– These instruments are valued using discounted expected cash flow techniques. The discount rate applied is based on funding curves that are relevant to the collateral eligibility terms.
	Fair value hierarchy	– Collateral funding curves for these instruments are generally observable and, as a result, these positions are classified as Level 2. – Where the collateral terms are non-standard, the funding curve may be considered unobservable, and these positions are classified as Level 3.
Brokerage receivables and payables	Valuation	– Fair value is determined based on the value of the underlying balances.
	Fair value hierarchy	– Due to their on-demand nature, these receivables and payables are deemed as Level 2.
Financial liabilities related to unit-linked investment contracts	Valuation	– The fair values of investment contract liabilities are determined by reference to the fair value of the corresponding assets.
	Fair value hierarchy	– The liabilities themselves are not actively traded but are mainly referenced to instruments that are actively traded and are therefore classified as Level 2.
Precious metals and other physical commodities	Valuation	– Physical assets are valued using the spot rate observed in the relevant market.
	Fair value hierarchy	– Generally traded in active markets with prices that can be obtained directly from these markets, resulting in classification as Level 1.
Debt issued designated at fair value	Valuation	– The risk management and the valuation approaches for these instruments are closely aligned with the equivalent derivatives business and the underlying risk, and the valuation techniques used for this component are the same as the relevant valuation techniques described below.
	Fair value hierarchy	– The observability is closely aligned with the equivalent derivatives business and the underlying risk.
Commercial paper and certificates of deposit	Valuation	– Generally valued using discounted cash flow valuation techniques incorporating the spread of the issuer or similar issuers over the underlying currency risk-free curve.
	Fair value hierarchy	– Due to the short-dated nature of the positions and liquid underlying pricing inputs they are generally classified as Level 2.

Derivative instruments: valuation and classification in the fair value hierarchy

The curves used for discounting expected cash flows in the valuation of collateralized derivatives reflect the funding terms associated with the relevant collateral arrangement for the instrument being valued. These collateral arrangements differ across counterparties with respect to the eligible currency and interest terms of the collateral. The majority of collateralized derivatives are measured using a discount curve based on funding rates derived from overnight interest in the cheapest eligible currency for the respective counterparty collateral agreement.

Uncollateralized and partially collateralized derivatives are discounted using the alternative reference rate (the ARR) (or equivalent) curve for the currency of the instrument. As described in Note 20d, the fair value of uncollateralized and partially collateralized derivatives is then adjusted by credit valuation adjustments (CVAs), debit valuation adjustments (DVAs) and funding valuation adjustments (FVAs), as applicable, to reflect an estimation of the effect of counterparty credit risk, UBS's own credit risk, and funding costs and benefits.

› Refer to Note 10 for more information about derivative instruments

Derivative product	Valuation and classification in the fair value hierarchy	
Interest rate contracts	Valuation	– Interest rate swap contracts are valued by estimating future interest cash flows and discounting those cash flows using a rate that reflects the appropriate funding rate for the position being measured. The yield curves used to estimate future index levels and discount rates are generated using market-standard yield curve models using interest rates associated with current market activity. The key inputs to the models are interest rate swap rates, forward rate agreement rates, short-term interest rate futures prices, basis swap spreads and inflation swap rates. – Interest rate option contracts are valued using various market-standard option models, using inputs that include interest rate yield curves, inflation curves, volatilities and correlations. – When the maturity of an interest rate swap or option contract exceeds the term for which standard market quotes are observable for a significant input parameter, the contracts are valued by extrapolation from the last observable point using standard assumptions or by reference to another observable comparable input parameter to represent a suitable proxy for that portion of the term.
	Fair value hierarchy	– The majority of interest rate swaps are classified as Level 2, as the standard market contracts that form the inputs for yield curve models are generally traded in active and observable markets. – Options are generally treated as Level 2, as the calibration process enables the model output to be validated to active-market levels. Models calibrated in this way are then used to revalue the portfolio of both standard options and more exotic products. – Interest rate swap or option contracts are classified as Level 3 when the terms exceed standard market-observable quotes. – Exotic options for which appropriate volatility or correlation input levels cannot be implied from observable market data are classified as Level 3.

Note 20 Fair value measurement (continued)

Derivative product	Valuation and classification in the fair value hierarchy	
Credit derivative contracts	Valuation	– Credit derivative contracts are valued using industry-standard models based primarily on market credit spreads, credit volatility, upfront pricing points and implied recovery rates. Where a derivative credit spread is not directly available, it may be derived from the price of the reference cash bond. – Asset-backed credit derivatives are valued using a valuation technique similar to that of the underlying security with an adjustment to reflect the funding differences between cash and synthetic form.
	Fair value hierarchy	– Single-entity and portfolio credit derivative contracts are classified as Level 2 when credit spreads, credit volatility and recovery rates are determined from actively traded observable market data. Where the underlying reference name(s) are not actively traded and the correlation cannot be directly mapped to actively traded tranche instruments, these contracts are classified as Level 3. – Asset-backed credit derivatives follow the characteristics of the underlying security and are therefore distributed across Level 2 and Level 3.
Foreign exchange contracts	Valuation	– Open spot foreign exchange (FX) contracts are valued using the FX spot rate observed in the market. – Forward FX contracts are valued using the FX spot rate adjusted for forward pricing points observed from standard market-based sources. – Over-the-counter (OTC) FX option contracts are valued using market-standard option valuation models. The models used for shorter-dated options (i.e. maturities of five years or less) tend to be different from those used for longer-dated options, because the models needed for longer-dated OTC FX contracts require additional consideration of interest rate and FX rate interdependency. – The valuation for multi-dimensional FX options uses a multi-local volatility model, which is calibrated to the observed FX volatilities for all relevant FX pairs.
	Fair value hierarchy	– The markets for FX spot and FX forward pricing points are both actively traded and observable and, therefore, such FX contracts are generally classified as Level 2. – A significant proportion of OTC FX option contracts are classified as Level 2 as inputs are derived mostly from standard market contracts traded in active and observable markets.
Equity / index contracts	Valuation	– Equity forward contracts have a single stock or index underlying and are valued using market-standard models. The key inputs to the models are stock prices, estimated dividend rates and equity funding rates (which are implied from prices of forward contracts observed in the market). Estimated cash flows are then discounted using market-standard discounted cash flow models using a rate that reflects the appropriate funding rate for that portion of the portfolio. When no market data is available for the instrument maturity, they are valued by extrapolation of available data, use of historical dividend data, or use of data for a related equity. – Equity option contracts are valued using market-standard models that estimate the equity forward level as described for equity forward contracts and incorporate inputs for stock volatility and for correlation between stocks within a basket. The probability-weighted expected option payoff generated is then discounted using market-standard discounted cash flow models applying a rate that reflects the appropriate funding rate for that portion of the portfolio. When volatility, forward or correlation inputs are not available, they are valued using extrapolation of available data, historical dividend, correlation or volatility data, or the equivalent data for a related equity.
	Fair value hierarchy	– As inputs are derived mostly from standard market contracts traded in active and observable markets, a significant proportion of equity forward contracts are classified as Level 2. – Equity option positions for which inputs are derived from standard market contracts traded in active and observable markets are also classified as Level 2. Level 3 positions are those for which volatility, forward or correlation inputs are not observable.
Commodity contracts	Valuation	– Commodity forward and swap contracts are measured using market-standard models that use market forward levels on standard instruments. – Commodity option contracts are measured using market-standard option models that estimate the commodity forward level as described for commodity forward and swap contracts, incorporating inputs for the volatility of the underlying index or commodity. For commodity options on baskets of commodities or bespoke commodity indices, the valuation technique also incorporates inputs for the correlation between different commodities or commodity indices.
	Fair value hierarchy	– Individual commodity contracts are typically classified as Level 2, because active forward and volatility market data is available.
Loan commitments measured at FVTPL	Valuation	– Valued directly using market prices that reflect recent transactions or quoted dealer prices, where available. – Where no market price data is available, loan commitments are valued by relative value benchmarking using pricing derived from debt instruments in comparable entities or different products in the same entity, or by using a credit default swap valuation technique, which requires inputs for credit spreads, credit recovery rates and interest rates.
	Fair value hierarchy	– Instruments with suitably deep and liquid pricing information are classified as Level 2. – Positions requiring the use of valuation techniques, or for which the price sources have insufficient trading depth, are classified as Level 3.

Note 20 Fair value measurement (continued)

d) Valuation adjustments and other items

The output of a valuation technique is always an estimate of a fair value that cannot be measured with complete certainty. As a result, valuations are adjusted where appropriate and when such factors would be considered by market participants in estimating fair value, to reflect close-out costs, credit exposure, model-driven valuation uncertainty, funding costs and benefits, trading restrictions and other factors.

Deferred day-1 profit or loss reserves

For new transactions where the valuation technique used to measure fair value requires significant inputs that are not based on observable market data, the financial instrument is initially recognized at the transaction price. The transaction price may differ from the fair value obtained using a valuation technique, where any such difference is deferred and not initially recognized in the income statement.

Deferred day-1 profit or loss is generally released into *Other net income from financial instruments measured at fair value through profit or loss* when pricing of equivalent products or the underlying parameters becomes observable or when the transaction is closed out.

The table below summarizes the changes in deferred day-1 profit or loss reserves during the respective period.

Deferred day-1 profit or loss reserves

USD m	2025	2024	2023
Reserve balance at the beginning of the year	421	404	422
Profit / (loss) deferred on new transactions	299	244	260
(Profit) / loss recognized in the income statement	(271)	(221)	(278)
Foreign currency translation	(2)	(6)	0
Reserve balance at the end of the year	446	421	404

Own credit

Own credit risk is reflected in the valuation of UBS's financial liabilities designated at fair value through profit or loss where this component is considered relevant for valuation purposes by UBS's counterparties and other market participants.

Changes in the fair value of financial liabilities designated at fair value through profit or loss related to own credit are recognized in *Other comprehensive income* directly within *Retained earnings*, with no reclassification to the income statement in future periods. This presentation does not create or increase an accounting mismatch in the income statement, as the Group does not hedge changes in own credit.

Gains and losses on own credit are estimated using own credit adjustment (OCA) curves, which incorporate observable market data, including market-observed secondary prices for UBS's debt and debt curves of its peers. In the table below, the change in unrealized own credit consists of changes in fair value that are attributable to the change in UBS's credit spreads, as well as the effect of changes in fair values attributable to factors other than credit spreads, such as redemptions, effects from time decay and changes in interest and other market rates. Realized own credit is recognized when an instrument with an associated unrealized OCA is repurchased prior to the contractual maturity date. Life-to-date amounts reflect the cumulative unrealized change since initial recognition.

› Refer to Note 15 for more information about debt issued designated at fair value

Own credit adjustments on financial liabilities designated at fair value

	For the year ended		
USD m	31.12.25	31.12.24	31.12.23
Recognized during the period:			
Realized gain / (loss)	(51)	(94)	8
Unrealized gain / (loss)	(451)	84	(1,858)
Total gain / (loss), before tax, recognized during the period and disclosed in the Statement of comprehensive income	(502)	(10)	(1,850)
USD m	31.12.25	31.12.24	31.12.23
Recognized on the balance sheet as of the end of the period:			
Unrealized life-to-date gain / (loss)	(1,665)	(1,165)	(1,287)
of which: debt issued designated at fair value	(1,681)	(1,188)	(1,297)
of which: other financial liabilities designated at fair value	16	23	10

Note 20 Fair value measurement (continued)

Credit valuation adjustments

When measuring the fair value of OTC derivative instruments, including funded derivative instruments that are classified as *Financial assets at fair value not held for trading*, CVAs are applied to reflect the credit risk of the counterparty inherent in these instruments. This amount represents the estimated fair value of protection required to hedge the counterparty credit risk of such instruments. A CVA is determined for each counterparty, considering all exposures with that counterparty, and is dependent on the expected future value of exposures, default probabilities and recovery rates, applicable collateral or netting arrangements, break clauses, funding spreads, and other contractual factors.

Funding valuation adjustments

Uncollateralized FVAs reflect the costs and benefits of funding associated with uncollateralized and partially collateralized derivative receivables and payables and are calculated as the valuation effect from moving the discounting of the uncollateralized derivative cash flows from the ARR to OCA using the CVA framework, including the probability of counterparty default. An FVA is also applied to collateralized derivative assets in cases where the collateral cannot be sold or repledged and in cases where collateral agreements contain optionality regarding the type of collateral that can be pledged or received.

Debit valuation adjustments

A DVA is estimated to incorporate own credit in the valuation of derivatives where an FVA is not already recognized. The DVA calculation is effectively consistent with the CVA framework, being determined for each counterparty, considering all exposures with that counterparty and taking into account collateral netting agreements, expected future mark-to-market movements and UBS's credit default spreads.

Other valuation adjustments

Instruments that are measured as part of a portfolio of combined long and short positions are valued at mid-market levels to ensure consistent valuation of the long- and short-component risks. A liquidity valuation adjustment is then applied to the overall net long or short exposure to move the fair value to bid or offer as appropriate, reflecting current levels of market liquidity. The bid-offer spreads used in the calculation of this valuation adjustment are obtained from market transactions and other relevant sources and are updated periodically.

Uncertainties associated with the use of model-based valuations are incorporated into the measurement of fair value through the use of model reserves. These reserves reflect the amounts that the Group estimates should be adjusted from valuations produced directly by models to incorporate uncertainties in the relevant modeling assumptions, in the model and market inputs used, or in the calibration of the model output to adjust for known model deficiencies. In arriving at these estimates, the Group considers a range of market practices, including how it believes market participants would assess these uncertainties. Model reserves are reassessed periodically in light of data from market transactions, consensus pricing services and other relevant sources.

Other valuation adjustment reserves on the balance sheet

		As of	
USD m	31.12.25	31.12.24	31.12.23
Credit valuation adjustments ¹	(29)	(125)	(145)
Funding and debit valuation adjustments	(50)	(96)	(116)
Other valuation adjustments	(741)	(1,207)	(2,654)
of which: liquidity	(524)	(746)	(2,051)
of which: model uncertainty	(217)	(460)	(603)

¹ Amount does not include reserves against defaulted counterparties.

e) Level 3 instruments: valuation techniques and inputs

The table below presents material Level 3 assets and liabilities, together with the valuation techniques used to measure fair value, the inputs used in a given valuation technique that are considered significant as of 31 December 2025 and unobservable, and a range of values for those unobservable inputs.

The range of values represents the highest- and lowest-level inputs used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input or an assessment of the reasonableness of the Group's estimates and assumptions, but rather the different underlying characteristics of the relevant assets and liabilities held by the Group. The ranges will therefore vary from period to period and parameter to parameter based on characteristics of the instruments held at each balance sheet date. Furthermore, the ranges of unobservable inputs may differ across other financial institutions, reflecting the diversity of the products in each firm's inventory.

Note 20 Fair value measurement (continued)

Valuation techniques and inputs used in the fair value measurement of Level 3 assets and liabilities

USD bn	Fair value				Valuation technique(s)	Significant unobservable input(s) ¹	Range of inputs							unit ¹
	Assets		Liabilities				31.12.25			31.12.24				
	31.12.25	31.12.24	31.12.25	31.12.24			low	high	weighted average ²	low	high	weighted average ²		
Financial instruments other than derivative financial instruments														
Corporate and municipal bonds	1.0	1.0	0.0	0.2	Relative value to market comparable	Bond price equivalent	11	104	80	23	114	98	points	
Loans at fair value (held for trading and not held for trading) and guarantees ³	5.6	5.2	0.0	0.0	Relative value to market comparable	Loan price equivalent	19	101	87	1	173	84	points	
					Discounted expected cash flows	Credit spread	233	277	277	16	545	195	basis points	
					Market comparable and securitization model	Credit spread	85	1,965	323	75	1,899	208	basis points	
Asset-backed securities	0.6	0.7	0.0	0.0	Relative value to market comparable	Bond price equivalent	6	120	82	0	112	79	points	
Investment fund units ⁴	0.7	0.8	0.0	0.0	Relative value to market comparable	Net asset value								
Equity instruments ⁴	2.2	3.0	0.1	0.0	Relative value to market comparable	Price								
Securities financing transactions	0.9	0.6	0.5	0.0	Discounted expected cash flows	Funding spread	95	166		95	201		basis points	
Debt issued designated at fair value and Other financial liabilities designated at fair value ³			13.9	16.1										
Derivative financial instruments														
Interest rate	1.2	0.9	0.3	0.3	Option model	Volatility of interest rates	61	85		50	156		basis points	
					Discounted expected cash flows	Credit spreads	3	1,040		2	1,789		basis points	
Credit	0.3	0.6	0.3	0.4		Recovery rates	4	60		0	100		%	
					Option model	Recovery rates	0	40					%	
Equity / index	1.4	1.1	4.2	3.1	Option model	Equity dividend yields	0	11		0	16		%	
						Volatility of equity stocks, equity and other indices	3	104		4	126		%	
						Equity-to-FX correlation	(65)	70		(65)	80		%	
						Equity-to-equity correlation	(10)	100		0	100		%	
Loan commitments measured at FVTPL			0.0	0.1	Relative value to market comparable	Loan price equivalent	80	100		60	101		points	

¹ The ranges of significant unobservable inputs are represented in points, percentages and basis points. Points are a percentage of par (e.g. 100 points would be 100% of par). ² Weighted averages are provided for most non-derivative financial instruments and were calculated by weighting inputs based on the fair values of the respective instruments. Weighted averages are not provided for inputs related to Securities financing transactions and Derivative financial instruments, as this would not be meaningful. ³ Excludes securities financing transactions. Debt issued designated at fair value and Other financial liabilities designated at fair value primarily consists of UBS AG structured notes, which include variable maturity notes with various equity and foreign exchange underlying risks, as well as rates-linked and credit-linked notes, all of which have embedded derivative parameters that are considered to be unobservable. The derivative instrument parameters for debt issued designated at fair value, embedded derivatives for over-the-counter debt instruments reported under Other financial liabilities designated at fair value and funded derivatives reported under Loans at fair value (held for trading and not held for trading) are presented in the corresponding derivative financial instruments lines in this table. ⁴ The range of inputs is not disclosed, as there is a dispersion of values given the diverse nature of the investments.

Significant unobservable inputs in Level 3 positions

This section discusses the significant unobservable inputs used in the valuation of Level 3 instruments and assesses the potential effect that a change in each unobservable input in isolation may have on a fair value measurement. Relationships between observable and unobservable inputs have not been included in the summary below.

Input	Description
Bond price equivalent	- Where market prices are not available for a bond, fair value is measured by comparison with observable pricing data from similar instruments. Factors considered when selecting comparable instruments include credit quality, maturity and industry of the issuer. Fair value may be measured either by a direct price comparison or by conversion of an instrument price into a yield (either as an outright yield or as a spread to the relevant benchmark rate). - For corporate and municipal bonds, the range represents the range of prices from reference issuances used in determining fair value. Bonds priced at 0 are distressed to the point that no recovery is expected, while prices significantly in excess of 100 or par relate to inflation-linked or structured issuances that pay a coupon in excess of the market benchmark as of the measurement date. - For credit derivatives, the bond price range represents the range of prices used for reference instruments, which are typically converted to an equivalent yield or credit spread as part of the valuation process.
Loan price equivalent	Where market prices are not available for a traded loan or a loan commitment, fair value is measured by comparison with observable pricing data for similar instruments. Factors considered when selecting comparable instruments include industry segment, collateral quality, maturity and issuer-specific covenants. Fair value may be measured either by a direct price comparison or by conversion of an instrument price into a yield. The range represents the range of prices derived from reference issuances of a similar credit quality used to measure fair value for loans classified as Level 3. Loans priced at 0 are distressed to the point that no recovery is expected, while a current price of 100 represents a loan that is expected to be repaid in full.
Credit spread	Valuation models for many credit derivatives and other credit-sensitive products require an input for the credit spread, which is a reflection of the credit quality of the associated referenced underlying. The credit spread of a particular security is quoted in relation to the yield on a benchmark security or reference rate, typically either US Treasury or ARR, and is generally expressed in terms of basis points. An increase / (decrease) in credit spread will increase / (decrease) the value of credit protection offered by credit default swaps and other credit derivative products. The income statement effect from such changes depends on the nature and direction of the positions held. Credit spreads may be negative where the asset is more creditworthy than the benchmark against which the spread is calculated. A wider credit spread represents decreasing creditworthiness. The range represents a diverse set of underlyings, with the lower end of the range representing credits of the highest quality and the upper end of the range representing greater levels of credit risk.
Funding spread	- Structured financing transactions are valued using synthetic funding curves that best represent the assets that are pledged as collateral for the transactions. They are not representative of where UBS can fund itself on an unsecured basis but provide an estimate of where UBS can source and deploy secured funding with counterparties for a given type of collateral. The funding spreads are expressed in terms of basis points, and if funding spreads widen, this increases the effect of discounting. - A small proportion of structured debt instruments and non-structured fixed-rate bonds within financial liabilities designated at fair value had an exposure to funding spreads that was longer in duration than the actively traded market.
Volatility	- Volatility measures the variability of future prices for a particular instrument and is generally expressed as a percentage, where a higher number reflects a more volatile instrument, for which future price movements are more likely to occur. Volatility is a key input into option models, where it is used to derive a probability-based distribution of future prices for the underlying instrument. The effect of volatility on individual positions within the portfolio is driven primarily by whether the option contract is a long or short position. In most cases, the fair value of an option increases as a result of an increase in volatility and is reduced by a decrease in volatility. Generally, volatility used in the measurement of fair value is derived from active-market option prices (referred to as implied volatility). A key feature of implied volatility is the volatility "smile" or "skew", which represents the effect of pricing options of different option strikes at different implied volatility levels. - Volatilities of low interest rates tend to be much higher than volatilities of high interest rates. In addition, different currencies may have significantly different implied volatilities.
Recovery rate	The projected recovery rate reflects the estimated recovery that will be realized given expected defaults; it is an analogous pricing input for corporate or sovereign credits. Reduction in recovery rates will result in lower expected cash flows into the structure upon the default of the instruments. In general, a significant increase / (decrease) in the recovery rate in isolation would result in significantly higher / (lower) fair value for the respective underlying cash security. The impact of a change in recovery rate on a credit derivative position will depend on whether credit protection has been bought or sold. The recovery rate is ultimately driven by the value recoverable from collateral held after default occurs relative to the outstanding exposure at that point.
Correlation	Correlation measures the interrelationship between the movements of two variables. It is expressed as a percentage between -100% and +100%, where +100% represents perfectly correlated variables (meaning a movement of one variable is associated with a movement of the other variable in the same direction), and -100% implies that the variables are inversely correlated (meaning a movement of one variable is associated with a movement of the other variable in the opposite direction). The effect of correlation on the measurement of fair value depends on the specific terms of the instruments being valued, reflecting the range of different payoff features within such instruments.
Equity dividend yields	The derivation of a forward price for an individual stock or index is important for measuring fair value for forward or swap contracts and for measuring fair value using option pricing models. The relationship between the current stock price and the forward price is based on a combination of expected future dividend levels and payment timings, and, to a lesser extent, the relevant funding rates applicable to the stock in question. Dividend yields are generally expressed as an annualized percentage of the share price, with the lowest limit of 0% representing a stock that is not expected to pay any dividend. The dividend yield and timing represent the most significant parameter in determining fair value for instruments that are sensitive to an equity forward price.

Note 20 Fair value measurement (continued)

f) Level 3 instruments: sensitivity to changes in unobservable input assumptions

The table below summarizes those financial assets and liabilities classified as Level 3 for which a change in one or more of the unobservable inputs to reflect reasonably possible favorable and unfavorable alternative assumptions would change fair value significantly, and the estimated effect thereof. The table below does not represent the estimated effect of stress scenarios. Interdependencies between Level 1, 2 and 3 parameters have not been incorporated in the table. Furthermore, direct interrelationships between the Level 3 parameters discussed below are not a significant element of the valuation uncertainty.

Sensitivity data is estimated using a number of techniques, including the estimation of price dispersion among different market participants, variation in modeling approaches and reasonably possible changes to assumptions used within the fair value measurement process. The sensitivity ranges are not always symmetrical around the fair values, as the inputs used in valuations are not always precisely in the middle of the favorable and unfavorable range.

Sensitivity data is determined at a product or parameter level and then aggregated assuming no diversification benefit. Diversification would incorporate estimated correlations across different sensitivity results and, as such, would result in an overall sensitivity that would be less than the sum of the individual component sensitivities. However, the Group believes that the diversification benefit is not significant to this analysis.

Sensitivity of fair value measurements to changes in unobservable input assumptions¹

USD m	31.12.25		31.12.24	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Loans at fair value (held for trading and not held for trading) and guarantees ²	79	(67)	185	(143)
Securities financing transactions	16	(8)	30	(24)
Auction rate securities	8	(4)	8	(6)
Asset-backed securities	15	(15)	32	(28)
Equity instruments	414	(389)	333	(308)
Investment fund units	204	(206)	179	(181)
Loan commitments measured at FVTPL	15	(25)	38	(42)
Interest rate derivatives, net	52	(23)	115	(70)
Credit derivatives, net	25	(55)	112	(117)
Foreign exchange derivatives, net	9	(6)	3	(2)
Equity / index derivatives, net	667	(570)	732	(617)
Other	206	(83)	289	(161)
Total	1,710	(1,452)	2,056	(1,700)

¹ Sensitivity of issued and over-the-counter debt instruments is reported with the equivalent derivative or Other. ² Sensitivity of funded derivatives is reported under equivalent derivatives.

g) Level 3 instruments: movements during the period

The table below presents additional information about material Level 3 assets and liabilities measured at fair value on a recurring basis. Level 3 assets and liabilities may be hedged with instruments classified as Level 1 or Level 2 in the fair value hierarchy, and, as a result, realized and unrealized gains and losses included in the table may not include the effect of related hedging activity. Furthermore, the realized and unrealized gains and losses presented in the table are not limited solely to those arising from Level 3 inputs, as valuations are generally derived from both observable and unobservable parameters.

Note 20 Fair value measurement (continued)

Assets and liabilities transferred into or out of Level 3 are presented as if those assets or liabilities had been transferred at the beginning of the year.

Movements of Level 3 instruments

<i>USD bn</i>	Balance at the beginning of the period	Net gains / losses included in compre- hensive income ¹	of which: related to instruments held at the end of the period	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Foreign currency translation	Balance at the end of the period
For the twelve months ended 31 December 2025²											
Financial assets at fair value held for trading	3.1	(0.2)	(0.2)	0.6	(1.6)	0.5	(0.4)	0.3	(0.1)	0.1	2.3
of which: Equity instruments	0.1	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.0)	0.1	(0.0)	0.0	0.2
of which: Corporate and municipal bonds	0.8	(0.1)	(0.0)	0.6	(0.5)	0.0	(0.0)	0.1	(0.1)	0.0	0.9
of which: Loans	1.8	0.0	(0.1)	0.0	(0.8)	0.5	(0.4)	0.0	(0.0)	0.0	1.1
Derivative financial instruments – assets	2.8	(0.3)	(0.2)	0.0	(0.0)	1.3	(1.2)	0.9	(0.3)	(0.0)	3.2
of which: Interest rate	0.9	0.2	0.1	0.0	(0.0)	0.1	(0.3)	0.5	(0.1)	(0.1)	1.2
of which: Equity / index	1.1	(0.3)	(0.3)	0.0	(0.0)	0.8	(0.4)	0.3	(0.2)	0.0	1.4
of which: Credit	0.6	(0.1)	(0.0)	0.0	(0.0)	0.1	(0.3)	0.1	(0.0)	0.0	0.3
Financial assets at fair value not held for trading	8.7	0.7	0.6	0.3	(1.6)	2.4	(1.8)	0.2	(0.3)	0.2	8.9
of which: Loans	3.2	0.8	0.8	0.0	(0.0)	1.9	(1.5)	0.0	(0.2)	0.1	4.2
of which: Auction rate securities	0.2	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	0.2
of which: Equity instruments	2.9	0.0	(0.0)	0.2	(1.2)	0.0	(0.0)	0.0	(0.0)	0.1	2.1
of which: Investment fund units	0.7	0.0	0.0	0.1	(0.2)	0.0	(0.0)	0.0	(0.0)	0.0	0.7
of which: Asset-backed securities	0.6	(0.0)	(0.0)	0.0	(0.1)	0.0	(0.1)	0.1	(0.0)	0.0	0.5
Derivative financial instruments – liabilities	4.1	0.3	0.3	0.0	(0.0)	2.3	(1.5)	0.4	(0.6)	0.1	5.0
of which: Interest rate	0.3	0.0	(0.1)	0.0	(0.0)	0.2	(0.2)	0.0	(0.0)	0.0	0.3
of which: Equity / index	3.1	0.3	0.4	0.0	(0.0)	1.9	(1.0)	0.3	(0.5)	0.0	4.2
of which: Credit	0.4	(0.1)	(0.0)	0.0	(0.0)	0.1	(0.2)	0.0	(0.0)	0.0	0.3
of which: Loan commitments measured at FVTPL	0.1	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	0.0
Debt issued designated at fair value	13.3	0.9	0.8	0.0	(0.0)	4.3	(3.4)	0.8	(3.7)	0.4	12.7
Other financial liabilities designated at fair value	2.8	0.1	0.0	0.0	(0.0)	0.7	(2.0)	0.0	(0.0)	0.0	1.6
For the twelve months ended 31 December 2024											
Financial assets at fair value held for trading	22.6	0.5	(0.3)	0.9	(14.5)	0.7	(7.7)	1.5	(0.8)	(0.2)	3.1
of which: Equity instruments	0.3	(0.1)	(0.1)	0.0	(0.2)	0.0	(0.0)	0.2	(0.1)	(0.0)	0.1
of which: Corporate and municipal bonds	1.3	(0.2)	(0.1)	0.4	(0.6)	0.0	0.0	0.1	(0.1)	(0.0)	0.8
of which: Loans	19.6	0.9	(0.2)	0.3	(12.3)	0.7	(7.7)	1.1	(0.6)	(0.1)	1.8
Derivative financial instruments – assets	2.6	0.2	0.3	0.0	(0.2)	1.2	(1.0)	0.7	(0.7)	(0.0)	2.8
of which: Interest rate	0.4	0.1	0.1	0.0	(0.2)	0.5	(0.2)	0.2	0.0	0.0	0.9
of which: Equity / index	1.3	0.2	0.2	0.0	(0.0)	0.5	(0.4)	0.2	(0.6)	(0.0)	1.1
of which: Credit	0.5	(0.1)	(0.0)	0.0	(0.0)	0.1	(0.2)	0.3	(0.0)	(0.0)	0.6
Financial assets at fair value not held for trading	8.4	0.2	(0.0)	0.6	(0.7)	2.1	(2.1)	0.8	(0.4)	(0.2)	8.7
of which: Loans	2.3	0.2	0.2	0.2	0.0	1.5	(0.6)	0.0	(0.3)	(0.1)	3.2
of which: Auction rate securities	1.2	0.0	(0.0)	0.0	0.0	0.0	(1.1)	0.0	0.0	0.0	0.2
of which: Equity instruments	3.1	(0.1)	(0.2)	0.2	(0.3)	0.0	(0.0)	0.1	0.0	(0.1)	2.9
of which: Investment fund units	0.7	0.0	0.0	0.1	(0.2)	0.0	(0.0)	0.0	(0.0)	(0.0)	0.7
of which: Asset-backed securities	0.2	(0.0)	(0.0)	0.0	(0.1)	0.0	0.0	0.5	(0.0)	(0.0)	0.6
Derivative financial instruments – liabilities	5.6	(0.7)	0.2	0.0	(0.2)	1.8	(2.3)	0.6	(0.8)	(0.1)	4.1
of which: Interest rate	0.2	0.0	0.1	0.0	(0.0)	0.0	(0.1)	0.2	(0.0)	(0.0)	0.3
of which: Equity / index	3.3	0.3	0.3	0.0	(0.0)	1.6	(1.9)	0.5	(0.6)	(0.1)	3.1
of which: Credit	0.6	(0.2)	(0.1)	0.0	(0.0)	0.2	(0.1)	0.0	(0.1)	(0.0)	0.4
of which: Loan commitments measured at FVTPL	1.0	(0.7)	(0.0)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	(0.0)	0.1
Debt issued designated at fair value	15.3	(0.3)	0.1	0.0	0.0	4.2	(4.0)	1.8	(3.4)	(0.3)	13.3
Other financial liabilities designated at fair value	2.6	(0.1)	(0.0)	0.0	(0.0)	1.3	(1.4)	0.4	(0.1)	(0.1)	2.8

¹ Net gains / losses included in comprehensive income are recognized in Net interest income and Other net income from financial instruments measured at fair value through profit or loss in the Income statement, and also in Gains / (losses) from own credit on financial liabilities designated at fair value, before tax in the Statement of comprehensive income. ² Total Level 3 assets as of 31 December 2025 were USD 14.5bn (31 December 2024: USD 14.7bn). Total Level 3 liabilities as of 31 December 2025 were USD 19.4bn (31 December 2024: USD 20.4bn).

Note 20 Fair value measurement (continued)

h) Maximum exposure to credit risk for financial instruments measured at fair value

The tables below provide the Group's maximum exposure to credit risk for financial instruments measured at fair value and the respective collateral and other credit enhancements mitigating credit risk for these classes of financial instruments.

The maximum exposure to credit risk includes the carrying amounts of financial instruments recognized on the balance sheet subject to credit risk and the notional amounts for off-balance sheet arrangements. Where information is available, collateral is presented at fair value. For other collateral, such as real estate, a reasonable alternative value is used. Credit enhancements, such as credit derivative contracts and guarantees, are included at their notional amounts. Both are capped at the maximum exposure to credit risk for which they serve as security. The "Risk management and control" section of this report describes management's view of credit risk and the related exposures, which can differ in certain respects from the requirements of IFRS Accounting Standards.

Maximum exposure to credit risk

	31.12.25								
	Maximum exposure to credit risk	Collateral				Credit enhancements			Exposure to credit risk after collateral and credit enhancements
		Cash collateral received	Collateralized by equity and debt instruments	Secured by real estate	Other collateral	Netting	Credit derivative contracts	Guarantees and sub-participations	
USD bn									
Financial assets measured at fair value on the balance sheet ¹									
Financial assets at fair value held for trading – debt instruments ^{2,3}	36.9								36.9
Derivative financial instruments ^{4,5}	147.8		6.6			125.6			15.6
Brokerage receivables	35.6		35.4						0.2
Financial assets at fair value not held for trading – debt instruments ⁶	82.9	0.0	31.0		0.6	0.0	0.0		51.3
Total financial assets measured at fair value	303.2	0.0	73.0	0.0	0.6	125.6	0.0	0.0	104.0
Guarantees	0.3	0.0			0.1			0.2	0.0
	31.12.24								
	Maximum exposure to credit risk	Collateral				Credit enhancements			Exposure to credit risk after collateral and credit enhancements
		Cash collateral received	Collateralized by equity and debt instruments	Secured by real estate	Other collateral	Netting	Credit derivative contracts	Guarantees and sub-participations	
USD bn									
Financial assets measured at fair value on the balance sheet ¹									
Financial assets at fair value held for trading – debt instruments ^{2,3}	34.3								34.3
Derivative financial instruments ^{4,5}	185.6		6.7			155.1			23.8
Brokerage receivables	25.9		25.7						0.2
Financial assets at fair value not held for trading – debt instruments ⁶	73.8	0.1	31.5		1.0	0.0	0.0		41.3
Total financial assets measured at fair value	319.6	0.1	63.9	0.0	1.0	155.1	0.0	0.0	99.6
Guarantees	0.4	0.1			0.0			0.3	0.0

¹ The maximum exposure to loss is generally equal to the carrying amount and subject to change over time with market movements. ² For the purpose of this disclosure, collateral and credit enhancements were not considered as these positions are generally managed under the market risk framework. ³ Does not include investment fund units. ⁴ Includes USD 32m of fair value loan commitments (31 December 2024: USD 146m) and USD 7m of forward starting reverse repurchase agreements classified as derivatives (31 December 2024: USD 20m). The full contractual committed amount of forward starting reverse repurchase agreements (generally highly collateralized) of USD 54.5bn (31 December 2024: USD 51.5bn) and derivative loan commitments (mostly secured) of USD 13.6bn, of which USD 3.5bn has been sub-participated (31 December 2024: USD 14.8bn, of which USD 4.0bn had been sub-participated), is presented in Note 10 under notional amounts. ⁵ The amount shown in the "Netting" column represents the netting potential not recognized on the balance sheet. Refer to Note 21 for more information. ⁶ Does not include unit-linked investment contracts and investment fund units. Financial assets at fair value not held for trading collateralized by equity and debt instruments consisted of structured loans and reverse repurchase and securities borrowing agreements.

Note 20 Fair value measurement (continued)

i) Financial instruments not measured at fair value

The table below provides the estimated fair values of financial instruments not measured at fair value.

Financial instruments not measured at fair value

USD bn	31.12.25						31.12.24					
	Carrying amount	Fair value					Carrying amount	Fair value				
	Total	Carrying amount approximates fair value ¹	Level 1	Level 2	Level 3	Total	Total	Carrying amount approximates fair value ¹	Level 1	Level 2	Level 3	Total
Assets												
Cash and balances at central banks	209.9	209.9	0.0	0.0	0.0	209.9	223.3	223.3	0.0	0.0	0.0	223.3
Amounts due from banks	19.6	18.8	0.0	0.8	0.0	19.6	18.9	17.9	0.0	0.8	0.2	18.9
Receivables from securities financing transactions measured at amortized cost	83.7	79.4	0.0	3.7	0.5	83.7	118.3	115.1	0.0	2.8	0.4	118.3
Cash collateral receivables on derivative instruments	41.6	41.6	0.0	0.0	0.0	41.6	44.0	44.0	0.0	0.0	0.0	44.0
Loans and advances to customers	653.8	177.8	0.0	41.0	430.1	648.9	580.0	180.9	0.0	43.9	354.9	579.7
Other financial assets measured at amortized cost	71.9	12.1	16.2	40.1	2.8	71.1	58.8	10.1	13.2	31.0	2.8	57.0
Liabilities												
Amounts due to banks	24.4	16.4	0.0	8.1	0.0	24.5	23.3	16.2	0.0	7.2	0.0	23.4
Payables from securities financing transactions measured at amortized cost	16.2	6.1	0.0	9.9	0.2	16.2	14.8	7.1	0.0	7.5	0.2	14.8
Cash collateral payables on derivative instruments	34.2	34.2	0.0	0.0	0.0	34.2	35.5	35.5	0.0	0.0	0.0	35.5
Customer deposits	788.4	730.4	0.0	58.6	0.0	789.0	745.8	673.9	0.0	72.6	0.0	746.6
Debt issued measured at amortized cost	214.7	16.1	0.0	203.8	0.0	219.9	214.2	19.6	0.0	201.0	0.0	220.6
Other financial liabilities measured at amortized cost ²	11.6	11.6	0.0	0.0	0.0	11.6	16.4	15.0	0.0	0.1	1.3	16.4

¹ Includes certain financial instruments where the carrying amount is a reasonable approximation of the fair value due to the instruments' short-term nature (instruments that are receivable or payable on demand or with a remaining maturity (excluding the effects of callable features) of three months or less). ² Excludes lease liabilities.

The fair values included in the table above have been calculated for disclosure purposes only. The valuation techniques and assumptions described below relate only to the fair value of UBS's financial instruments not measured at fair value. Other institutions may use different methods and assumptions for their fair value estimations, and therefore such fair value disclosures cannot necessarily be compared from one financial institution to another. The following principles were applied when determining fair value estimates for financial instruments not measured at fair value.

- For financial instruments with remaining maturities greater than three months, the fair value was determined from quoted market prices, if available.
- Where quoted market prices were not available, the fair values were estimated by discounting contractual cash flows using current market interest rates or appropriate yield curves for instruments with similar credit risk and maturity. These estimates generally include adjustments for counterparty credit risk or UBS's own credit.
- For short-term financial instruments with remaining maturities of three months or less, the carrying amount, which is net of credit loss allowances, is generally considered a reasonable estimate of fair value.

Note 21 Offsetting financial assets and financial liabilities

UBS enters into netting agreements with counterparties to manage the credit risks associated primarily with repurchase and reverse repurchase transactions, securities borrowing and lending, over-the-counter derivatives, and exchange-traded derivatives. These netting agreements and similar arrangements generally enable the counterparties to set liabilities off against available assets received in the ordinary course of business and/or in the event that the counterparties to the transaction are unable to fulfill their contractual obligations.

The tables below provide a summary of financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements, as well as financial collateral received or pledged to mitigate credit exposures for these financial instruments.

The Group engages in a variety of counterparty credit risk mitigation strategies in addition to netting and collateral arrangements. Therefore, the net amounts presented in the tables below do not purport to represent their actual credit risk exposure.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

	Assets subject to netting arrangements						Assets not subject to netting arrangements ²	Total assets		
	Netting recognized on the balance sheet			Netting potential not recognized on the balance sheet ¹				Assets recognized on the balance sheet	Total assets after consideration of netting potential	Total assets recognized on the balance sheet
	Gross assets before netting	Netting with gross liabilities ³	Net assets recognized on the balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential				
<i>As of 31.12.25, USD bn</i>										
Receivables from securities financing transactions measured at amortized cost	91.5	(21.9)	69.6	(2.0)	(67.1)	0.5	14.0	14.5	83.7	
Derivative financial instruments	141.4	(3.4)	138.0	(110.3)	(21.9)	5.8	9.8	15.6	147.8	
Cash collateral receivables on derivative instruments ⁴	40.1	0.0	40.1	(24.1)	(1.7)	14.2	1.5	15.7	41.6	
Financial assets at fair value not held for trading	114.3	(88.3)	26.0	(1.3)	(24.8)	0.0	81.5	81.5	107.6	
<i>of which: reverse repurchase agreements</i>	108.9	(88.3)	20.6	(1.3)	(19.3)	0.0	0.2	0.2	20.8	
Total assets	387.3	(113.6)	273.7	(137.7)	(115.5)	20.5	106.9	127.3	380.6	
<i>As of 31.12.24, USD bn</i>										
Receivables from securities financing transactions measured at amortized cost	111.4	(13.3)	98.2	(3.1)	(95.0)	0.1	20.1	20.3	118.3	
Derivative financial instruments	177.9	(2.6)	175.2	(135.5)	(26.2)	13.5	10.3	23.8	185.6	
Cash collateral receivables on derivative instruments ⁴	42.0	0.0	42.0	(25.9)	(2.4)	13.7	1.9	15.7	44.0	
Financial assets at fair value not held for trading	112.3	(87.1)	25.2	(1.8)	(23.3)	0.1	70.3	70.4	95.5	
<i>of which: reverse repurchase agreements</i>	109.6	(87.1)	22.5	(1.8)	(20.6)	0.1	1.0	1.0	23.4	
Total assets	443.6	(103.0)	340.6	(166.4)	(146.9)	27.4	102.7	130.1	443.3	

¹ For the purpose of this disclosure, the amounts of financial instruments and cash collateral presented have been capped so as not to exceed the net amount of financial assets presented on the balance sheet; i.e. over-collateralization, where it exists, is not reflected in the table. ² Includes assets not subject to enforceable netting arrangements and other out-of-scope items. ³ The logic of the table results in amounts presented in the "Netting with gross liabilities" column corresponding directly to the amounts presented in the "Netting with gross assets" column in the liabilities table presented below. Netting in this column for reverse repurchase agreements presented within the lines "Receivables from securities financing transactions measured at amortized cost" and "Financial assets at fair value not held for trading" taken together corresponds to the amounts presented for repurchase agreements in the "Payables from securities financing transactions measured at amortized cost" and "Other financial liabilities designated at fair value" lines in the liabilities table presented below. ⁴ The net amount of Cash collateral receivables on derivative instruments recognized on the balance sheet includes certain OTC derivatives that are legally net settled on a daily basis and exchange-traded derivatives that are economically settled on a daily basis.

Note 21 Offsetting financial assets and financial liabilities (continued)

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

	Liabilities subject to netting arrangements						Liabilities not subject to netting arrangements ²	Total liabilities	
	Netting recognized on the balance sheet			Netting potential not recognized on the balance sheet ¹				Total liabilities after consideration of netting potential	Total liabilities recognized on the balance sheet
	Gross liabilities before netting	Netting with gross assets ³	Net liabilities recognized on the balance sheet	Financial assets	Collateral pledged	Liabilities after consideration of netting potential			
<i>As of 31.12.25, USD bn</i>									
Payables from securities financing transactions measured at amortized cost	36.4	(21.1)	15.2	(2.0)	(13.2) ⁴	0.0	1.0	1.0	16.2
Derivative financial instruments	151.2	(3.4)	147.8	(110.3)	(29.0)	8.5	8.5	17.0	156.2
Cash collateral payables on derivative instruments ⁵	32.3	0.0	32.3	(15.3)	(1.7)	15.3	1.9	17.2	34.2
Other financial liabilities designated at fair value	94.1	(89.1)	5.0	(1.3)	(3.7)	0.0	23.1	23.1	28.2
<i>of which: repurchase agreements</i>	92.7	(89.1)	3.6	(1.3)	(2.3)	0.0	0.3	0.3	3.8
Total liabilities	314.0	(113.6)	200.4	(128.9)	(47.7)	23.8	34.5	58.3	234.9
<i>As of 31.12.24, USD bn</i>									
Payables from securities financing transactions measured at amortized cost	25.0	(11.5)	13.5	(1.1)	(12.4) ⁴	0.0	1.4	1.4	14.8
Derivative financial instruments	176.2	(2.6)	173.5	(135.5)	(30.8)	7.2	7.1	14.3	180.6
Cash collateral payables on derivative instruments ⁵	33.9	0.0	33.9	(19.3)	(2.4)	12.2	1.6	13.8	35.5
Other financial liabilities designated at fair value	96.8	(88.9)	7.8	(3.8)	(4.0)	0.0	20.9	20.9	28.7
<i>of which: repurchase agreements</i>	94.7	(88.9)	5.8	(3.8)	(2.0)	0.0	0.0	0.0	5.8
Total liabilities	331.8	(103.0)	228.8	(159.8)	(49.5)	19.4	30.9	50.3	259.7

¹ For the purpose of this disclosure, the amounts of financial instruments and cash collateral presented have been capped so as not to exceed the net amount of financial liabilities presented on the balance sheet; i.e. over-collateralization, where it exists, is not reflected in the table. ² Includes liabilities not subject to enforceable netting arrangements and other out-of-scope items. ³ The logic of the table results in amounts presented in the "Netting with gross assets" column corresponding directly to the amounts presented in the "Netting with gross liabilities" column in the assets table presented above. Netting in this column for repurchase agreements presented within the lines "Payables from securities financing transactions measured at amortized cost" and "Other financial liabilities designated at fair value" taken together corresponds to the amounts presented for reverse repurchase agreements in the "Receivables from securities financing transactions measured at amortized cost" and "Financial assets at fair value not held for trading" lines in the assets table presented above. ⁴ Includes collateral of USD 9.1bn (2024: USD 8.8bn) for securities financing transactions measured at amortized cost that use UBS debt instruments as the underlying. ⁵ The net amount of Cash collateral payables on derivative instruments recognized on the balance sheet includes certain OTC derivatives that are legally net settled on a daily basis and exchange-traded derivatives that are economically settled on a daily basis.

Note 22 Restricted and transferred financial assets

This Note provides information about restricted financial assets (Note 22a), transfers of financial assets (Note 22b and 22c) and financial assets that are received as collateral with the right to resell or repledge these assets (Note 22d).

a) Restricted financial assets

Restricted financial assets consist of assets pledged as collateral against an existing liability or contingent liability and other assets that are otherwise explicitly restricted such that they cannot be used to secure funding.

Financial assets pledged as collateral include pledged mortgage loans, which serve as collateral for existing liabilities against Swiss mortgage institutions and US Federal Home Loan Banks, and in connection with the issuance of covered bonds. Existing liabilities against Swiss central mortgage institutions and US Federal Home Loan Banks and for existing covered bond issuances were USD 53.1bn as of 31 December 2025 (31 December 2024: USD 48.4bn).

Other financial assets are pledged as collateral in relation to securities lending transactions and in repurchase transactions, which are generally entered into under standard market agreements. For securities lending, the cash received as collateral may be more or less than the fair value of the securities loaned, depending on the nature of the transaction. For repurchase agreements, the fair value of the collateral sold under an agreement to repurchase is generally in excess of the cash borrowed.

Note 22 Restricted and transferred financial assets (continued)

Other restricted financial assets include assets protected under client asset segregation rules, assets held under unit-linked investment contracts to back related liabilities to the policy holders and assets held in certain jurisdictions to comply with explicit minimum local asset maintenance requirements. The carrying amount of the liabilities associated with these other restricted financial assets is generally equal to the carrying amount of the assets, with the exception of assets held to comply with local asset maintenance requirements, for which the associated liabilities are greater.

Restricted financial assets

USD m	31.12.25		31.12.24	
	Restricted financial assets	of which: assets pledged as collateral that may be sold or repledged by counterparties	Restricted financial assets	of which: assets pledged as collateral that may be sold or repledged by counterparties
Financial assets pledged as collateral				
Cash and balances at central banks ¹	1,031		876	
Financial assets at fair value held for trading	84,065	44,627	71,050	38,532
Loans and advances to customers	71,123		70,342	
Financial assets at fair value not held for trading	4,670	3,202	3,645	2,566
Other financial assets measured at amortized cost	10,150	8,689	8,703	7,891
Financial assets measured at fair value through other comprehensive income	43	43		
Total financial assets pledged as collateral	171,083		154,616	
Other restricted financial assets				
Amounts due from banks	2,794		2,570	
Financial assets at fair value held for trading	179		264	
Cash collateral receivables on derivative instruments	8,405		8,006	
Loans and advances to customers	146		175	
Other financial assets measured at amortized cost ²	4,852		4,186	
Financial assets at fair value not held for trading	24,747		20,645	
Financial assets measured at fair value through other comprehensive income	1,843		1,863	
Other	285		128	
Total other restricted financial assets	43,251		37,837	
Total financial assets pledged and other restricted financial assets³	214,334		192,453	

¹ Predominantly reflects assets pledged to the depositor protection system in Switzerland. ² Predominantly includes cash collateral provided to exchanges and clearing houses to secure securities trading activity through those counterparties. ³ Does not include assets placed with central banks related to undrawn credit lines and for payment, clearing and settlement purposes, as well as undrawn contingency funding facilities (31 December 2025: USD 42.6bn; 31 December 2024: USD 30.5bn).

In addition to restrictions on financial assets, UBS Group AG and its subsidiaries are, in certain cases, subject to regulatory requirements that affect the transfer of dividends and capital within the Group, as well as intercompany lending. Supervisory authorities may also require entities to measure capital and leverage ratios on a stressed basis, such as the Federal Reserve Board's Comprehensive Capital Analysis and Review (CCAR) process, which may limit the relevant subsidiaries' ability to make distributions of capital based on the results of those tests.

Supervisory authorities generally have discretion to impose higher requirements or to otherwise limit the activities of subsidiaries.

Non-regulated subsidiaries are generally not subject to such requirements and transfer restrictions. However, restrictions can also be the result of different legal, regulatory, contractual, entity- or country-specific arrangements and / or requirements.

› Refer to the "Financial and regulatory key figures for our significant regulated subsidiaries and sub-groups" section of this report for financial information about significant regulated subsidiaries of the Group

Note 22 Restricted and transferred financial assets (continued)

b) Transferred financial assets that are not derecognized in their entirety

The table below presents information for financial assets that have been transferred but are subject to continued recognition in full, as well as recognized liabilities associated with those transferred assets.

Transferred financial assets subject to continued recognition in full

USD m	31.12.25		31.12.24	
	Carrying amount of transferred assets	Carrying amount of associated liabilities recognized on balance sheet	Carrying amount of transferred assets	Carrying amount of associated liabilities recognized on balance sheet
Financial assets at fair value held for trading that may be sold or repledged by counterparties	44,627	24,137	38,532	19,690
Financial assets at fair value not held for trading that may be sold or repledged by counterparties	3,202	2,580	2,566	2,012
Other financial assets measured at amortized cost that may be sold or repledged by counterparties	8,689	7,575	7,891	7,442
Financial assets measured at fair value through other comprehensive income that may be sold or repledged by counterparties	43	43		
Total financial assets transferred	56,561	34,335	48,989	29,144

Transactions in which financial assets are transferred but continue to be recognized in their entirety on UBS's balance sheet include securities lending and repurchase agreements, as well as other financial asset transfers. Repurchase and securities lending arrangements are, for the most part, conducted under standard market agreements and are undertaken with counterparties subject to UBS's normal credit risk control processes.

➤ Refer to Note 1a item 2e for more information about repurchase and securities lending agreements

Financial assets at fair value held for trading that may be sold or repledged by counterparties include securities lending and repurchase agreements in exchange for cash received, securities lending agreements in exchange for securities received and other financial asset transfers.

For securities lending and repurchase agreements, a haircut of between 0% and 15% is generally applied to the transferred assets, which results in associated liabilities having a carrying amount below the carrying amount of the transferred assets. The counterparties to the associated liabilities included in the table above have full recourse to UBS.

In securities lending arrangements entered into in exchange for the receipt of other securities as collateral, neither the securities received nor the obligation to return them are recognized on UBS's balance sheet, as the risks and rewards of ownership are not transferred to UBS. In cases where such financial assets received are subsequently sold or repledged in another transaction, this is not considered to be a transfer of financial assets.

Other financial asset transfers primarily include securities transferred to collateralize derivative transactions, for which the carrying amount of associated liabilities is not included in the table above, because those replacement values are managed on a portfolio basis across counterparties and product types, and therefore there is no direct relationship between the specific collateral pledged and the associated liability.

Transferred financial assets that are not subject to derecognition in full but remain on the balance sheet to the extent of the Group's continuing involvement were not material as of 31 December 2025 and as of 31 December 2024.

Note 22 Restricted and transferred financial assets (continued)

c) Transferred financial assets that are derecognized in their entirety with continuing involvement

Continuing involvement in a transferred and fully derecognized financial asset may result from contractual provisions in the particular transfer agreement or from a separate agreement, with the counterparty or a third party, entered into in connection with the transfer.

The fair value and carrying amount of UBS's continuing involvement from transferred positions as of 31 December 2025 and 31 December 2024 was not material. Life-to-date losses reported in prior periods primarily related to legacy positions in securitization vehicles that have been fully marked down, with no remaining exposure to loss.

d) Off-balance sheet assets received

The table below presents assets received from third parties that can be sold or repledged and that are not recognized on the balance sheet but that are held as collateral, including amounts that have been sold or repledged.

Off-balance sheet assets received

USD m	31.12.25	31.12.24
Fair value of assets received that can be sold or repledged ¹	674,167	581,769
of which: sold or repledged ²	499,184	383,227

¹ Includes securities received as initial margin from its clients that UBS is required to remit to central counterparties, brokers and deposit banks through its exchange-traded derivative clearing and execution services.

² Does not include off-balance sheet securities (31 December 2025: USD 15.3bn; 31 December 2024: USD 21.4bn) placed with central banks related to undrawn credit lines and for payment, clearing and settlement purposes for which there are no associated liabilities or contingent liabilities.

Note 23 Maturity analysis of assets and liabilities

a) Maturity analysis of carrying amounts of assets and liabilities

The table below provides an analysis of carrying amounts of balance sheet assets and liabilities, as well as off-balance sheet exposures by residual contractual maturity as of the reporting date. The residual contractual maturity of assets includes the effects of callable features. The residual contractual maturity of liabilities and off-balance sheet exposures is based on the earliest date on which a third party could require UBS to pay.

Derivative financial instruments and financial assets and liabilities at fair value held for trading are presented in the *Due within 1 month* column; however, the respective contractual maturities may extend over periods significantly longer than one month.

Assets held to hedge unit-linked investment contracts (presented within *Financial assets at fair value not held for trading*) are presented in the *Due within 1 month* column, consistent with the maturity assigned to the related amounts due under unit-linked investment contracts (presented within *Other financial liabilities designated at fair value*).

Other financial assets and liabilities with no contractual maturity, such as equity securities, are presented in the *Perpetual / Not applicable* column. Undated or perpetual instruments are classified based on the contractual notice period that the counterparty of the instrument is entitled to give. Where there is no contractual notice period, undated or perpetual contracts are presented in the *Perpetual / Not applicable* column.

Non-financial assets and liabilities with no contractual maturity are generally included in the *Perpetual / Not applicable* column.

Note 23 Maturity analysis of assets and liabilities (continued)

Maturity analysis of carrying amounts of assets and liabilities

	31.12.25						Perpetual / Not applicable	Total
USD bn	Due within 1 month	Due between 1 and 3 months	Due between 3 and 12 months	Due between 1 and 2 years	Due between 2 and 5 years	Due over 5 years		
Assets								
Total financial assets measured at amortized cost	532.1	45.0	77.4	131.2	160.5	134.3		1,080.5
Amounts due from banks	17.9	0.8	0.7	0.0	0.1	0.1		19.6
Loans and advances to customers	183.4	31.9	67.6	122.2	137.9	110.9		653.8
Other financial assets measured at amortized cost	10.8	1.4	5.0	8.9	22.5	23.3		71.9
Total financial assets measured at fair value through profit or loss	401.3	10.4	12.4	22.1	14.5	1.3	3.7	465.6
Financial assets at fair value not held for trading	43.2	10.4	12.4	22.1	14.5	1.3	3.7	107.6
Financial assets measured at fair value through other comprehensive income	0.1	0.6	1.4	0.0	0.5	11.2		13.9
Total non-financial assets	18.9		0.5		0.3	1.0	36.9	57.5
Total assets	952.4	56.1	91.6	153.3	175.7	147.8	40.6	1,617.4
Liabilities								
Total financial liabilities measured at amortized cost	750.6	64.1	86.3	33.7	73.3	68.3	17.5	1,093.8
Customer deposits	675.0	55.1	37.3	9.1	11.7	0.1		788.4
Debt issued measured at amortized cost	8.9	7.2	42.3	19.8	52.3	66.7	17.5	214.7
of which: non-subordinated	8.9	7.2	42.1	19.7	52.2	66.7		196.8
of which: subordinated	0.0		0.2	0.0	0.1		17.5	17.9
Total financial liabilities measured at fair value through profit or loss ¹	310.6	10.9	24.1	31.8	12.4	24.3		414.1
Debt issued designated at fair value	14.4	10.5	22.9	30.6	11.9	23.5		113.8
Total non-financial liabilities	10.4	5.2	0.0	0.1	0.2	0.2	2.8	19.0
Total liabilities	1,071.7	80.2	110.3	65.6	85.9	92.9	20.4	1,526.9
Guarantees, loan commitments and forward starting transactions²								
Irrevocable loan commitments	80.7	0.6	0.8	0.1				82.1
Guarantees	47.4							47.4
Forward starting reverse repurchase and securities borrowing agreements	10.7							10.7
Irrevocable committed prolongation of existing loans	3.3	2.1	2.8	0.0				8.2
Total	142.0	2.7	3.5	0.1				148.4

	31.12.24						Perpetual / Not applicable	Total
USD bn	Due within 1 month	Due between 1 and 3 months	Due between 3 and 12 months	Due between 1 and 2 years	Due between 2 and 5 years	Due over 5 years		
Assets								
Total financial assets measured at amortized cost	556.1	50.6	69.9	115.7	128.9	122.2		1,043.3
Amounts due from banks	17.1	0.8	0.6	0.0	0.2	0.1		18.9
Loans and advances to customers	162.6	33.4	61.5	108.5	110.9	103.1		580.0
Other financial assets measured at amortized cost	9.5	0.9	5.2	6.6	17.6	18.9		58.8
Total financial assets measured at fair value through profit or loss	412.2	6.5	14.2	13.5	12.7	2.3	4.5	465.9
Financial assets at fair value not held for trading	41.7	6.5	14.2	13.5	12.7	2.3	4.5	95.5
Financial assets measured at fair value through other comprehensive income	0.5	0.8	0.9	0.0	0.0	0.0		2.2
Total non-financial assets	13.4	0.3	0.6	0.0	2.5	1.1	35.8	53.6
Total assets	982.1	58.1	85.6	129.2	144.1	125.6	40.3	1,565.0
Liabilities								
Total financial liabilities measured at amortized cost	687.1	79.9	88.1	45.9	75.1	64.3	14.3	1,054.7
Customer deposits	608.1	65.4	51.2	8.9	11.8	0.3		745.8
Debt issued measured at amortized cost	9.8	9.8	32.7	32.4	54.0	61.2	14.3	214.2
of which: non-subordinated	9.8	9.8	32.4	32.1	53.9	61.2		199.2
of which: subordinated			0.3	0.3	0.1		14.3	15.0
Total financial liabilities measured at fair value through profit or loss ¹	299.7	11.9	27.7	26.7	13.1	22.4		401.5
Debt issued designated at fair value	12.0	11.4	26.3	25.1	11.6	21.6		107.9
Total non-financial liabilities	15.0	4.4	0.1	0.2	0.4	0.4	2.6	23.2
Total liabilities	1,001.8	96.3	115.9	72.9	88.6	87.1	16.9	1,479.5
Guarantees, loan commitments and forward starting transactions²								
Irrevocable loan commitments	78.7	0.5	0.4	0.0				79.6
Guarantees	40.7							40.7
Forward starting reverse repurchase and securities borrowing agreements	24.9							24.9
Irrevocable committed prolongation of existing loans	2.5	0.7	1.4	0.0				4.6
Total	146.7	1.2	1.7	0.0				149.8

¹ As of 31 December 2025 and 31 December 2024, the contractual redemption amount at maturity of debt issued designated at fair value through profit or loss and other financial liabilities designated at fair value through profit or loss was not materially different from the carrying amount. ² The notional amounts associated with derivative loan commitments and forward starting repurchase and reverse repurchase agreements measured at fair value through profit or loss are presented together with the total notional amounts related to derivative instruments in Note 10 and have been excluded from the table above.

Note 23 Maturity analysis of assets and liabilities (continued)

b) Maturity analysis of financial liabilities on an undiscounted basis

The table below provides an analysis of financial liabilities on an undiscounted basis, including all cash flows relating to principal and future interest payments. The residual contractual maturities for non-derivative and non-trading financial liabilities are based on the earliest date on which UBS could be contractually required to pay. Derivative positions and trading liabilities, predominantly made up of short sale transactions, are presented in the *Due within 1 month* column, as this provides a conservative reflection of the nature of these trading activities. The residual contractual maturities may extend over periods significantly longer than one month.

Maturity analysis of financial liabilities on an undiscounted basis

31.12.25								
	Due within 1 month	Due between 1 and 3 months	Due between 3 and 12 months	Due between 1 and 2 years	Due between 2 and 5 years	Due over 5 years	Perpetual / Not applicable	Total
USD bn								
Financial liabilities recognized on balance sheet ¹								
Amounts due to banks	15.5	1.4	4.6	2.1	1.6			25.2
Payables from securities financing transactions	5.8	0.4	1.6	2.3	6.5			16.6
Cash collateral payables on derivative instruments	34.2							34.2
Customer deposits	675.5	55.7	38.5	10.2	13.8	0.1		793.8
Debt issued measured at amortized cost ²	9.4	9.1	46.8	25.7	66.5	82.6	17.6	257.6
Other financial liabilities measured at amortized cost	7.3	0.1	0.6	0.7	1.7	1.7		12.2
of which: lease liabilities	0.1	0.1	0.6	0.7	1.7	1.7		4.9
Total financial liabilities measured at amortized cost	747.7	66.7	92.2	41.0	90.1	84.4	17.6	1,139.7
Financial liabilities at fair value held for trading ^{3,4}	53.7							53.7
Derivative financial instruments ^{3,5}	156.2							156.2
Brokerage payables designated at fair value	62.2							62.2
Debt issued designated at fair value ⁶	14.4	10.6	23.4	31.5	13.1	41.5		134.4
Other financial liabilities designated at fair value	24.0	0.4	1.2	1.1	0.6	1.3		28.6
Total financial liabilities measured at fair value through profit or loss	310.5	11.0	24.6	32.7	13.7	42.7		435.2
Total	1,058.2	77.7	116.8	73.7	103.8	127.2	17.6	1,574.9
Guarantees, loan commitments and forward starting transactions								
Irrevocable loan commitments ⁷	80.7	0.6	0.8	0.1				82.1
Guarantees	47.4							47.4
Forward starting reverse repurchase and securities borrowing agreements ⁷	10.7							10.7
Irrevocable committed prolongation of existing loans	3.3	2.1	2.8	0.0				8.2
Total	142.0	2.7	3.5	0.1				148.4

31.12.24								
	Due within 1 month	Due between 1 and 3 months	Due between 3 and 12 months	Due between 1 and 2 years	Due between 2 and 5 years	Due over 5 years	Perpetual / Not applicable	Total
USD bn								
Financial liabilities recognized on balance sheet ¹								
Amounts due to banks	13.5	3.1	3.1	1.5	2.8			24.1
Payables from securities financing transactions	5.4	1.5	0.7	2.8	5.0			15.5
Cash collateral payables on derivative instruments	35.5							35.5
Customer deposits	608.7	66.4	53.7	9.9	13.9	0.3		753.0
Debt issued measured at amortized cost ²	10.4	11.6	36.9	38.3	67.6	74.9	14.8	254.5
Other financial liabilities measured at amortized cost	10.0	0.1	0.8	1.0	2.7	3.1		17.7
of which: lease liabilities	0.1	0.1	0.6	0.8	1.8	2.0		5.3
Total financial liabilities measured at amortized cost	683.5	82.8	95.3	53.4	92.1	78.3	14.8	1,100.3
Financial liabilities at fair value held for trading ^{3,4}	35.2							35.2
Derivative financial instruments ^{3,5}	180.6							180.6
Brokerage payables designated at fair value	49.0							49.0
Debt issued designated at fair value ⁶	12.1	11.7	28.1	27.8	12.7	38.4		130.8
Other financial liabilities designated at fair value	22.6	0.5	1.4	1.7	1.6	1.2		28.9
Total financial liabilities measured at fair value through profit or loss	299.5	12.2	29.6	29.5	14.3	39.6		424.7
Total	983.0	95.0	124.9	82.9	106.4	117.9	14.8	1,524.9
Guarantees, loan commitments and forward starting transactions								
Irrevocable loan commitments ⁷	78.7	0.5	0.4	0.0				79.6
Guarantees	40.7							40.7
Forward starting reverse repurchase and securities borrowing agreements ⁷	24.9							24.9
Irrevocable committed prolongation of existing loans	2.5	0.7	1.4	0.0				4.6
Total	146.7	1.2	1.7	0.0				149.8

¹ Except for financial liabilities at fair value held for trading and derivative financial instruments (see footnote 3), the amounts presented generally represent undiscounted cash flows of future interest and principal payments. ² The time-bucket Perpetual / Not applicable includes perpetual loss-absorbing additional tier 1 capital instruments, for which future interest payments are calculated over a 5 year period. ³ Carrying amount is fair value. Management believes that this best represents the cash flows that would have to be paid if these positions had to be settled or closed out. ⁴ Contractual maturities of financial liabilities at fair value held for trading are: USD 50.9bn due within 1 month (31 December 2024: USD 33.0bn), USD 2.8bn due between 1 month and 1 year (31 December 2024: USD 2.2bn). ⁵ Includes USD 39m (31 December 2024: USD 166m) related to fair values of derivative loan commitments and forward starting reverse repurchase agreements classified as derivatives, presented within "Due within 1 month". The full contractual committed amount of USD 68.8bn (31 December 2024: USD 66.3bn) is presented in Note 10 under notional amounts. ⁶ Future interest payments on variable-rate liabilities are determined by reference to the applicable interest rate prevailing as of the reporting date. Future principal payments that are variable are determined by reference to the conditions existing at the relevant reporting date. ⁷ Excludes derivative loan commitments and forward starting reverse repurchase agreements measured at fair value (see footnote 5).

Derivatives designated in hedge accounting relationships

The Group applies hedge accounting to interest rate risk and foreign exchange risk, including structural foreign exchange risk related to net investments in foreign operations.

- › Refer to “Market risk” in the “Risk management and control” section of this report for more information about how risks arise and how they are managed by the Group

Hedging instruments and hedged risk

Interest rate swaps are designated in fair value hedges or cash flow hedges of interest rate risk arising solely from changes in benchmark interest rates. Fair value changes arising from such risk are usually the largest component of the overall change in the fair value of the hedged position in the transaction currency.

Cross-currency swaps are designated as fair value hedges of foreign exchange risk. Foreign exchange forwards and foreign exchange swaps are mainly designated as hedges of structural foreign exchange risk related to net investments in foreign operations. In both cases the hedged risk arises solely from changes in the spot foreign exchange rate.

The notional of the designated hedging instruments matches the notional of the hedged items, except when the interest rate swaps are designated in cash flow hedges after the trade date, in which case the hedge ratio designated is determined based on the swap sensitivity.

Hedged items and hedge designation

Fair value hedges of interest rate risk related to debt instruments and loan assets

Fair value hedges of interest rate risk related to debt instruments and loan assets involve swapping fixed cash flows associated with loans to customers (including long-term fixed-rate mortgage loans in Swiss francs), debt securities held, customer deposits or debt issued to floating cash flows by entering into interest rate swaps that either pay fixed and receive floating cash flows or that receive fixed and pay floating cash flows. The floating future cash flows are based on the following benchmark rates: the Secured Overnight Financing Rate (SOFR), the Effective Federal Funds Rate (EFFR), the Swiss Average Rate Overnight (SARON), the Euro Short-Term Rate (ESTR), the Euro Interbank Offered Rate (EURIBOR), the Sterling Overnight Index Average (SONIA), the Singapore Overnight Rate Average (SORA), the Bank Bill Swap Rate (BBSW), the Tokyo Overnight Average Rate (TONA), the Hong Kong Interbank Offered Rate (HIBOR) and the Norwegian Krona Overnight Index Swap (NOK OIS).

Cash flow hedges of forecast transactions

The Group hedges forecast cash flows on non-trading financial assets and liabilities that bear interest at variable rates or are expected to be refinanced or reinvested in the future, due to movements in future market rates. The amounts and timing of future cash flows, representing both principal and interest flows, are projected on the basis of contractual terms and other relevant factors, including estimates of prepayments and defaults. The aggregate principal balances and interest cash flows across all portfolios over time form the basis for identifying the non-trading interest rate risk of the Group, which is hedged with interest rate swaps, the maximum maturity of which is 15 years. Cash flow forecasts and risk exposures are monitored and adjusted on an ongoing basis, and, consequently, additional hedging instruments are traded and designated, or are terminated, resulting in a hedge discontinuance.

Fair value hedges of foreign exchange risk related to debt instruments

Debt instruments denominated in currencies other than the US dollar are designated in fair value hedges of spot foreign exchange risk, in addition to and separate from the fair value hedges of interest rate risk. Cross-currency swaps economically convert debt instruments denominated in currencies other than the US dollar to US dollars. The hedge designations also involve intragroup debt instruments that are eliminated upon consolidation, but FX gains and losses impact consolidated profit or loss.

Hedges of net investments in foreign operations

The Group applies hedge accounting for certain net investments in foreign operations, which include subsidiaries, branches and associates. Upon maturity of hedging instruments, typically one to three months with certain hedges extending up to twelve months, the hedge relationship is terminated and new designations are made to reflect any changes in the net investments in foreign operations.

Economic relationship between hedged item and hedging instrument

The economic relationship between the hedged item and the hedging instrument is determined based on a qualitative analysis of their critical terms. In cases where hedge designation takes place after the trade date of the hedging instrument, a quantitative analysis of the possible behavior of the hedging derivative and the hedged item during their respective terms is also performed.

Sources of hedge ineffectiveness

In hedges of interest rate risk, hedge ineffectiveness can arise from mismatches of critical terms and / or the use of different curves to discount the hedged item and instrument, or from entering into a hedge relationship after the trade date of the hedging derivative.

Note 24 Hedge accounting (continued)

In hedges of foreign exchange risk related to debt instruments, hedge ineffectiveness can arise due to the discounting of the hedging instruments and undesigned risk components and lack of such discounting and risk components in the hedged items.

In hedges of net investments in foreign operations, ineffectiveness is unlikely unless the hedged net assets fall below the designated hedged amount. The exceptions are hedges where the hedging currency is not the same as the currency of the foreign operation, where the currency basis may cause ineffectiveness.

Hedge ineffectiveness is recognized in *Other net income from financial instruments measured at fair value through profit or loss*.

Derivatives not designated in hedge accounting relationships

Non-hedge-accounted derivatives are mandatorily held for trading with all fair value movements taken to *Other net income from financial instruments measured at fair value through profit or loss*, even when held as an economic hedge or to facilitate client clearing. The one exception relates to forward points on certain short- and long-duration foreign exchange and interest rate contracts acting as economic hedges, which are reported in *Net interest income*.

All hedges: designated hedging instruments and hedge ineffectiveness

As of or for the year ended						
31.12.25						
USD m	Carrying amount			Changes in fair value of hedging instruments ¹	Changes in fair value of hedged items ¹	Hedge ineffectiveness recognized in the income statement
	Notional amount	Derivative financial assets	Derivative financial liabilities			
Interest rate risk						
Fair value hedges	244,123	14	23	1,602	(1,620)	(19)
Cash flow hedges	94,650	1	0	479	(465)	13
Foreign exchange risk						
Fair value hedges ²	78,795	679	623	3,446	(3,474)	(29)
Hedges of net investments in foreign operations	20,281	48	268	(2,270)	2,262	(8)

As of or for the year ended						
31.12.24						
USD m	Carrying amount			Changes in fair value of hedging instruments ¹	Changes in fair value of hedged items ¹	Hedge ineffectiveness recognized in the income statement
	Notional amount	Derivative financial assets	Derivative financial liabilities			
Interest rate risk						
Fair value hedges	233,636	25	10	(1,678)	1,692	14
Cash flow hedges	88,256	1	0	(1,715)	1,710	(5)
Foreign exchange risk						
Fair value hedges ²	68,423	566	1,515	(1,383)	1,376	(7)
Hedges of net investments in foreign operations	21,777	689	1	2,963	(2,957)	6

¹ Amounts used as the basis for recognizing hedge ineffectiveness for the period. ² The foreign currency basis spread of cross-currency swaps designated as hedging derivatives is excluded from the hedge accounting designation and accounted for as a cost of hedging with amounts deferred in Other comprehensive income within Equity.

Note 24 Hedge accounting (continued)

Fair value hedges: designated hedged items recognized on the balance sheet¹

USD m	31.12.25		31.12.24	
	Interest rate risk	FX risk	Interest rate risk	FX risk
Loans and advances to customers				
Carrying amount of designated loans	59,152		56,309	
of which: accumulated amount of fair value hedge adjustment	66		1,774	
of which: accumulated amount of fair value hedge adjustment subject to amortization attributable to the portion of the portfolio that ceased to be part of hedge accounting	1,064		(176)	
Other financial assets measured at amortized cost – debt securities				
Carrying amount of designated debt securities	18,347		9,125	
of which: accumulated amount of fair value hedge adjustment	(377)		(348)	
Financial assets measured at fair value through other comprehensive income				
Carrying amount of designated debt securities	11,659		0	
of which: accumulated amount of fair value changes related to hedge accounting	48		0	
Payables from securities financing transactions measured at amortized cost				
Carrying amount of designated repo transactions	1,001		0	
of which: accumulated amount of fair value hedge adjustment	1		0	
Customer deposits				
Carrying amount of customer deposits	8,406		13,031	
of which: accumulated amount of fair value hedge adjustment	6		(18)	
Debt issued measured at amortized cost				
Carrying amount of designated debt issued	141,938	62,650	151,481	53,328
of which: accumulated amount of fair value hedge adjustment	(1,781)		(3,061)	

¹ In addition, as of 31 December 2025, UBS designated in fair value hedges of FX risk USD 16bn (31 December 2024: USD 15bn) of intragroup debt instruments that are not recognized on the consolidated balance sheet but FX gains and losses on these instruments impact consolidated profit or loss.

Fair value hedges: profile of the timing of the nominal amount of the hedging instrument

	31.12.25					
USD bn	Due within 1 month	Due between 1 and 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Total
Interest rate swaps	5	6	34	117	82	244
Cross-currency swaps	2	3	15	42	17	79

	31.12.24					
USD bn	Due within 1 month	Due between 1 and 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Total
Interest rate swaps	3	9	38	118	66	234
Cross-currency swaps	2	1	8	45	12	68

Cash flow hedge reserve on a pre-tax basis

USD m	31.12.25	31.12.24
Amounts related to hedge relationships for which hedge accounting continues to be applied	(1,053)	(2,514)
Amounts related to hedge relationships for which hedge accounting is no longer applied	(641)	(714)
Total other comprehensive income recognized directly in equity related to cash flow hedges, on a pre-tax basis	(1,694)	(3,228)

Foreign currency translation reserve on a pre-tax basis

USD m	31.12.25	31.12.24
Amounts related to hedge relationships for which hedge accounting continues to be applied	(1,357)	861
Amounts related to hedge relationships for which hedge accounting is no longer applied	247	266
Total other comprehensive income recognized directly in equity related to hedging instruments designated as net investment hedges, on a pre-tax basis	(1,111)	1,126

Note 25 Post-employment benefit plans

a) Defined benefit plans

UBS has established defined benefit plans for its employees in various jurisdictions in accordance with local regulations and practices. The major plans are located in Switzerland, with smaller plans mainly in UK, US and Germany. The level of benefits depends on the specific plan rules.

Major Swiss pension plans

The major Swiss pension plans consist of the UBS Swiss plan and the Credit Suisse Swiss plan, covering employees of UBS Group AG in Switzerland and employees of companies in Switzerland that have close economic or financial ties with UBS Group AG, and exceed the minimum benefit requirements under Swiss pension law. The Swiss plans offer retirement, disability and survivor benefits and are governed by Pension Foundation Boards. The responsibilities of these boards are defined by Swiss pension law and the plan rules. The UBS Swiss plan covers contributions for all salary levels. The Credit Suisse Swiss plan covers contributions up to a salary of CHF 154,224 (USD 194,501), and contributions above that salary go into the Credit Suisse Swiss 1e plan, which is accounted for under IFRS Accounting Standards as a defined contribution plan.

Note 25 Post-employment benefit plans (continued)

Savings contributions to the Swiss plans are paid by both the employer and the employee. For the UBS Swiss plan, depending on the age of the employee, UBS pays a savings contribution that ranges between 6.5% and 27.5% of the contributory base salary and between 2.8% and 9% of the contributory variable compensation. Employees can choose the level of savings contributions paid by them, which vary between 2.5% and 13.5% of the contributory base salary and between 0% and 9% of the contributory variable compensation, depending on age and choice of savings contribution category. For the Credit Suisse Swiss plan, depending on the age of the employee, UBS pays a savings contribution that ranges between 7.5% and 25.0% of the contributory base salary and 6% of the contributory variable compensation. Employees can choose the level of savings contributions paid by them, which vary between 5.0% and 14.0% of the contributory base salary and between 3% and 9% of the contributory variable compensation, depending on age and choice of savings contribution category. UBS also pays risk contributions that are used to fund disability and survivor benefits.

The plans offer to members at the normal retirement age of 65 a choice between a lifetime pension and a partial or full lump sum payment. Participants can choose to draw early retirement benefits starting from the age of 58, but they can also continue employment and remain active members of the plan until the age of 70. Employees can make additional purchases of benefits to fund early retirement benefits.

The pension amount payable to a participant is calculated by applying a conversion rate to the accumulated balance of the participant's retirement savings account at the retirement date. The balance is based on credited vested benefits transferred from previous employers, purchases of benefits, employee and employer contributions made to the participant's retirement savings account, and interest accrued. The annual interest rate credited to participants is determined by the Pension Foundation Boards at the end of each year.

Although the Swiss plans are based on a defined contribution promise under Swiss pension law, they are accounted for as defined benefit plans under IFRS Accounting Standards, primarily because of the obligation to accrue interest on the participants' retirement savings accounts and the payment of lifetime pension benefits.

Actuarial valuations in accordance with Swiss pension law are performed regularly. Should an underfunded situation on this basis occur, the Pension Foundation Board of the respective plan is required to take the necessary measures to ensure that full funding can be expected to be restored within a maximum period of 10 years. If a Swiss plan were to become significantly underfunded on a Swiss pension law basis, additional employer and employee contributions could be required. In this situation, the risk is shared between employer and employees, and the employer is not legally obliged to cover more than 50% of the additional contributions required. As of 31 December 2025, the technical funding ratio in accordance with Swiss pension law was 120.9% at a 0.5% technical interest rate for the UBS Swiss plan and 124.6% at a 1.02% technical interest rate for the Credit Suisse Swiss plan (UBS Swiss plan 31 December 2024: 120.6% at a 0.5% technical interest rate, Credit Suisse Swiss plan 31 December 2024: 125.5% at a 1.31% technical interest rate).

The investment strategies of the Swiss plans comply with Swiss pension law, including the rules and regulations relating to diversification of plan assets, and are derived from the risk budget defined by the Pension Foundation Boards based on regularly performed asset and liability management analyses. The Pension Foundation Boards strive for a medium- and long-term balance between assets and liabilities.

As of 31 December 2025, the Swiss plans were in surplus situations on an IFRS Accounting Standards measurement basis, as the fair value of the plan assets exceeded the defined benefit obligation (DBO) by USD 6,977m for the UBS Swiss plan and USD 3,771m for the Credit Suisse Swiss plan (UBS Swiss plan 31 December 2024: USD 4,724m, Credit Suisse Swiss plan 31 December 2024: USD 2,900m). However, a surplus is only recognized on the balance sheet to the extent that it does not exceed the estimated future economic benefit, which equals the difference between the present value of the estimated future net service cost and the present value of the estimated future employer contributions. As of both 31 December 2025 and 31 December 2024, the estimated future economic benefit of the UBS Swiss plan was zero and hence no net defined benefit asset was recognized on the balance sheet; as of 31 December 2025 a net defined benefit asset of USD 33m was recognized by UBS for prepaid contributions held at the Credit Suisse Swiss plan (31 December 2024: USD 28m).

The regular employer contributions in 2026 are estimated at USD 617m for the UBS Swiss plan and USD 262m for the Credit Suisse Swiss plan.

Changes to the Credit Suisse Swiss pension plan

In December 2023, the Pension Foundation Board of the Credit Suisse Swiss plan decided to align the Swiss pension scheme to that of the UBS Swiss plan, effective as of 1 January 2027. On that date, the Credit Suisse Swiss plan will adopt the plan rules of the UBS Swiss plan. In 2025, the Pension Foundation Board of the Credit Suisse Swiss plan decided to integrate the Credit Suisse Swiss 1e plan into the Credit Suisse Swiss pension plan as of 1 January 2027, resulting in a one-time pre-tax loss of USD 190m (CHF 151m) and an offsetting gain in other comprehensive income in the third quarter of 2025, with no impact on equity.

Financial information

The tables below provide an analysis of the movement in the net asset / liability recognized on the balance sheet for defined benefit plans, as well as an analysis of amounts recognized in net profit and in *Other comprehensive income*.

Note 25 Post-employment benefit plans (continued)

Net asset / liability of defined benefit plans

USD m		
Major Swiss plans (funded)	31.12.25	31.12.24
Defined benefit obligation at the beginning of the year	44,617	44,922
Current service cost	775	763
Interest expense	518	564
Plan participant contributions	472	446
Remeasurements	9	4,017
<i>of which: actuarial (gains) / losses due to changes in demographic assumptions</i>	<i>34</i>	<i>25</i>
<i>of which: actuarial (gains) / losses due to changes in financial assumptions</i>	<i>(1,683)</i>	<i>2,723</i>
<i>of which: experience (gains) / losses¹</i>	<i>1,658</i>	<i>1,269</i>
Past service cost related to plan amendments	197	0
Curtailments	(120)	(104)
Benefit payments	(2,742)	(2,665)
Termination benefits	0	6
Foreign currency translation	6,278	(3,332)
Defined benefit obligation at the end of the year	50,004	44,617
<i>of which: amounts owed to active members</i>	<i>28,193</i>	<i>24,576</i>
<i>of which: amounts owed to retirees</i>	<i>21,811</i>	<i>20,041</i>
Fair value of plan assets at the beginning of the year	52,241	54,404
Return on plan assets excluding interest income	1,760	2,596
Interest income	635	700
Employer contributions	853	811
Plan participant contributions	472	446
Benefit payments	(2,742)	(2,665)
Administration expenses, taxes and premiums paid	(34)	(27)
Other movements	6	0
Foreign currency translation	7,560	(4,024)
Fair value of plan assets at the end of the year	60,752	52,241
Surplus / (deficit)	10,748	7,624
Asset ceiling effect at the beginning of the year	7,596	9,394
Interest expense on asset ceiling effect	110	128
Asset ceiling effect excluding interest expense and foreign currency translation on asset ceiling effect	1,730	(1,237)
Foreign currency translation	1,278	(688)
Asset ceiling effect at the end of the year	10,715	7,596
Net defined benefit asset / (liability) of major Swiss plans	33	28
Other plans		
Net defined benefit asset / (liability) of other plans²	252	131
Total net defined benefit asset / (liability)	286	159
<i>of which: Net defined benefit asset</i>	<i>995</i>	<i>922</i>
<i>of which: Net defined benefit liability³</i>	<i>(710)</i>	<i>(763)</i>

¹ Experience (gains) / losses are a component of actuarial remeasurements of the defined benefit obligation and reflect the effects of differences between the previous actuarial assumptions and what has actually occurred. ² Mainly relates to UK, US and German plans. ³ Refer to Note 18c.

Income statement – expenses related to defined benefit plans¹

USD m	For the year ended	
Major Swiss plans	31.12.25	31.12.24
Current service cost	775	763
Interest expense related to defined benefit obligation	518	564
Interest income related to plan assets	(635)	(700)
Interest expense on asset ceiling effect	110	128
Administration expenses, taxes and premiums paid	34	27
Past service cost related to plan amendments	197	0
Curtailments	(120)	(104)
Termination benefits	0	6
Other movements ²	(2)	3
Net periodic expenses recognized in net profit for major Swiss plans	877	687
Other plans		
Net periodic expenses recognized in net profit for other plans	44	44
Total net periodic expenses recognized in net profit	921	731

¹ Refer to Note 6. ² Includes differences between actual and estimated performance award accruals.

Note 25 Post-employment benefit plans (continued)

Other comprehensive income – gains / (losses) on defined benefit plans		
USD m	For the year ended	
Major Swiss plans	31.12.25	31.12.24
Remeasurement of defined benefit obligation	(9)	(4,017)
of which: change in discount rate assumption	1,785	(2,846)
of which: change in rate of salary increase assumption	183	(227)
of which: change in rate of pension increase assumption	0	0
of which: change in rate of interest credit on retirement savings assumption	(289)	349
of which: change in life expectancy	0	0
of which: change in other actuarial assumptions	(29)	(24)
of which: experience gains / (losses) ¹	(1,658)	(1,269)
Return on plan assets excluding interest income	1,760	2,596
Asset ceiling effect excluding interest expense and foreign currency translation	(1,730)	1,237
Total gains / (losses) recognized in other comprehensive income for major Swiss plans	21	(184)
Other plans		
Total gains / (losses) recognized in other comprehensive income for other plans²	(37)	(123)
Total gains / (losses) recognized in other comprehensive income³	(16)	(307)

¹ Experience (gains) / losses are a component of actuarial remeasurements of the defined benefit obligation and reflect the effects of differences between the previous actuarial assumptions and what has actually occurred. ² Mainly relates to UK, US and German plans. ³ Refer to the "Statement of comprehensive income".

The table below provides information about the duration of the DBO and the timing for expected benefit payments.

Duration of the defined benefit obligation and the timing for expected benefit payments

Major Swiss defined benefit plans	31.12.25	31.12.24
Duration of the defined benefit obligation (in years)¹	12.6	13.3
Maturity analysis of benefits expected to be paid		
USD m		
Benefits expected to be paid within 12 months	3,128	2,911
Benefits expected to be paid between 1 and 3 years	5,793	4,812
Benefits expected to be paid between 3 and 6 years	8,637	7,231
Benefits expected to be paid between 6 and 11 years	13,179	11,203
Benefits expected to be paid between 11 and 16 years	11,335	9,621
Benefits expected to be paid in more than 16 years	35,714	30,398

¹ The duration of the defined benefit obligation represents a weighted average across the UBS and Credit Suisse plans.

Actuarial assumptions

The actuarial assumptions used for the defined benefit plans are based on the economic conditions prevailing in the jurisdiction in which they are offered. Changes in the defined benefit obligation are most sensitive to changes in the discount rate. The discount rate is based on the yield of high-quality corporate bonds quoted in an active market in the currency of the respective plan. A decrease in the discount curve increases the DBO. UBS regularly reviews the actuarial assumptions used in calculating the DBO to determine their continuing relevance.

› Refer to Note 1a item 5 for a description of the accounting policy for defined benefit plans

Note 25 Post-employment benefit plans (continued)

The tables below show the significant actuarial assumptions used in calculating the DBO at the end of the year.

Significant actuarial assumptions of major Swiss defined benefit plans¹

In %	31.12.25	31.12.24
Discount rate	1.27	0.92
Rate of salary increase	2.53	2.80
Rate of pension increase	0.00	0.00
Rate of interest credit on retirement savings	2.41	2.02

¹ Represents a weighted average across the UBS and Credit Suisse plans.

Swiss mortality table: BVG 2020 G with CMI 2024 projections¹

	aged 65		aged 45	
	31.12.25	31.12.24	31.12.25	31.12.24
Life expectancy at age 65 for a male member currently	21.9	21.9	23.6	23.5
Life expectancy at age 65 for a female member currently	23.7	23.6	25.3	25.2

¹ In 2024, BVG 2020 G with CMI 2023 projections was used.

Sensitivity analysis of significant actuarial assumptions

The table below presents a sensitivity analysis for each significant actuarial assumption, showing how the DBO would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date. Unforeseen circumstances may arise, which could result in variations that are outside the range of alternatives deemed reasonably possible. Caution should be used in extrapolating the sensitivities below on the DBO, as the sensitivities may not be linear.

Sensitivity analysis of significant actuarial assumptions of major Swiss defined benefit plans¹

Increase / (decrease) in defined benefit obligation	31.12.25	31.12.24
<i>USD m</i>		
Discount rate		
Increase by 50 basis points	(2,595)	(2,462)
Decrease by 50 basis points	2,929	2,790
Rate of salary increase		
Increase by 50 basis points	269	255
Decrease by 50 basis points	(269)	(256)
Rate of pension increase		
Increase by 50 basis points	2,010	1,947
Decrease by 50 basis points	2	2
Rate of interest credit on retirement savings		
Increase by 50 basis points	627	374
Decrease by 50 basis points	(416)	(374)
Life expectancy		
Increase in longevity by one additional year	1,430	1,381

¹ The sensitivity analyses are based on a change in one assumption while holding all other assumptions constant, so that interdependencies between the assumptions are excluded. ² As the assumed rate of pension increase was 0% as of 31 December 2025 and as of 31 December 2024, a downward change in assumption is not applicable.

Note 25 Post-employment benefit plans (continued)

Composition and fair value of Swiss defined benefit plan assets

	31.12.25				31.12.24			
	Fair value			Plan asset allocation %	Fair value			Plan asset allocation %
USD m	Quoted in an active market	Other	Total		Quoted in an active market	Other	Total	
Cash and cash equivalents	827	0	827	1	911	0	911	2
Real estate / property								
Domestic	0	7,081	7,081	12	0	5,967	5,967	11
Foreign	0	1,325	1,325	2	0	1,086	1,086	2
Investment funds								
Equity								
Domestic	1,452	0	1,452	2	1,300	0	1,300	2
Foreign	10,356	3,598	13,954	23	8,520	3,497	12,016	23
Bonds ¹								
Domestic, AAA to BBB–	8,396	0	8,396	14	6,921	0	6,921	13
Domestic, below BBB–	15	0	15	0	9	0	9	0
Foreign, AAA to BBB–	14,807	0	14,807	24	12,886	0	12,886	25
Foreign, below BBB–	1,423	0	1,423	2	1,393	0	1,393	3
Real estate								
Domestic	2,089	0	2,089	3	1,938	0	1,938	4
Foreign	486	171	656	1	451	117	568	1
Other	1,570	4,889	6,460	11	1,396	3,383	4,780	9
Other investments	971	1,296	2,267	4	631	1,833	2,465	5
Total fair value of plan assets	42,392	18,360	60,752	100	36,357	15,884	52,241	100
	31.12.25				31.12.24			
Total fair value of plan assets	60,752				52,241			
of which: Investments in UBS instruments ²								
Bank accounts at UBS	627				926			
UBS debt instruments	204				238			
UBS Group AG shares	86				64			
Securities lent to UBS ³	1,179				956			
Property occupied by UBS	83				73			
Derivative financial instruments, counterparty UBS ³	26				(126)			

¹ The bond credit ratings are primarily based on S&P's credit ratings. Ratings AAA to BBB– and below BBB– represent investment grade and non-investment grade ratings, respectively. In cases where credit ratings from other rating agencies were used, these were converted to the equivalent rating in S&P's rating classification. ² Bank accounts at UBS encompass accounts in the name of the Swiss pension funds. The other positions disclosed in the table encompass both direct investments in UBS instruments and indirect investments, i.e. those made through funds that the pension fund invests in. ³ Securities lent to UBS and derivative financial instruments are presented gross of any collateral. Securities lent to UBS were fully covered by collateral as of 31 December 2025 and 31 December 2024. Net of collateral, derivative financial instruments amounted to USD 14m as of 31 December 2025 (31 December 2024: negative USD 70m).

b) Defined contribution plans

UBS sponsors several defined contribution plans, with the most significant plans in the US and the UK. UBS's obligation is limited to its contributions made in accordance with each plan, which may include direct contributions and matching contributions. Employer contributions to defined contribution plans are recognized as an expense and were USD 579m for the UBS plans in 2025 (2024: USD 578m).

➤ Refer to Note 6 for more information

c) Related-party disclosure

UBS is the principal provider of banking services for the pension funds of UBS and Credit Suisse in Switzerland. In this capacity, UBS is engaged to execute most of the pension funds' banking activities. These activities can include, but are not limited to, investment management fees, trading, securities lending and borrowing and derivative transactions. The non-Swiss pension funds do not have a similar banking relationship with UBS. During 2025, UBS received USD 45m in fees for banking services from the major UBS plans (2024: USD 46m). As of 31 December 2025, the Swiss, UK and US post-employment benefit plans held USD 558m in UBS Group AG shares (31 December 2024: USD 399m).

➤ Refer to the "Composition and fair value of Swiss defined benefit plan assets" table in Note 25a for more information about fair value of investments in UBS instruments held by the major Swiss pension funds

Note 26 Employee benefits: variable compensation

a) Plans offered

The Group has several share-based and other deferred compensation plans that align the interests of Group Executive Board (GEB) members and other employees with the interests of investors.

Share-based awards are granted in the form of notional shares and, where permitted, carry a dividend equivalent that may be paid in notional shares or cash. Awards are settled by delivering UBS shares at vesting, except in jurisdictions where this is not permitted for legal or tax reasons.

Deferred compensation awards are generally forfeitable upon, among other circumstances, voluntary termination of employment with UBS. These compensation plans are also designed to meet regulatory requirements and include special provisions for regulated employees.

The most significant deferred compensation plans are described below.

› Refer to Note 1a item 4 for a description of the accounting policy related to share-based and other deferred compensation plans

Mandatory deferred compensation plans

Long-Term Incentive Plan

The Long-Term Incentive Plan (the LTIP) is a mandatory deferral plan for GEB members and Managing Directors (MDs) reporting to the GEB and their direct reports at MD level.

The number of notional shares delivered at vesting depends on two equally weighted performance metrics over a three-year performance period: return on common equity tier 1 (CET1) capital and relative total shareholder return (TSR), which compares the TSR of UBS with the TSR of an index consisting of listed Global Systemically Important Banks as determined by the Financial Stability Board (excluding UBS). The final number of shares vest over three years following the performance period for GEB members and cliff vest in the year following the performance period for selected senior management.

Equity Ownership Plan / Fund Ownership Plan

The Equity Ownership Plan (the EOP) is the deferred share-based compensation plan for employees that are subject to deferral requirements but do not receive LTIP awards. EOP awards generally vest over three years.

Certain Asset Management employees receive some or all of their EOP in the form of notional funds (the Fund Ownership Plan). This plan is generally delivered in cash and vests over three years. The amount delivered depends on the value of the underlying investment funds at the time of vesting.

Deferred Contingent Capital Plan

The Deferred Contingent Capital Plan (the DCCP) is a deferred compensation plan for all employees who are subject to deferral requirements. Such employees are awarded notional additional tier 1 (AT1) capital instruments, which, at the discretion of UBS, can be settled in cash or a perpetual, marketable AT1 capital instrument. DCCP awards generally bear notional interest paid annually (except for certain regulated employees) and vest in full after five years. Awards are forfeited if a viability event occurs (i.e. if the Swiss Financial Market Supervisory Authority (FINMA) notifies the firm that the DCCP awards must be written down to mitigate the risk of insolvency, bankruptcy or failure of UBS) or if the firm receives a commitment of extraordinary support from the public sector that is necessary to prevent such an event. DCCP awards are also written down if the Group's CET1 capital ratio falls below a defined threshold. In addition, GEB members forfeit 20% of DCCP awards for each loss-making year during the vesting period.

Deferred compensation plans awarded to employees of Credit Suisse

Existing compensation plans offered to employees of Credit Suisse prior to the acquisition

Credit Suisse offered a range of compensation plans to its employees. Outstanding deferred compensation included upfront cash awards, share awards and other deferred awards settled in cash. Generally, the existing awards continued to vest according to their original terms, with the expense recognized over the residual service period. Awards referenced to shares in the Credit Suisse Group were converted into units over UBS Group shares according to the exchange ratio applied to the merger transaction (1 share in UBS for 22.48 shares in Credit Suisse).

Financial advisor variable compensation

In line with market practice for US wealth management businesses, the compensation for US financial advisors in Global Wealth Management consists of cash compensation, determined using a formulaic approach based on production, and deferred awards.

Cash compensation reflects a percentage of the compensable production that each financial advisor generates. Compensable production is generally based on transaction revenue and investment advisory fees and may reflect further adjustments. The percentage rate generally varies based on the level of the production and firm tenure.

Financial advisors may also be granted deferred awards. These amounts generally vest over a six-year period. The deferred award takes into account the overall percentage rate and production.

Cash compensation and deferred awards may be reduced for, among other things, errors, negligence or carelessness, or failure to comply with the firm's rules, standards, practices and / or policies, and / or applicable laws and regulations.

Financial advisors may also participate in additional programs to support promoting and developing their business or supporting the transition of client relationships where appropriate. Financial advisor compensation also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

Share delivery obligations

Share delivery obligations related to employee share-based compensation awards were 159 million shares as of 31 December 2025 (31 December 2024: 183 million shares). Share delivery obligations are calculated on the basis of undistributed notional share awards, taking applicable performance conditions into account.

As of 31 December 2025, UBS held 133 million treasury shares (31 December 2024: 133 million) that were available to satisfy share delivery obligations.

b) Effect on the income statement

Effect on the income statement for the financial year and future periods

The table below provides information about compensation expenses related to total variable compensation that were recognized in the financial year ended 31 December 2025, as well as expenses that were deferred and will be recognized in the income statement for 2026 and later. Deferred expenses related to compensation plans granted to employees of Credit Suisse in 2023 and earlier years are presented under *Variable compensation – other*. The expense recognized in 2025 associated with these awards was USD 5m (2024: USD 85m) for retention awards granted in connection with the acquisition and USD 83m (2024: USD 288m) for outstanding deferred compensation plans that existed on the date of the acquisition.

The majority of expenses deferred to 2026 and later that are related to the 2025 performance year pertain to awards granted in February 2026. The total unamortized compensation expense for unvested share-based awards granted up to 31 December 2025 will be recognized in future periods over a weighted average period of 2.4 years.

Note 26 Employee benefits: variable compensation (continued)

Variable compensation

	Expenses recognized in 2025			Expenses deferred to 2026 and later ¹		
	Related to the 2025 performance year	Related to prior performance years	Total	Related to the 2025 performance year	Related to prior performance years	Total
<i>USD m</i>						
Non-deferred cash	3,609	(61)	3,548	0	0	0
Deferred compensation awards	625	740	1,364	901	898	1,799
<i>of which: Equity Ownership Plan</i>	131	260	391	322	201	523
<i>of which: Deferred Contingent Capital Plan</i>	236	316	552	348	536	884
<i>of which: Long-Term Incentive Plan</i>	228	132	360	196	142	338
<i>of which: Fund Ownership Plan</i>	29	31	60	35	19	54
Variable compensation – performance awards	4,234	678	4,912	901	898	1,799
Variable compensation – financial advisors²	4,874	780	5,654	1,059	3,591	4,651
<i>of which: non-deferred cash</i>	4,498	0	4,498	0	0	0
<i>of which: deferred share-based awards</i>	132	93	225	126	233	360
<i>of which: deferred cash-based awards</i>	230	251	480	592	1,267	1,859
<i>of which: compensation commitments with recruited financial advisors</i>	15	437	451	341	2,092	2,433
Variable compensation – other³	617	250	867	206	292	498
Total variable compensation	9,725	1,709	11,434⁴	2,167	4,782	6,948

¹ Estimate as of 31 December 2025. Actual amounts to be expensed in future periods may vary, e.g. due to forfeiture of awards. ² Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. ³ Includes severance payments, replacement and retention awards, existing deferred awards granted to Credit Suisse employees, interest expense related to the Deferred Contingent Capital Plan and forfeiture credits. ⁴ Includes USD 1,087m in expenses related to share-based compensation (performance awards: USD 752m; other variable compensation: USD 111m; financial advisor compensation: USD 225m). A further USD 189m in expenses related to share-based compensation was recognized within other expense categories included in Note 6 (salaries: USD 2m related to role-based allowances; social security: USD 148m; other personnel expenses: USD 39m related to the Equity Plus Plan). Total personnel expense related to share-based equity-settled compensation excluding social security was USD 1,095m.

Variable compensation

	Expenses recognized in 2024			Expenses deferred to 2025 and later ¹		
	Related to the 2024 performance year	Related to prior performance years	Total	Related to the 2024 performance year	Related to prior performance years	Total
<i>USD m</i>						
Non-deferred cash	3,290	(83)	3,206	0	0	0
Deferred compensation awards	563	687	1,250	813	853	1,666
<i>of which: Equity Ownership Plan</i>	180	279	458	280	214	493
<i>of which: Deferred Contingent Capital Plan</i>	197	290	487	336	515	851
<i>of which: Long-Term Incentive Plan</i>	161	76	237	166	100	266
<i>of which: Fund Ownership Plan</i>	26	42	68	32	25	56
Variable compensation – performance awards	3,853	603	4,456	813	853	1,666
Variable compensation – financial advisors²	4,485	808	5,293	1,028	3,639	4,667
<i>of which: non-deferred cash</i>	4,125	(1)	4,124	0	0	0
<i>of which: deferred share-based awards</i>	123	96	219	130	232	362
<i>of which: deferred cash-based awards</i>	203	239	443	476	1,176	1,652
<i>of which: compensation commitments with recruited financial advisors</i>	33	474	507	422	2,231	2,653
Variable compensation – other³	539	583	1,121	229	465	694
Total variable compensation	8,876	1,994	10,870⁴	2,070	4,957	7,027

¹ Estimate as of 31 December 2024. Actual amounts expensed may vary, e.g. due to forfeiture of awards. ² Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

³ Consists of existing deferred awards and retention awards granted to Credit Suisse employees, as well as replacement payments, forfeiture credits, severance payments, retention plan payments and interest expense related to the Deferred Contingent Capital Plan. ⁴ Includes USD 1,128m in expenses related to share-based compensation (performance awards: USD 695m; other variable compensation: USD 213m; financial advisor compensation: USD 219m). A further USD 134m in expenses related to share-based compensation was recognized within other expense categories included in Note 6 (salaries: USD 2m related to role-based allowances; social security: USD 100m; other personnel expenses: USD 32m related to the Equity Plus Plan). Total personnel expense related to share-based equity-settled compensation excluding social security was USD 1,118m.

Note 26 Employee benefits: variable compensation (continued)

Variable compensation

USD m	Expenses recognized in 2023			Expenses deferred to 2024 and later ¹		
	Related to the 2023 performance year	Related to prior performance years	Total	Related to the 2023 performance year	Related to prior performance years	Total
Non-deferred cash	2,859	(52)	2,807	0	0	0
Deferred compensation awards	523	656	1,179	777	757	1,534
<i>of which: Equity Ownership Plan</i>	155	330	485	263	245	509
<i>of which: Deferred Contingent Capital Plan</i>	180	241	421	312	451	763
<i>of which: Long-Term Incentive Plan</i>	164	40	204	160	34	193
<i>of which: Fund Ownership Plan</i>	24	46	69	41	27	68
Variable compensation – performance awards	3,382	604	3,986	777	757	1,534
Variable compensation – financial advisors²	3,761	788	4,549	1,236	3,300	4,536
<i>of which: non-deferred cash</i>	3,440	(4)	3,436	0	0	0
<i>of which: deferred share-based awards</i>	110	87	197	113	209	321
<i>of which: deferred cash-based awards</i>	169	245	414	301	1,029	1,331
<i>of which: compensation commitments with recruited financial advisors</i>	42	459	502	822	2,062	2,884
Variable compensation – other³	784	526	1,310	384	583	968
Total variable compensation	7,927	1,918	9,845⁴	2,398	4,640	7,037

¹ Estimate as of 31 December 2023. Actual amounts expensed may vary, e.g. due to forfeiture of awards. ² Financial advisor compensation consists of cash compensation, determined using a formulaic approach based on production, and deferred awards. It also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. ³ Consists of existing deferred awards and retention awards granted to Credit Suisse employees, as well as replacement payments, forfeiture credits, severance payments, retention plan payments and interest expense related to the Deferred Contingent Capital Plan. ⁴ Includes USD 1,094m in expenses related to share-based compensation (performance awards: USD 689m; other variable compensation: USD 208m; financial advisor compensation: USD 197m). A further USD 169m in expenses related to share-based compensation was recognized within other expense categories included in Note 6 (salaries: USD 4m related to role-based allowances; social security: USD 137m; other personnel expenses: USD 27m related to the Equity Plus Plan). Total personnel expense related to share-based equity-settled compensation excluding social security was USD 1,087m.

c) Outstanding share-based compensation awards

Share and performance share awards

Movements in outstanding share-based awards to employees during 2025 and 2024 are provided in the table below.

Movements in outstanding share-based compensation awards

	Number of shares 2025 ¹	Weighted average grant date fair value (USD)	Number of shares 2024 ¹	Weighted average grant date fair value (USD)
Outstanding, at the beginning of the year	193,722,338	20	198,908,588	17
Awarded during the year	53,232,817	30	65,433,201	26
Distributed during the year	(59,488,949)	18	(64,234,191)	17
Forfeited during the year	(7,973,535)	23	(6,385,261)	20
Outstanding, at the end of the year	179,492,671	24	193,722,338	20
<i>of which: shares vested for accounting purposes</i>	105,999,673		109,644,250	

¹ Number of shares reflects the maximum opportunity for awards with a performance condition.

The total carrying amount of the liability related to cash-settled share-based awards as of 31 December 2025 and 31 December 2024 was USD 38m and USD 54m, respectively.

d) Valuation

UBS share awards

UBS measures compensation expense based on the average market price of UBS shares on the grant date as quoted on the SIX Swiss Exchange, taking into consideration post-vesting sale and hedge restrictions, non-vesting conditions and market conditions, where applicable. The fair value of the share awards subject to post-vesting sale and hedge restrictions is discounted on the basis of the duration of the post-vesting restriction and is referenced to the cost of purchasing an at-the-money European put option for the term of the transfer restriction. The grant date fair value of notional shares without dividend entitlements also includes a deduction for the present value of future expected dividends to be paid between the grant date and distribution.

Note 27 Interests in subsidiaries and other entities

a) Interests in subsidiaries

UBS defines its significant subsidiaries as those entities that, either individually or in aggregate, contribute significantly to the Group's financial position or results of operations, based on a number of criteria, including the subsidiaries' equity and contribution to the Group's total assets and profit or loss before tax, in accordance with the requirements set by IFRS 12, Swiss regulations and the rules of the US Securities and Exchange Commission (the SEC).

Individually significant subsidiaries

The two tables below list the Group's individually significant subsidiaries as of 31 December 2025. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares held entirely by the Group, and the proportion of ownership interest held is equal to the voting rights held by the Group.

The country where the respective registered office is located is also the principal place of business. UBS AG operates through a global branch network, and a significant proportion of its business activity is conducted outside Switzerland, including in the UK, the US, Singapore, the Hong Kong SAR and other countries. UBS Europe SE has branches and offices in a number of EU Member States, including France, Germany, Italy, Luxembourg and Spain. Share capital is provided in the currency of the legally registered office.

Individually significant subsidiaries of UBS Group AG as of 31 December 2025

Company	Registered office	Share capital in million	Equity interest accumulated in %
UBS AG	Zurich and Basel, Switzerland	USD 385.8	100.0
UBS Business Solutions AG ¹	Zurich, Switzerland	CHF 1.0	100.0

¹ UBS Business Solutions AG holds subsidiaries in China, India, Israel and Poland.

Individually significant subsidiaries of UBS AG as of 31 December 2025¹

Company	Registered office	Primary business	Share capital in million	Equity interest accumulated in %
Credit Suisse International	London, UK	Non-core and Legacy	USD 1.3	97.6 ²
UBS Americas Holding LLC	Wilmington, Delaware, US	Group Items	USD 2,900.0 ³	100.0
UBS Americas Inc.	Wilmington, Delaware, US	Group Items	USD 0.0	100.0
UBS Asset Management AG	Zurich, Switzerland	Asset Management	CHF 43.2	100.0
UBS Bank USA	Salt Lake City, Utah, US	Global Wealth Management	USD 0.0	100.0
UBS Europe SE	Frankfurt, Germany	Global Wealth Management	EUR 446.0	100.0
UBS Financial Services Inc.	Wilmington, Delaware, US	Global Wealth Management	USD 0.0	100.0
UBS Securities LLC	Wilmington, Delaware, US	Investment Bank	USD 1,283.1 ⁴	100.0
UBS Switzerland AG	Zurich, Switzerland	Personal & Corporate Banking	CHF 10.0	100.0

¹ Includes direct and indirect subsidiaries of UBS AG. ² UBS Group AG owns the remaining 2.4%. ³ Consists of common share capital of USD 1,000 and non-voting preferred share capital of USD 2.9bn. ⁴ Consists of common share capital of USD 100,000 and non-voting preferred share capital of USD 1.3bn.

Other subsidiaries

The table below lists other direct and indirect subsidiaries of UBS AG that are not individually significant but contribute to the Group's total assets and aggregated profit before tax thresholds and are thus disclosed in accordance with requirements set by the SEC.

Other subsidiaries of UBS AG as of 31 December 2025

Company	Registered office	Primary business	Share capital in million	Equity interest accumulated in %
Banco de Investimentos Credit Suisse (Brasil) S.A.	São Paulo, Brazil	Investment Bank	BRL 164.8	100.0
Bank-now AG	Horgen, Switzerland	Personal & Corporate Banking	CHF 30.0	100.0
Credit Suisse (USA) LLC	Wilmington, Delaware, US	Group Items	USD 0.0	100.0
UBS Asset Management (Americas) LLC	Wilmington, Delaware, US	Asset Management	USD 0.0	100.0
UBS Asset Management Life Ltd	London, UK	Asset Management	GBP 15.0	100.0
UBS Asset Management Switzerland AG	Zurich, Switzerland	Asset Management	CHF 0.5	100.0
UBS Business Solutions US LLC	Wilmington, Delaware, US	Group Items	USD 0.0	100.0
UBS Credit Corp.	Wilmington, Delaware, US	Global Wealth Management	USD 0.0	100.0
UBS Fund Management (Switzerland) AG	Basel, Switzerland	Asset Management	CHF 1.0	100.0
UBS (Monaco) S.A.	Monte Carlo, Monaco	Global Wealth Management	EUR 49.2	100.0
UBS Securities Australia Ltd	Sydney, Australia	Investment Bank	AUD 0.3 ¹	100.0
UBS Securities Hong Kong Limited	Hong Kong SAR, China	Investment Bank	HKD 4,254.2	100.0
UBS Securities Japan Co., Ltd.	Tokyo, Japan	Investment Bank	JPY 44,908.7	100.0
UBS SuMi TRUST Wealth Management Co., Ltd.	Tokyo, Japan	Global Wealth Management	JPY 5,165.0	51.0

¹ Includes a nominal amount relating to redeemable preference shares.

Note 27 Interests in subsidiaries and other entities (continued)

Consolidated structured entities

Consolidated structured entities (SEs) include certain investment funds, securitization vehicles and client investment vehicles. UBS has no individually significant subsidiaries that are SEs.

In 2025 and 2024, the Group did not enter into any contractual obligation that could require the Group to provide financial support to consolidated SEs. In addition, the Group did not provide support, financial or otherwise, to a consolidated SE when the Group was not contractually obligated to do so, nor does the Group currently have any intention to do so in the future. Furthermore, the Group did not provide support, financial or otherwise, to a previously unconsolidated SE that resulted in the Group controlling the SE during the reporting period.

b) Interests in associates and joint ventures

As of 31 December 2025 and 31 December 2024, no associate or joint venture was individually material to the Group. Also, there were no significant restrictions on the ability of associates or joint ventures to transfer funds to UBS Group AG or its subsidiaries as cash dividends or to repay loans or advances made. There were no quoted market prices for any associates or joint ventures of the Group.

Investments in associates and joint ventures

USD m	2025	2024
Carrying amount at the beginning of the year	2,306	2,373
Additions	55	0
Disposals	(1)	(8)
Reclassifications ¹	(292)	0
Share of comprehensive income	154	145
of which: share of net profit / (loss) ²	79	144
of which: share of other comprehensive income ³	75	0
Share of changes in retained earnings	(2)	(3)
Dividends received	(159)	(51)
Impairment	(2)	
Foreign currency translation	273	(149)
Carrying amount at the end of the year	2,332	2,306
of which: associates	2,332	2,057
of which: SIX Group AG, Zurich ⁴	1,612	1,484
of which: other associates	720	573
of which: joint ventures ¹		249

¹ In October 2024, UBS entered into an agreement to sell its 50% interest in Swisscard AECS GmbH. In 2025, the investment was reclassified to Properties and other non-current assets held for sale within Other non-financial assets. Refer to Note 28 for more information. ² For 2025, consists of negative USD 14m from associates and USD 94m from joint ventures (for 2024, consists of USD 91m from associates and USD 54m from joint ventures). ³ For 2025, consists of USD 75m from associates. ⁴ In 2025, UBS AG's legal equity interest amounted to 34% (for 2024, UBS AG's legal equity interest amounted to 34%). UBS AG is represented on the Board of Directors.

c) Unconsolidated structured entities

During 2025, the Group sponsored the creation of various SEs and interacted with a number of non-sponsored SEs, including securitization vehicles, client vehicles and certain investment funds, that UBS did not consolidate as of 31 December 2025 because it did not control them.

Interests in unconsolidated structured entities

The table below presents the Group's interests in and maximum exposure to loss from unconsolidated SEs. It additionally includes total assets held by the SEs in which UBS had an interest as of year-end, except for unconsolidated structured entities sponsored by third parties, for which the carrying amount of UBS's interest as of year-end has been disclosed.

Note 27 Interests in subsidiaries and other entities (continued)

Interests in unconsolidated structured entities

USD m, except where indicated	31.12.25					Maximum exposure to loss ⁴
	Securitization vehicles ¹	Client vehicles sponsored by UBS ²	Investment funds	Other vehicles sponsored by third parties ³	Total	
Financial assets at fair value held for trading	80	415	7,696	173	8,363	8,363
Derivative financial instruments	0	230	56	0	286	286
Loans and advances to customers	126	0	172	61	359	359
Financial assets at fair value not held for trading	955	0	749	139	1,842	1,842
Financial assets measured at fair value through other comprehensive income	0	0	0	0	0	0
Other financial assets measured at amortized cost	1,782	0	0	0	1,782	1,782
Total assets	2,942⁵	645	8,673⁶	373	12,632	12,632
Derivative financial instruments	0	287	940	0	1,227	51
Total liabilities	0	287	940	0	1,227	51
Assets held by the unconsolidated structured entities in which UBS had an interest (USD bn)	32⁷	3⁸	232⁹	0¹⁰		

USD m, except where indicated	31.12.24					Maximum exposure to loss ⁴
	Securitization vehicles ¹	Client vehicles sponsored by UBS ²	Investment funds	Other vehicles sponsored by third parties ³	Total	
Financial assets at fair value held for trading	94	143	6,482	235	6,953	6,953
Derivative financial instruments	2	110	83	0	195	195
Loans and advances to customers	0	138	286	23	446	446
Financial assets at fair value not held for trading	1,275	0	721	236	2,232	2,232
Financial assets measured at fair value through other comprehensive income	0	0	0	0	0	0
Other financial assets measured at amortized cost	1,023	0	0	0	1,024	1,024
Total assets	2,394⁵	392	7,571⁶	494	10,851	10,851
Derivative financial instruments	1	50	716	0	767	2
Total liabilities	1	50	716	0	767	2
Assets held by the unconsolidated structured entities in which UBS had an interest (USD bn)	63	3⁸	195⁹	0¹⁰		

¹ Includes loans to pre-securitization warehouse structured entities managed by third parties that have a high loan-to-value ratio (LTV) or are credit-impaired, as well as securities issued by securitization structured entities sponsored by both UBS and third parties. ² Client vehicles sponsored by UBS are structured entities that do not qualify as a securitization in line with regulatory requirements and are not considered an investment fund. ³ Other vehicles sponsored by third parties are structured entities that do not qualify as a securitization in line with regulatory requirements and are not considered an investment fund. Interests in other vehicles sponsored by third parties includes loans provided to third-party structured entities that have a high LTV or are credit-impaired. ⁴ For the purpose of this disclosure, maximum exposure to loss amounts do not consider the risk-reducing effects of collateral or other credit enhancements. ⁵ As of 31 December 2025, USD 999m (31 December 2024: USD 1,273m) represents the carrying amount of UBS's interests in securitization vehicles sponsored by UBS and USD 1,943m (31 December 2024: USD 1,121m) represents the carrying amount of UBS's interests in securitization vehicles not sponsored by UBS. ⁶ As of 31 December 2025, USD 854m (31 December 2024: USD 1,008m) represents the carrying amount of UBS's interests in investment funds sponsored by UBS and USD 7,819m (31 December 2024: USD 6,563m) represents the carrying amount of UBS's interests in investment funds not sponsored by UBS. ⁷ As of 31 December 2025, USD 30bn represents the principal amount outstanding for securitization vehicles sponsored by UBS and USD 2bn represents the carrying amount of UBS's interests in securitization vehicles not sponsored by UBS. ⁸ Represents the market value of total assets. ⁹ As of 31 December 2025, USD 224bn (31 December 2024: USD 188bn) represents the net asset value of investment funds sponsored by UBS and USD 8bn (31 December 2024: USD 7bn) represents the carrying amount of UBS's interests in investment funds not sponsored by UBS. ¹⁰ Represents the carrying amount of UBS's interest in other vehicles sponsored by third parties.

The Group retains or purchases interests in unconsolidated SEs in the form of direct investments, financing, underwriting, secondary market making activities, guarantees, letters of credit and derivatives, as well as through management contracts. The Group's maximum exposure to loss is generally equal to the carrying amount of the Group's interest in the given SE, with this subject to change over time with market movements. Guarantees, letters of credit and credit derivatives are an exception, with the given contract's notional amount, adjusted for losses already incurred, representing the maximum loss that the Group is exposed to.

The maximum exposure to loss disclosed in the table above does not reflect the Group's risk management activities, including effects from financial instruments that may be used to economically hedge risks inherent in the given unconsolidated SE or risk-reducing effects of collateral or other credit enhancements.

In 2025 and 2024, the Group did not provide support, financial or otherwise, to any unconsolidated SE when not contractually obligated to do so, nor does the Group currently have any intention to do so in the future.

In 2025 and 2024, income and expenses from interests in unconsolidated SEs primarily resulted from mark-to-market movements recognized in *Other net income from financial instruments measured at fair value through profit or loss*, which were generally hedged with other financial instruments, as well as fee and commission income received from UBS-sponsored funds.

Interests in securitization vehicles

In addition to the interests disclosed in the table above, the Group manages the assets of certain securitization vehicles and receives fees based, in whole or in part, on the asset value of the vehicles. Interest in such vehicles is not represented by the on-balance sheet fee receivable but rather by the future exposure to variable fees. The net asset value of such vehicles was USD 25bn as of 31 December 2025 (31 December 2024: USD 24bn) and has been excluded from the table above.

Note 27 Interests in subsidiaries and other entities (continued)

The numbers outlined in the table above may differ from the securitization positions presented in the 31 December 2025 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for the following reasons: (i) exclusion of synthetic securitizations transacted with entities that are not SEs and transactions in which the Group did not have an interest because it did not absorb any risk; (ii) a different measurement basis in certain cases (e.g. IFRS Accounting Standards carrying amount within the table above compared with net exposure amount at default for Pillar 3 disclosures); (iii) different classification of vehicles viewed as sponsored by the Group versus sponsored by third parties; and (iv) as the trading book exposure table has been removed, Pillar 3 disclosures now only include banking book securitization exposures.

› Refer to the 31 December 2025 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information

Interests in client vehicles sponsored by UBS

UBS-sponsored client vehicles are established predominantly for clients to gain exposure to specific assets or risk exposures. Such vehicles may enter into derivative agreements, with UBS or a third party, to align the cash flows of the entity with the investor's intended investment objective, or to introduce other desired risk exposures.

Interests in investment funds

Investment funds have a collective investment objective, and are either passively managed, so that any decision-making does not have a substantive effect on variability, or are actively managed and investors or their governing bodies do not have substantive voting or similar rights.

In addition to the interests disclosed in the table above, the Group manages the assets of various pooled investment funds and receives fees based, in whole or in part, on the net asset value of the fund and / or the performance of the fund. These fee contracts represent an interest in the fund, as they align the Group's exposure with investors, providing a variable return based on the performance of the entity. Depending on the structure of the fund, these fees may be collected directly from the fund's assets and / or from the investors. Any amounts due are collected on a regular basis and are generally backed by the fund's assets. Therefore, interest in such funds is not represented by the on-balance sheet fee receivable but rather by the future exposure to variable fees. The net asset value of such funds was USD 637bn and USD 532bn as of 31 December 2025 and 31 December 2024, respectively, and has been excluded from the table above. The Group did not have any material exposure to loss from these interests as of 31 December 2025 or as of 31 December 2024.

Interests in other vehicles sponsored by third parties

Interests in other vehicles sponsored by third parties include loans with a high LTV and credit-impaired loans provided to third-party structured entities.

Sponsored unconsolidated structured entities in which UBS did not have an interest at year-end

UBS is considered to sponsor another entity if, in addition to ongoing involvement with that entity, it had a key role in establishing that entity or in bringing together relevant counterparties for a transaction facilitated by that entity.

During 2025 and 2024, the Group did not earn material income from sponsored unconsolidated SEs in which it did not have an interest at year-end.

During 2025, the aggregated carrying amount of assets transferred into newly created sponsored SEs, excluding sponsored funds, was USD 10.3bn (2024: USD 5.5bn). For sponsored investment funds, several new open-ended and close-ended funds were created during the year with further transfers arising from management of the strategy, investor activity and market movements, which did not result in a material net asset value movement in 2025 (2024: immaterial).

Certain associates in the Asset Management business division sponsor investment funds. The Group's share of those associates' invested assets is USD 93bn (2024: USD 84bn).

› Refer to Note 30 for more information about invested assets

Note 28 Changes in organization and acquisitions and disposals of subsidiaries and businesses

Acquisitions and increases in ownership interests in subsidiaries and businesses

Acquisition of Credit Suisse Group

On 12 June 2023, UBS Group AG acquired Credit Suisse Group AG, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse Group AG, and became the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse Group AG. The acquisition of Credit Suisse Group AG constituted a business combination under IFRS 3, *Business Combinations*, and was required to be accounted for by applying the acquisition method of accounting. The transaction resulted in negative goodwill of USD 27.3bn recognized in the year ended 31 December 2023, which represents the difference between the amounts at which the acquired identifiable net assets were recognized and the fair value of the consideration transferred.

› Refer to the "Integration of Credit Suisse" section of this report for more information about the acquisition of the Credit Suisse Group, to Note 1a) for more information about the applicable accounting policies and to Note 17 for more information about the acquisition-related contingent liabilities

Note 28 Changes in organization and acquisitions and disposals of subsidiaries and businesses (continued)

Ownership increase in UBS Securities China

In the second quarter of 2025, UBS increased its stake in UBS Securities China from 67% to 100%. The closing of the transaction did not affect profit or loss.

Disposals of subsidiaries and businesses

Agreement to sell Swisscard AECS GmbH

In October 2024, UBS entered into an agreement to sell to American Express Swiss Holdings GmbH (American Express) its 50% interest in Swisscard AECS GmbH (Swisscard), a joint venture in Switzerland between UBS and American Express, subject to certain closing conditions. Also in October 2024, UBS entered into an agreement with Swisscard to transition the Credit Suisse-branded card portfolios to UBS. In 2024, UBS recorded an expense of USD 41m in connection with the termination of the Swisscard joint venture. In January 2025, UBS completed the purchase of the card portfolios and recorded an expense of USD 180m related to this purchase and a gain of USD 64m related to UBS's investment in Swisscard. As of 31 December 2025, the 50% interest in Swisscard was presented as *Properties and other non-current assets held for sale* and amounted to USD 299m. In January 2026, UBS completed the sale of its 50% interest in Swisscard and expects to recognize a gain on sale in the first quarter of 2026. As previously disclosed, this gain is expected to largely offset the aforementioned effects related to the prior Swisscard transactions recorded in 2024 and 2025.

Sale of Select Portfolio Servicing

In March 2025, UBS completed the sale of Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse, which was managed in Non-core and Legacy. UBS recognized a gain of USD 97m upon the completion of the transaction. As of 31 December 2024, the associated assets and liabilities were presented as *Assets of disposal groups held for sale* and *Liabilities of disposal groups held for sale*, respectively, and amounted to USD 1,705m and USD 1,199m, respectively.

Collaboration with 360 ONE WAM Ltd and sale of wealth management business in India

In April 2025, UBS entered into a strategic collaboration with 360 ONE WAM Ltd (360 ONE), one of India's largest wealth and asset management firms. As part of the agreement, UBS acquired warrants for a 4.83% interest in 360 ONE and sold its onshore wealth management business in India to 360 ONE. Upon the completion of the sale in 2025, UBS recognized a gain of USD 33m.

Sale of O'Connor business

In May 2025, UBS Asset Management (Americas) LLC entered into an agreement to sell its O'Connor single-manager hedge fund, private credit and commodities platform to Cantor Fitzgerald. On 31 December 2025, UBS Asset Management (Americas) LLC completed the first closing of the transaction. In connection with this closing, UBS recognized a loss of USD 29m in 2025. UBS expects to complete the transfer of the remaining funds in the first quarter of 2026 and does not expect to recognize any material profit or loss upon such completion.

Sale of a 36.01% stake in Credit Suisse Securities (China) Limited

In 2025, UBS completed the sale of a 36.01% stake in a subsidiary, Credit Suisse Securities (China) Limited (CSS), to Beijing State-Owned Assets Management Co., Ltd., and deconsolidated the entity. The sale resulted in a pre-tax gain of USD 128m. UBS retains a 14.99% shareholding in CSS and accounts for this minority interest as an investment in an associate.

Changes in organization

Legal structure integration

On 31 May 2024, the merger of UBS AG and Credit Suisse AG was completed. UBS AG succeeded to all rights and obligations of Credit Suisse AG, including all outstanding Credit Suisse AG debt instruments.

On 7 June 2024, the transition to a single US intermediate holding company was completed. In the second quarter of 2025, Credit Suisse Holdings (USA), Inc. merged with UBS Americas Inc, and Credit Suisse Securities (USA) LLC was deregistered as a broker-dealer.

On 1 July 2024, the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG was completed. UBS Switzerland AG succeeded to all rights and obligations of Credit Suisse (Schweiz) AG.

› Refer to the "Integration of Credit Suisse" section of this report for more information

Note 29 Related parties

Related parties of the Group are:

- associates (entities that are under the significant influence of UBS);
- joint ventures (entities in which UBS shares control with another party);
- post-employment benefit plans for the benefit of UBS employees;
- key management personnel and close family members of key management personnel; and
- entities over which key management personnel or their close family members have solely or jointly a direct or indirect significant influence.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly. The Group considers the members of the Board of Directors (the BoD) and the Group Executive Board (the GEB) to constitute key management personnel.

a) Remuneration of key management personnel

The Vice Chairman of the BoD has a specific management employment contract and receives pension benefits upon retirement. Total remuneration of the Chairman and the Vice Chairman of the BoD and all GEB members is included in the table below.

Remuneration of key management personnel

USD m, except where indicated	31.12.25	31.12.24	31.12.23
Base salaries and other cash payments ¹	32	33	35
Incentive awards – cash ²	38	30	24
Annual incentive award under DCCP	34	39	36
Employer's contributions to retirement benefit plans	4	3	3
Benefits in kind, fringe benefits (at market value)	1	2	1
Share-based compensation ³	76	65	63
Total	184	172	162
Total (CHF m)⁴	153	151	147

¹ For 2023, may include role-based allowances in line with market practice and regulatory requirements. From 2024 onward, role-based allowances for GEB members have been eliminated. ² The cash portion may also include blocked shares in line with regulatory requirements. ³ Compensation expense is based on the share price on grant date taking into account performance conditions. Refer to Note 26 for more information. For GEB members, share-based compensation for 2025, 2024 and 2023 was entirely composed of LTIP awards. For the Chairman and the Vice Chairman of the BoD, the share-based compensation for 2025, 2024 and 2023 was entirely composed of UBS shares. ⁴ Swiss franc amounts disclosed represent the respective US dollar amounts translated at the applicable performance award currency exchange rates (2025: USD / CHF 0.83; 2024: USD / CHF 0.88; 2023: USD / CHF 0.91).

The independent members of the BoD, including the Chairman, do not have employment or service contracts with UBS and thus are not entitled to benefits upon termination of their service on the BoD. Payments to these individuals for their services as independent members of the BoD amounted to USD 13.8m (CHF 11.4m) in 2025, USD 13.1m (CHF 11.5m) in 2024 and USD 11.7m (CHF 10.6m) in 2023.

Note 29 Related parties (continued)

b) Equity holdings of key management personnel

Equity holdings of key management personnel¹

	31.12.25	31.12.24
Number of UBS Group AG shares held by members of the BoD and the GEB and parties closely linked to them ²	7,085,881	5,593,474

¹ No options were held in 2025 and 2024 by non-independent members of the BoD or any GEB member or any of their related parties. ² Excludes shares granted under variable compensation plans with forfeiture provisions.

Of the share totals above, no shares were held by close family members of key management personnel on 31 December 2025 and 31 December 2024. No shares in UBS Group AG were held by entities that are directly or indirectly controlled or jointly controlled by key management personnel or their close family members on 31 December 2025 and 31 December 2024. As of 31 December 2025, no member of the BoD or GEB was the beneficial owner of more than 1% of the shares in UBS Group AG.

c) Loans, advances, mortgages and deposit balances with key management personnel

The non-independent members of the BoD and GEB members are granted loans, fixed advances and mortgages in the ordinary course of business on substantially the same terms and conditions that are available to other employees, including interest rates and collateral, and neither involve more than the normal risk of collectability nor contain any other unfavorable features for the firm. Independent BoD members are granted loans and mortgages in the ordinary course of business at general market conditions.

Outstanding balances with key management personnel were as follows.

Loans, advances, mortgages and deposit balances with key management personnel¹

USD m, except where indicated

	2025		2024	
	Loans	Deposit balances	Loans	Deposit balances
Balance at the beginning of the year	51	139	61	24
Balance at the end of the year	59	158	51	139
Balance at the end of the year (CHF m)²	47	125	46	126

¹ All loans are secured loans. ² Swiss franc amounts disclosed represent the respective US dollar amounts translated at the relevant year-end closing exchange rate.

d) Other related-party transactions with entities controlled by key management personnel

In 2025 and 2024, UBS did not enter into transactions with entities over whom UBS's key management personnel or their close family members have solely or jointly a direct or indirect significant influence, and as of 31 December 2025, 31 December 2024 and 31 December 2023 there were no outstanding balances related to such transactions. Furthermore, in 2025 and 2024, such entities did not sell any goods or provide any services to UBS and therefore did not receive any fees from UBS. UBS also did not provide services to such entities in 2025 and 2024 and therefore also received no fees.

e) Transactions with associates and joint ventures

Loans to and outstanding receivables from associates and joint ventures

USD m	2025	2024
Carrying amount at the beginning of the year	663	271
Additions	785	866
Reductions	(695)	(440)
Foreign currency translation	95	(34)
Carrying amount at the end of the year	849	663
<i>of which: unsecured loans and receivables</i>	<i>840</i>	<i>656</i>

Other transactions with associates and joint ventures

	As of or for the year ended	
USD m	31.12.25	31.12.24
Payments to associates and joint ventures for goods and services received	445 ¹	228
Income from services provided to associates and joint ventures	36	39
Liabilities to associates and joint ventures	116	312

¹ Includes a USD 180m expense related to the payment to Swisscard AECS GmbH for the sale of the Credit Suisse card portfolios to UBS. Refer to Note 28 for more information.

In addition to the items in the table above, transactions with associates and joint ventures also include off-balance sheet exposures of USD 0.9bn (2024: USD 1.1bn), which are provided on an arm's length basis.

› Refer to Note 27 for an overview of investments in associates and joint ventures

Note 30 Invested assets and net new money

The following disclosures provide a breakdown of UBS's invested assets and a presentation of their development, including net new money, as required by the Swiss Financial Market Supervisory Authority (FINMA).

Invested assets

Invested assets consist of all client assets managed by or deposited with UBS for investment purposes. Invested assets include managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts. All assets held for purely transactional purposes and custody-only assets, including corporate client assets held for cash management and transactional purposes, are excluded from invested assets, as the Group only administers the assets and does not offer advice on how they should be invested. Also excluded are non-bankable assets (e.g. art collections) and deposits from third-party banks for funding or trading purposes.

Discretionary assets are defined as client assets that UBS decides how to invest. Other invested assets are those where the client ultimately decides how the assets are invested. When a single product is created in one business division and sold in another, it is counted in both the business division managing the investment and the one distributing it. This results in double counting within UBS's total invested assets and net new money, as both business divisions are independently providing a service to their respective clients, and both add value and generate revenue.

Net new money

Net new money in a reporting period is the amount of invested assets entrusted to UBS by new and existing clients, less those withdrawn by existing clients and clients who terminated relationships with UBS.

Net new money is calculated using the direct method, under which inflows and outflows to / from invested assets are determined at the client level, based on transactions. Interest and dividend income from invested assets are not counted as net new money inflows. Market and currency movements, as well as fees, commissions and interest on loans charged, are excluded from net new money. Also excluded are effects resulting from any acquisition or divestment of a UBS subsidiary or business, as well as effects that result from UBS's strategic decisions to exit a market or cease offering a service in a particular location, or those resulting from new externally imposed regulations. Reclassifications between invested assets and custody-only assets as a result of a change in service level delivered are generally treated as net new money flows. However, where the change in service level directly results from an externally imposed regulation or a strategic decision by UBS to exit a market or cease offering a service in a particular location, the one-time net effect is reported as *Other effects*.

The Investment Bank does not track invested assets and net new money. However, when a client is transferred from the Investment Bank to another business division, this may produce net new money for the receiving business division even though the client's assets were already with UBS.

Invested assets and net new money

	As of or for the year ended	
<i>USD bn</i>	31.12.25	31.12.24
Fund assets managed by UBS	674	639
Discretionary assets	2,663	2,213
Other invested assets	3,668	3,235
Total invested assets¹	7,005	6,087
<i>of which: double counts</i>	<i>598</i>	<i>503</i>
Net new money^{1,2}	36	52

¹ Includes the share of net new money and invested assets relating to associates in the Asset Management business division. ² Includes double counts.

Development of invested assets

<i>USD bn</i>	2025	2024
Total invested assets at the beginning of the year ^{1,2}	6,087	5,714
Net new money	36	52
Market movements ³	648	542
Foreign currency translation	274	(155)
Other effects	(40)	(67)
<i>of which: acquisitions / (divestments)</i>	<i>(4)</i>	<i>(6)</i>
Total invested assets at the end of the year^{1,2}	7,005	6,087

¹ Includes the share of net new money and invested assets relating to associates in the Asset Management business division. ² Includes double counts. ³ Includes interest and dividend income.

Note 31 Currency translation rates

The following table shows the rates of the main currencies used to translate the financial information of UBS's operations with a functional currency other than the US dollar into US dollars.

Currency translation rates

	Closing exchange rate		Average rate ¹		
	As of		For the year ended		
	31.12.25	31.12.24	31.12.25	31.12.24	31.12.23
1 CHF	1.26	1.10	1.21	1.13	1.12
1 EUR	1.17	1.04	1.13	1.08	1.08
1 GBP	1.35	1.25	1.32	1.28	1.25
100 JPY	0.64	0.63	0.67	0.66	0.70

¹ Monthly income statement items of operations with a functional currency other than the US dollar are translated into US dollars using month-end rates. Disclosed average rates for a year represent an average of twelve month-end rates, weighted according to the income and expense volumes of all operations of the Group with the same functional currency for each month. Weighted average rates for individual business divisions may deviate from the weighted average rates for the Group.

Note 32 Main differences between IFRS Accounting Standards and Swiss GAAP

The consolidated financial statements of UBS Group AG are prepared in accordance with IFRS Accounting Standards. The Swiss Financial Market Supervisory Authority (FINMA) requires financial groups presenting financial statements under IFRS Accounting Standards to provide a narrative explanation of the main differences between IFRS Accounting Standards and Swiss generally accepted accounting principles (GAAP) (the FINMA Accounting Ordinance, FINMA Circular 2020/1 "Accounting – banks" and the Banking Ordinance (the BO)). Included in this Note are the significant differences in the recognition and measurement between IFRS Accounting Standards and the provisions of the BO and the guidelines of FINMA governing true and fair view financial statement reporting pursuant to Art. 25 to Art. 42 of the BO.

1. Consolidation

Under IFRS Accounting Standards, all entities that are controlled by the holding entity are consolidated. Under Swiss GAAP, controlled entities deemed immaterial to a group or those held only temporarily are exempt from consolidation, but instead are recorded as participations accounted for under the equity method of accounting or as financial investments measured at the lower of cost or market value.

2. Classification and measurement of financial assets

Under IFRS Accounting Standards, debt instruments are measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL), depending on the nature of the business model within which the particular asset is held and the characteristics of the contractual cash flows of the asset. Equity instruments are accounted for at FVTPL by UBS. Under Swiss GAAP, trading assets and derivatives are measured at FVTPL, in line with IFRS Accounting Standards. However, non-trading debt instruments are generally measured at amortized cost, even when the assets are managed on a fair value basis. In addition, the measurement of financial assets in the form of securities depends on the nature of the asset: debt instruments not held to maturity, i.e. instruments available for sale, and equity instruments with no permanent holding intent, are classified as *Financial investments* and measured at the lower of (amortized) cost or market value. Market value adjustments up to the original cost amount and realized gains or losses upon disposal of the investment are recorded in the income statement as *Other income from ordinary activities*. Equity instruments with a permanent holding intent are classified as participations in *Non-consolidated investments in subsidiaries and other participations* and are measured at cost less impairment. Impairment losses are recorded in the income statement as *Impairment of investments in non-consolidated subsidiaries and other participations*. Reversals of impairments up to the original cost amount and realized gains or losses upon disposal of the investment are recorded as *Extraordinary income / Extraordinary expenses*.

3. Fair value option applied to financial liabilities

Under IFRS Accounting Standards, UBS applies the fair value option to certain financial liabilities not held for trading. Instruments for which the fair value option is applied are accounted for at FVTPL. The amount of change in the fair value attributable to changes in UBS's own credit is presented in *Other comprehensive income* directly within *Retained earnings*. The fair value option is applied primarily to issued structured debt instruments, certain non-structured debt instruments, certain payables under repurchase agreements and cash collateral on securities lending agreements, amounts due under unit-linked investment contracts, and brokerage payables.

Under Swiss GAAP, the fair value option can only be applied to structured debt instruments consisting of a debt host contract and one or more embedded derivatives that do not relate to own equity. Furthermore, unrealized changes in fair value attributable to changes in UBS's own credit are not recognized, whereas realized own credit is recognized in *Net trading income*.

4. Allowances and provisions for credit losses

Swiss GAAP permit use of IFRS Accounting Standards for accounting for allowances and provisions for credit losses based on an expected credit loss (ECL) model. UBS has chosen to apply the IFRS 9 ECL approach to those exposures that are in the ECL scope of both frameworks, IFRS Accounting Standards and Swiss GAAP.

For the small residual exposures within the scope of Swiss GAAP ECL requirements, which are not subject to ECL under IFRS Accounting Standards due to classification differences, UBS applies alternative approaches.

- For exposures for which Pillar 1 internal ratings-based models are applied to measure credit risk, ECL is determined by the regulatory expected loss (EL), with an add-on for scaling up to the residual maturity of exposures maturing beyond the next 12 months, as appropriate. For detailed information on regulatory EL, refer to the “Risk management and control” section of this report.
- For exposures for which the Pillar 1 standardized approach is used to measure credit risk, ECL is determined using a portfolio approach that derives a conservative probability of default (PD) and a conservative loss given default (LGD) for the entire portfolio.

5. Hedge accounting

Under IFRS Accounting Standards, when cash flow hedge accounting is applied, the fair value gain or loss on the effective portion of a derivative designated as a cash flow hedge is recognized initially in equity and reclassified to the income statement when certain conditions are met. When fair value hedge accounting is applied, the fair value change of the hedged item attributable to the hedged risk is reflected in the measurement of the hedged item and is recognized in the income statement along with the change in the fair value of the hedging derivative. Under Swiss GAAP, the effective portion of the fair value change of a derivative instrument designated as a cash flow or as a fair value hedge is deferred on the balance sheet as *Other assets* or *Other liabilities*. The carrying amount of the hedged item designated in fair value hedges is not adjusted for fair value changes attributable to the hedged risk.

6. Business combinations, goodwill and intangible assets

Under IFRS Accounting Standards, business combinations are accounted for using the acquisition method, as prescribed by IFRS 3, *Business Combinations*. Goodwill and intangible assets with indefinite useful lives acquired in a business combination are not amortized but tested annually for impairment. Negative goodwill is recognized in the income statement.

Under Swiss GAAP, assets and liabilities acquired in a business combination are generally recorded at market value. Goodwill and intangible assets with indefinite useful lives are amortized over a period not exceeding five years, unless a longer useful life, which may not exceed ten years, can be justified. In addition, these assets are tested annually for impairment. If acquisition-date amounts of the net assets acquired exceed the market value of the consideration transferred, incremental provisions are recognized for expected cash outflows related to taking over control of the business, e.g. for expected restructuring. Any remaining negative goodwill is recognized in the income statement.

7. Post-employment benefit plans

Swiss GAAP permit the use of IFRS Accounting Standards or Swiss accounting standards for post-employment benefit plans, with the election made on a plan-by-plan basis.

UBS has elected to apply IAS 19 for the non-Swiss defined benefit plans in the UBS AG standalone financial statements and Swiss accounting standards for the Swiss pension plan in the UBS AG and the UBS Switzerland AG standalone financial statements. The requirements of Swiss GAAP are better aligned with the specific nature of Swiss pension plans, which are hybrid in that they combine elements of defined contribution and defined benefit plans, but are treated as defined benefit plans under IFRS Accounting Standards. Key differences between Swiss GAAP and IFRS Accounting Standards include the treatment of dynamic elements, such as future salary increases and future interest credits on retirement savings, which are not considered under the static method used in accordance with Swiss GAAP. Also, the discount rate used to determine the defined benefit obligation in accordance with IFRS Accounting Standards is based on the yield of high-quality corporate bonds of the market in the respective pension plan country. The discount rate used in accordance with Swiss GAAP (i.e. the technical interest rate) is determined by the Pension Foundation Board based on the expected returns of the Board's investment strategy.

For defined benefit plans, IFRS Accounting Standards require the full defined benefit obligation net of the plan assets to be recorded on the balance sheet subject to the asset ceiling rules, with changes resulting from remeasurements recognized directly in equity. However, for non-Swiss defined benefit plans for which IFRS Accounting Standards are elected, changes due to remeasurements are recognized in the income statement of UBS AG standalone under Swiss GAAP.

Note 32 Main differences between IFRS Accounting Standards and Swiss GAAP (continued)

Swiss GAAP require employer contributions to the pension fund to be recognized as personnel expenses in the income statement. Swiss GAAP also require an assessment of whether, based on the pension fund's financial statements prepared in accordance with Swiss accounting standards (FER 26), an economic benefit to, or obligation of, the employer arises from the pension fund that is recognized in the balance sheet when conditions are met. Conditions for recording a pension asset or liability would be met if, for example, an employer contribution reserve is available or the employer is required to contribute to the reduction of a pension deficit (on an FER 26 basis).

8. Leasing

Under IFRS Accounting Standards, a single lease accounting model applies that requires UBS to record a right-of-use (RoU) asset and a corresponding lease liability on the balance sheet when UBS is a lessee in a lease arrangement. The RoU asset and the lease liability are recognized when UBS acquires control of the physical use of the asset. The lease liability is measured based on the present value of the lease payments over the lease term, discounted using UBS's unsecured borrowing rate. The RoU asset is recorded at an amount equal to the lease liability but is adjusted for rent prepayments, initial direct costs, any costs to refurbish the leased asset and / or lease incentives received. The RoU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset.

Under Swiss GAAP, leases that transfer substantially all the risks and rewards, but not necessarily legal title in the underlying assets, are classified as finance leases. All other leases are classified as operating leases. Whereas finance leases are recognized on the balance sheet and measured in line with IFRS Accounting Standards, operating leases are not recognized on the balance sheet, with payments recognized as *General and administrative expenses* on a straight-line basis over the lease term, which commences with control of the physical use of the asset. Lease incentives are treated as a reduction of rental expense and recognized on a consistent basis over the lease term.

9. Netting of derivative assets and liabilities

Under IFRS Accounting Standards, derivative assets, derivative liabilities and related cash collateral not settled to market are reported on a gross basis unless the restrictive netting requirements under IFRS Accounting Standards are met: (i) existence of master netting agreements and related collateral arrangements that are unconditional and legally enforceable, in both the normal course of business and the event of default, bankruptcy or insolvency of UBS and its counterparties; and (ii) UBS's intention to either settle on a net basis or to realize the asset and settle the liability simultaneously. Under Swiss GAAP, derivative assets, derivative liabilities and related cash collateral not settled to market are generally reported on a net basis, provided the master netting and the related collateral agreements are legally enforceable in the event of default, bankruptcy or insolvency of UBS's counterparties.

10. Negative interest

Under IFRS Accounting Standards, negative interest income arising on a financial asset does not meet the definition of interest income and, therefore, negative interest on financial assets and negative interest on financial liabilities are presented within interest expense and interest income, respectively. Under Swiss GAAP, negative interest on financial assets is presented within interest income and negative interest on financial liabilities is presented within interest expense.

11. Extraordinary income and expense

Certain non-recurring and non-operating income and expense items, such as negative goodwill, realized gains or losses from the disposal of participations, fixed and intangible assets, and reversals of impairments of participations and fixed assets, are classified as extraordinary items under Swiss GAAP. This distinction is not available under IFRS Accounting Standards. ▲

Significant regulated subsidiary and sub-group information

Unaudited

Financial and regulatory key figures for our significant regulated subsidiaries and sub-groups

	UBS AG (consolidated)		UBS AG (standalone)		UBS Switzerland AG (standalone)		UBS Europe SE (consolidated)		UBS Americas Holding LLC (consolidated)	
<i>All values in million, except where indicated</i>	USD		USD		CHF		EUR		USD	
	IFRS Accounting Standards Swiss SRB rules		IFRS Accounting Standards Swiss SRB rules		IFRS Accounting Standards Swiss SRB rules		IFRS Accounting Standards EU regulatory rules		US GAAP US Basel III rules	
As of or for the year ended	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24 ¹
Financial information²										
Income statement										
Total operating income ³	47,139	41,779	22,682 ⁴	19,244	11,701 ⁴	11,245	1,429	1,193	17,631	17,441
Total operating expenses	43,038	39,346	14,097	12,897	9,526	8,095	1,252	1,045	16,199	17,262
Operating profit / (loss) before tax	4,101	2,433	8,586	6,347	2,174	3,150	177	148	1,432	178
Net profit / (loss)	3,566	1,533	8,470	6,708	1,793	2,644	156	89	1,887	(51)
Balance sheet										
Total assets	1,617,173	1,568,060	937,167	966,697	509,530	526,521	54,143	55,344	207,057	211,893
Total liabilities	1,527,994	1,473,394	852,392	878,365	485,533	500,273	49,813	50,966	181,629	185,168
Total equity	89,179	94,666	84,775	88,332	23,998	26,249	4,330	4,377	25,428	26,725
Capital⁵										
Common equity tier 1 capital	70,394	73,792	74,108	75,051	21,188	21,659	3,109	3,239	13,696	16,123
Additional tier 1 capital	19,600	15,830	19,600	15,830	7,994	7,994	600	600	2,825	2,818
Total going concern capital / Tier 1 capital	89,993	89,623	93,707	90,881	29,182	29,652	3,709	3,839	16,521	18,941
Tier 2 capital	25	207	24	204					203	240
Total capital							3,709	3,839	16,723	19,181
Total gone concern loss-absorbing capacity	90,164	92,177	90,163	92,174	19,147	19,274	2,505 ⁶	2,540 ⁶	7,800 ⁷	7,800 ⁷
Total loss-absorbing capacity	180,157	181,800	183,870	183,055	48,329	48,926	6,215	6,379	24,321 ⁷	26,741 ⁷
Risk-weighted assets and leverage ratio denominator⁵										
Risk-weighted assets	489,775	495,110	491,583	507,964	164,062	186,265	15,926	14,079	75,654	78,166
Leverage ratio denominator	1,622,921	1,523,277	929,979	899,348	538,262	556,053	55,952	55,567	198,104	197,487
Supplementary leverage ratio denominator									232,902	227,973
Capital and leverage ratios (%)⁵										
Common equity tier 1 capital ratio	14.4	14.9	15.1 ⁸	14.8	12.9	11.6	19.5	23.0	18.1	20.6
Going concern capital ratio / Tier 1 capital ratio	18.4	18.1	19.1	17.9	17.8	15.9	23.3	27.3	21.8	24.2
Total capital ratio							23.3	27.3	22.1	24.5
Total loss-absorbing capacity ratio	36.8	36.7			29.5	26.3	39.0	45.3	32.1	34.0
Tier 1 leverage ratio							6.6	6.9	8.3	9.6
Supplementary tier 1 leverage ratio									7.1	8.3
Going concern leverage ratio	5.5	5.9	10.1	10.1	5.4	5.3				
Total loss-absorbing capacity leverage ratio	11.1	11.9			9.0	8.8	11.1	11.5	12.3	13.5
Gone concern capital coverage ratio			115.4	122.3						
Liquidity coverage ratio⁵										
High-quality liquid assets (bn)	331.7	331.6	149.3	142.7	115.2	125.0	21.0	17.3	27.9	26.8
Net cash outflows (bn)	188.4	178.2	63.7	58.6	87.3	87.2	14.9	12.5	21.9	20.1
Liquidity coverage ratio (%)	176.2	186.1	234.9 ⁹	244.0	132.0 ¹⁰	143.5	141.5	138.9	127.4	133.6
Net stable funding ratio⁵										
Total available stable funding (bn)	873.5	847.0	404.8	410.2	357.0	359.2	20.5	17.1	102.6	109.3
Total required stable funding (bn)	755.3	682.5	446.5	421.8	285.0	271.7	15.0	13.7	80.5	80.5
Net stable funding ratio (%)	115.7	124.1	90.7 ¹¹	97.3	125.2 ¹¹	132.2	137.3	125.5	127.3	135.8
Other										
Joint and several liability between UBS AG and UBS Switzerland AG (bn) ¹²					2.0	2.9				

¹ Comparative information has been aligned with UBS Americas Holding LLC's regulatory resubmission of the FR Y-9C report for the fourth quarter of 2024, reflecting a reduction in RWA and improved capital ratios.

² The financial information disclosed does not represent a full set of financial statements under the respective GAAP / IFRS Accounting Standards. ³ The total operating income includes credit loss expense or release.

⁴ In 2025, UBS decided to consolidate the Wealth Management International business, the Global Financial Intermediaries business, and other related businesses booked in Switzerland in UBS AG to further optimize Group legal and operational structures and to address regulatory considerations. In the second quarter of 2025, UBS Switzerland AG transferred the beneficial ownership of the Wealth Management International business and the Global Financial Intermediaries business booked in UBS Switzerland AG to UBS AG, with effect from 1 January 2025. The transfer was made in the form of a dividend in kind amounting to USD 126m (CHF 100m), reflecting the net asset value of the in-scope businesses. In the fourth quarter of 2025, UBS Switzerland AG transferred the beneficial ownership of the related businesses to UBS AG, with effect from 1 May 2025. The transfer was made in the form of a dividend in kind amounting to USD 1,261 (CHF 1,000), reflecting the net asset value of the in-scope businesses. UBS Switzerland AG will continue to manage the businesses under a contractual relationship with UBS AG until the completion of legal transfer, which is expected to take place in 2028, and will continue to recognize the underlying assets and liabilities of the relevant businesses until then. UBS AG's share of the net profits of USD 695m for the full year of 2025 is reflected in Fee and commission income for UBS AG and CHF 555m in Fee and commission expense for UBS Switzerland AG, both within Operating income. ⁵ Refer to the UBS Group and significant regulated subsidiaries and sub-groups 31 December 2025 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information. ⁶ Consists of positions that meet the conditions laid down in Art. 72a-b of the Capital Requirements Regulation II with regard to contractual, structural or legal subordination. ⁷ Consists of eligible long-term debt that meets the conditions specified in 12 CFR § 252.162 of the final total loss-absorbing capacity (TLAC) rules. TLAC is the sum of tier 1 capital and eligible long-term debt. ⁸ On a standalone basis as of 31 December 2025, UBS AG's phase-in CET1 capital ratio was 15.1%, based on risk weights of 235% and 340% for Swiss and foreign participations, respectively. As per current rules, these risk weights will increase to 250% and 400% for Swiss and foreign participations, respectively, in a phased manner until 1 January 2028, contributing to UBS AG's fully applied CET1 capital ratio of 14.2%. ⁹ In the fourth quarter of 2025, the liquidity coverage ratio (the LCR) of UBS AG was 234.9%, remaining above the prudential requirement communicated by FINMA. ¹⁰ In the fourth quarter of 2025, the LCR of UBS Switzerland AG, which is a Swiss SRB, was 132.0%, remaining above the prudential requirement communicated by FINMA in connection with the Swiss Emergency Plan. ¹¹ In accordance with Art. 17h para. 3 and 4 of the Liquidity Ordinance, UBS AG standalone is required to maintain a minimum NSFR of at least 80% without taking into account excess funding of UBS Switzerland AG and 100% after taking into account such excess funding. ¹² Under certain circumstances, the Swiss Banking Act and FINMA's Banking Insolvency Ordinance authorize FINMA to modify, extinguish or convert to common equity liabilities of a bank in connection with a resolution or insolvency of such bank. As of 31 December 2025, the amount consists of a joint and several liability of UBS Switzerland AG for contractual obligations of UBS AG related to the establishment of UBS Switzerland AG (CHF 1.5bn) and a joint and several liability of UBS Switzerland AG in connection with the international covered bonds program of UBS AG (CHF 0.5bn), which was fully collateralized through cash deposits from UBS AG.

UBS Group AG is a holding company and conducts substantially all of its operations through UBS AG and subsidiaries thereof. UBS Group AG and UBS AG have contributed a significant portion of their respective capital and provide substantial liquidity to such subsidiaries. Many of these subsidiaries are subject to regulations requiring compliance with minimum capital, liquidity and similar requirements. The tables in this section summarize the regulatory capital components and capital ratios of our significant regulated subsidiaries and sub-groups determined under the regulatory framework of the home jurisdiction of each subsidiary or sub-group.

- ▶ Refer to “Capital and capital ratios of our significant regulated subsidiaries” in the “Capital management” section of this report for more information
- ▶ Refer to “Note 22 Restricted and transferred financial assets” in the “Consolidated financial statements” section of this report for more information

Supervisory authorities generally have discretion to impose higher requirements or to otherwise limit the activities of subsidiaries. Supervisory authorities also may require entities to measure capital and leverage ratios on a stressed basis and may limit the ability of an entity to engage in new activities or take capital actions based on the results of those tests.

In August 2025, the Federal Reserve Board reduced the stress capital buffer (the SCB) of UBS Americas Holding LLC, our US-based intermediate holding company, to 5.2%, from 9.3%, applicable from 1 October 2025 under the Federal Reserve Board’s SCB rule, resulting in a total common equity tier 1 capital requirement of 9.7%. The SCB is derived from the results of the Federal Reserve Board’s 2025 Dodd–Frank Act Stress Test (DFAST) released in June 2025.

Additional information on the above entities is provided in the UBS Group and significant regulated subsidiaries and sub-groups 31 December 2025 Pillar 3 Report, which is available under “Pillar 3 disclosures” at ubs.com/investors.

Financial and regulatory key figures for our significant regulated subsidiaries and sub-groups

	Credit Suisse International (standalone)	
	USD	
	IFRS Accounting Standards UK regulatory rules	
<i>All values in million, except where indicated</i>		
Financial and regulatory requirements		
As of or for the year ended	31.12.25	31.12.24 ¹
Financial information²		
Income statement		
Total operating income ³	258	1,046
Total operating expenses	388	1,106
Operating profit / (loss) before tax	(130)	(60)
Net profit / (loss)	(200)	(87)
Balance sheet		
Total assets	5,660	51,374
Total liabilities	2,621	44,035
Total equity	3,039	7,339
Capital⁴		
Common equity tier 1 capital	3,038	6,883
Additional tier 1 capital	0	0
Total going concern capital / Tier 1 capital	3,038	6,883
Tier 2 capital	0	0
Total capital	3,038	6,883
Total gone concern loss-absorbing capacity	0	3,043
Total loss-absorbing capacity	3,038	9,926
Risk-weighted assets and leverage ratio denominator⁴		
Risk-weighted assets	3,247	10,951
Leverage ratio denominator	5,679	32,521
Capital and leverage ratios (%)⁴		
Common equity tier 1 capital ratio	93.6	62.9
Going concern capital ratio / Tier 1 capital ratio	93.6	62.9
Total capital ratio	93.6	62.9
Total loss-absorbing capacity ratio	93.6	90.6
Tier 1 leverage ratio	53.5	21.2
Going concern leverage ratio		
Total loss-absorbing capacity leverage ratio	53.5	30.5
Liquidity coverage ratio⁴		
High-quality liquid assets (bn)	8.1	15.0
Net cash outflows (bn)	2.4	4.3
Liquidity coverage ratio (%)	341.5	363.3
Net stable funding ratio⁴		
Total available stable funding (bn)	6.3	17.5
Total required stable funding (bn)	1.9	8.7
Net stable funding ratio (%)	385.0	214.8

¹ Comparative information has been aligned with Credit Suisse International standalone’s final 2024 audited financial statements. ² The financial information disclosed does not represent a full set of financial statements under the respective GAAP / IFRS Accounting Standards. ³ The total operating income includes credit loss expense or release. ⁴ Refer to the UBS Group and significant regulated subsidiaries and sub-groups 31 December 2025 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information.

Additional regulatory information

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UBS Group AG consolidated supplemental disclosures required under SEC regulations

A – Introduction

The following pages contain supplemental UBS Group AG disclosures that are required under US Securities and Exchange Commission (SEC) regulations. UBS Group AG's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the IASB) and are denominated in US dollars.

On 12 June 2023, UBS Group AG acquired Credit Suisse Group AG, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse Group AG, and became the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse Group AG. The acquisition of the Credit Suisse Group constitutes a business combination under IFRS 3, *Business Combinations*, and is required to be accounted for by applying the acquisition method of accounting.

› Refer to "Note 28 Changes in organization and acquisitions and disposals of subsidiaries and businesses" in the "Consolidated financial statements" section of this report for more information

B – Selected financial data

Dividends received from investments in subsidiaries

In 2025, UBS Group AG received dividends of USD 13,349m (2024: USD 3,193m; 2023: USD 6,269m) from its subsidiaries. Dividends disclosed are based on IFRS Accounting Standards and have been translated to US dollars from the functional currency of the entity paying the dividend, using the closing exchange rate of the month in which the dividend was received.

Balance sheet data

USD m	31.12.25	31.12.24	31.12.23
Assets			
Cash and balances at central banks	209,858	223,329	314,060
Amounts due from banks	19,649	18,903	21,146
Receivables from securities financing transactions at amortized cost	83,656	118,301	99,039
Cash collateral receivables on derivative instruments	41,552	43,959	50,082
Loans and advances to customers	653,846	579,967	639,669
Other financial assets measured at amortized cost	71,897	58,835	65,455
Total financial assets measured at amortized cost	1,080,458	1,043,293	1,189,451
Financial assets at fair value held for trading	174,699	159,065	169,633
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>	<i>44,627</i>	<i>38,532</i>	<i>51,263</i>
Derivative financial instruments	147,778	185,551	176,084
Brokerage receivables	35,579	25,858	21,037
Financial assets at fair value not held for trading	107,575	95,472	104,018
Total financial assets measured at fair value through profit or loss	465,631	465,947	470,773
Financial assets measured at fair value through other comprehensive income	13,868	2,195	2,233
Investments in associates	2,332	2,306	2,373
Property, equipment and software	16,057	15,498	17,849
Goodwill and intangible assets	6,948	6,887	7,515
Deferred tax assets	11,525	11,134	10,682
Other non-financial assets	20,609	17,766	16,049
Total assets	1,617,427	1,565,028	1,716,924
Liabilities			
Amounts due to banks	24,434	23,347	70,962
Payables from securities financing transactions at amortized cost	16,225	14,833	14,394
Cash collateral payables on derivative instruments	34,222	35,490	41,582
Customer deposits	788,367	745,777	792,029
Debt issued measured at amortized cost	214,706	214,219	237,817
Other financial liabilities measured at amortized cost	15,862	21,033	20,851
Total financial liabilities measured at amortized cost	1,093,816	1,054,698	1,177,633
Financial liabilities at fair value held for trading	53,700	35,247	34,159
Derivative financial instruments	156,243	180,636	192,181
Brokerage payables designated at fair value	62,202	49,023	42,522
Debt issued designated at fair value	113,794	107,909	128,289
Other financial liabilities designated at fair value	28,184	28,699	29,484
Total financial liabilities measured at fair value through profit or loss	414,123	401,514	426,635
Provisions	5,035	8,409	12,412
Other non-financial liabilities	13,970	14,834	14,089
Total liabilities	1,526,944	1,479,454	1,630,769
Equity attributable to shareholders	90,213	85,079	85,624
Equity attributable to non-controlling interests	271	494	531
Total equity	90,484	85,574	86,156
Total liabilities and equity	1,617,427	1,565,028	1,716,924

C – Information about the company

Property, plant and equipment

As of 31 December 2025, UBS operated in about 723 business and banking locations worldwide, of which approximately 36% were in Switzerland, 43% in the Americas, 11% in the rest of Europe, the Middle East and Africa, and 10% in Asia Pacific. Of the business and banking locations in Switzerland, 23% were owned directly by UBS, with the remainder, along with most of UBS's offices outside Switzerland, being held under commercial leases. These premises are subject to continuous maintenance and upgrading and are considered suitable and adequate for current and anticipated operations.

D – Information required by Subpart 1400 of Regulation S-K

Selected statistical information

The tables below set forth selected statistical information regarding the Group's banking operations extracted from its financial statements. Unless otherwise indicated, average balances for the years ended 31 December 2025, 31 December 2024 and 31 December 2023 are calculated from monthly data. Unless otherwise indicated, the distinction between domestic (i.e. Swiss) and foreign (i.e. non-Swiss) is generally based on the booking location.

Average balances and interest rates

The tables below set forth average interest-earning assets and average interest-bearing liabilities, along with the average yield, for 2025, 2024 and 2023. Refer to "Note 3 Net interest income and other net income from financial instruments measured at fair value through profit or loss" in the "Consolidated financial statements" section of this report for more information about interest income and interest expense.

Average balances and interest rates

For the year ended	31.12.25			31.12.24			31.12.23		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
<i>USD m, except where indicated</i>									
Assets									
Balances at central banks									
Domestic	118,807	152	0.1	135,771	1,743	1.3	113,953	1,777	1.6
Foreign	103,000	3,453	3.4	117,409	5,356	4.6	100,608	4,297	4.3
Amounts due from banks									
Domestic	4,771	61	1.3	4,023	89	2.2	3,592	68	1.9
Foreign	15,478	97	0.6	16,655	763	4.6	14,993	619	4.1
Receivables from securities financing transactions measured at amortized cost ¹									
Domestic	4,060	83	2.1	14,535	340	2.3	10,978	344	3.1
Foreign	116,036	3,039	2.6	97,641	3,529	3.6	81,085	3,339	4.1
Loans and advances to customers									
Domestic	452,548	10,386	2.3	438,152	13,003	3.0	345,812	10,422	3.0
Foreign	171,053	8,425	4.9	169,485	9,205	5.4	173,161	8,974	5.2
Financial assets at fair value ^{1,2}									
Domestic	25,130	656	2.6	18,304	552	3.0	7,352	210	2.9
Foreign	224,869	7,865	3.5	241,780	10,410	4.3	214,671	9,672	4.5
Other interest-earning assets									
Domestic	19,165	622	3.2	15,081	477	3.2	12,574	357	2.8
Foreign	82,234	2,495	3.0	82,050	2,933	3.6	81,284	2,730	3.4
Total interest-earning assets³	1,337,151	37,337	2.8	1,350,886	48,399	3.6	1,160,061	42,809	3.7
Net interest income on swaps		5,646			5,643			2,672	
Interest income on off-balance sheet securities and other		953			695			744	
Interest income and average interest-earning assets	1,337,151	43,937⁴	3.3	1,350,886	54,737⁴	4.1	1,160,061	46,224⁴	4.0
Non-interest-earning assets ⁵	376,348			359,904			333,210		
Total average assets	1,713,500			1,710,790			1,493,271		

¹ Reverse repurchase agreements are presented on a gross basis and therefore, for the purpose of this disclosure, do not reflect the effect of netting permitted under IFRS Accounting Standards. ² Includes financial assets at fair value held for trading, financial assets at fair value not held for trading, financial assets at fair value through other comprehensive income and brokerage receivables. ³ Non-taxable positions and amounts were not material for the years presented. ⁴ For the purpose of this disclosure, negative interest income on assets is presented as a reduction to interest income, while in the consolidated income statement negative interest income on assets is presented as interest expense. Refer to "Note 3 Net interest income and other net income from financial instruments measured at fair value through profit or loss" in the "Consolidated financial statements" section of this report for more information. ⁵ Mainly includes derivative financial instruments, equity instruments at fair value held for trading and financial assets for unit-linked investment contracts.

Average balances and interest rates (continued)

Average balances and interest rates (continued)

For the year ended	31.12.25			31.12.24			31.12.23		
	Average balance	Interest expense	Average interest rate (%)	Average balance	Interest expense	Average interest rate (%)	Average balance	Interest expense	Average interest rate (%)
<i>USD m, except where indicated</i>									
Liabilities and equity									
Amounts due to banks									
Domestic	19,723	207	1.0	33,767	746	2.2	42,049	1,385	3.3
Foreign	7,586	215	2.8	6,598	205	3.1	5,386	137	2.5
Payables from securities financing transactions measured at amortized cost ¹									
Domestic	11,264	303	2.7	11,659	537	4.6	7,874	382	4.9
Foreign	23,111	1,028	4.4	15,538	893	5.7	17,065	890	5.2
Customer deposits									
Domestic	435,426	2,103	0.5	418,253	3,905	0.9	350,102	2,401	0.7
of which: demand deposits	199,915	537	0.3	176,258	918	0.5	161,596	754	0.5
of which: savings and sweep deposits	172,010	139	0.1	151,716	496	0.3	140,716	328	0.2
of which: time deposits	63,500	1,427	2.2	90,278	2,492	2.8	47,790	1,321	2.8
Foreign	334,023	10,252	3.1	343,613	13,289	3.9	283,952	9,656	3.4
of which: demand deposits	44,797	569	1.3	44,047	781	1.8	44,435	736	1.7
of which: savings and sweep deposits	74,750	1,918	2.6	68,043	1,867	2.7	75,871	2,187	2.9
of which: time deposits	214,475	7,766	3.6	231,524	10,641	4.6	163,647	6,733	4.1
Commercial paper									
Domestic	0	0	0.0	0	0	0.0	1	0	0.0
Foreign	11,467	491	4.3	18,373	985	5.4	22,108	1,159	5.2
Other short-term debt issued measured at amortized cost									
Domestic	382	8	2.0	297	2	0.6	322	4	1.3
Foreign	20,354	768	3.8	15,421	762	4.9	12,023	610	5.1
Long-term debt issued measured at amortized cost									
Domestic	156,518	6,020	3.8	155,359	6,161	4.0	112,466	4,125	3.7
Foreign	28,504	1,003	3.5	37,583	1,919	5.1	32,387	1,900	5.9
Financial liabilities at fair value (excluding debt issued designated at fair value) ^{1,2}									
Domestic	596	4	0.6	727	5	0.7	419	13	3.1
Foreign	175,473	5,301	3.0	165,234	6,435	3.9	157,558	5,760	3.7
Debt issued designated at fair value									
Domestic	12,986	399	3.1	10,974	390	3.6	10,513	391	3.7
Foreign	99,263	4,054	4.1	103,243	4,879	4.7	93,902	4,566	4.9
Other interest-bearing liabilities									
Domestic	3,975	122	3.1	3,636	117	3.2	2,832	90	3.2
Foreign	33,411	1,085	3.2	37,232	1,649	4.4	39,197	1,618	4.1
Total interest-bearing liabilities	1,374,058	33,362	2.4	1,377,505	42,879	3.1	1,190,157	35,088	2.9
Swap interest on hedged debt issued and other swaps		2,086			4,121			3,132	
Interest expense on off-balance sheet securities and other		742			629			707	
Interest expense and average interest-bearing liabilities	1,374,058	36,190³	2.6	1,377,505	47,629³	3.5	1,190,157	38,927³	3.3
Non-interest-bearing liabilities ⁴	250,835			247,819			230,664		
Total liabilities	1,624,893			1,625,324			1,420,822		
Total equity	88,607			85,466			72,450		
Total average liabilities and equity	1,713,500			1,710,790			1,493,271		
Net interest income		7,747			7,108			7,297	
Net yield on interest-earning assets			0.6			0.5			0.6

¹ Repurchase agreements are presented on a gross basis and therefore, for the purpose of this disclosure, do not reflect the effect of netting permitted under IFRS Accounting Standards. ² Includes financial liabilities at fair value held for trading, other financial liabilities designated at fair value and brokerage payables designated at fair value. ³ For the purpose of this disclosure, negative interest expense on liabilities is presented as a reduction to interest expense, while in the consolidated income statement negative interest income on liabilities is presented as interest income. Refer to "Note 3 Net interest income and other net income from financial instruments measured at fair value through profit or loss" in the "Consolidated financial statements" section of this report for more information. ⁴ Mainly includes derivative financial instruments, equity instruments at fair value held for trading and financial liabilities related to unit-linked investment contracts.

The percentage of total average interest-earning assets attributable to foreign activities was 53% for 2025 (2024: 54%; 2023: 57%). The percentage of total average interest-bearing liabilities attributable to foreign activities was 53% for 2025 (2024: 54%; 2023: 56%). All assets and liabilities are translated into US dollars at uniform month-end rates. Interest income and expense are translated at monthly average rates.

Average rates earned and paid on assets and liabilities can change from period to period, based on changes in interest rates in general, but are also affected by changes in the currency mix included in the assets and liabilities. Tax-exempt income is not recorded on a tax-equivalent basis. For all three years presented the tax-exempt income is considered to be insignificant, and the effect from such income is therefore negligible.

Analysis of changes in interest income and expense

The tables below provide information, by categories of interest-earning assets and interest-bearing liabilities, about the changes in interest income and expense due to changes in volume and interest rates for the year ended 31 December 2025 compared with the year ended 31 December 2024, and for the year ended 31 December 2024 compared with the year ended 31 December 2023. The change in average volume represents the change in the current average balance compared with the average balance from the prior year with respect to the average rate of the prior year. The change in average rate represents the difference between the net change in interest income and expense and the change in average volume.

Analysis of changes in interest income and expense

	2025 compared with 2024			2024 compared with 2023		
	Increase / (decrease) due to changes in ¹			Increase / (decrease) due to changes in ¹		
	Average volume	Average interest rate	Net change	Average volume	Average interest rate	Net change
<i>USD m</i>						
Interest income from interest-earning assets						
Balances at central banks						
Domestic	(221)	(1,369)	(1,590)	349	(383)	(34)
Foreign	(663)	(1,240)	(1,903)	722	336	1,058
Amounts due from banks						
Domestic	16	(43)	(27)	8	13	21
Foreign	(54)	(611)	(665)	68	76	144
Receivables from securities financing transactions measured at amortized cost						
Domestic	(241)	(15)	(256)	110	(114)	(4)
Foreign	662	(1,152)	(490)	679	(489)	190
Loans and advances to customers						
Domestic	432	(3,049)	(2,617)	2,770	(189)	2,581
Foreign	85	(864)	(779)	(191)	422	231
Financial assets at fair value						
Domestic	205	(102)	103	318	24	342
Foreign	(727)	(1,817)	(2,544)	1,220	(482)	738
Other interest-earning assets						
Domestic	129	16	145	71	49	120
Foreign	7	(445)	(438)	26	177	203
Interest income						
Domestic	320	(4,562)	(4,242)	3,626	(600)	3,026
Foreign	(690)	(6,130)	(6,820)	2,524	40	2,564
Total interest income from interest-earning assets	(370)	(10,692)	(11,062)	6,150	(560)	5,590
Net interest income on swaps			4			2,971
Interest income on off-balance sheet securities and other			258			(49)
Total interest income			(10,800)			8,512

¹ Currency effects are included within the variances disclosed in this table.

Analysis of changes in interest income and expense (continued)

Analysis of changes in interest income and expense (continued)

	2025 compared with 2024			2024 compared with 2023		
	Increase / (decrease) due to changes in ¹			Increase / (decrease) due to changes in ¹		
USD m	Average volume	Average interest rate	Net change	Average volume	Average interest rate	Net change
Interest expense on interest-bearing liabilities						
Amounts due to banks						
Domestic	(310)	(229)	(539)	(273)	(367)	(640)
Foreign	31	(21)	10	31	37	68
Payables from securities financing transactions measured at amortized cost						
Domestic	(18)	(216)	(234)	184	(29)	155
Foreign	435	(300)	135	(80)	83	3
Customer deposits						
Domestic	(550)	(1,253)	(1,803)	1,268	235	1,503
<i>of which: demand deposits</i>	123	(504)	(381)	68	96	164
<i>of which: savings and sweep deposits</i>	66	(423)	(357)	26	142	168
<i>of which: time deposits</i>	(739)	(326)	(1,065)	1,174	(3)	1,171
Foreign	(587)	(2,449)	(3,036)	2,561	1,072	3,633
<i>of which: demand deposits</i>	13	(225)	(212)	(6)	51	45
<i>of which: savings and sweep deposits</i>	184	(134)	50	(226)	(93)	(319)
<i>of which: time deposits</i>	(784)	(2,090)	(2,874)	2,793	1,114	3,907
Commercial paper						
Domestic	0	0	0	0	0	0
Foreign	(370)	(124)	(494)	(196)	23	(173)
Other short-term debt issued measured at amortized cost						
Domestic	1	5	6	0	(2)	(2)
Foreign	244	(238)	6	172	(20)	152
Long-term debt issued measured at amortized cost						
Domestic	46	(187)	(141)	1,573	463	2,036
Foreign	(464)	(452)	(916)	305	(285)	20
Financial liabilities at fair value (excluding debt issued designated at fair value)						
Domestic	(1)	0	(1)	9	(17)	(8)
Foreign	399	(1,533)	(1,134)	281	394	675
Debt issued designated at fair value						
Domestic	72	(63)	9	17	(18)	(1)
Foreign	(188)	(637)	(825)	454	(142)	312
Other interest-bearing liabilities						
Domestic	11	(6)	5	26	0	26
Foreign	(169)	(395)	(564)	(81)	111	30
Interest expense						
Domestic	(749)	(1,949)	(2,698)	2,804	265	3,069
Foreign	(669)	(6,150)	(6,819)	3,447	1,273	4,720
Total interest expense on interest-bearing liabilities	(1,418)	(8,099)	(9,517)	6,251	1,538	7,789
Swap interest on hedged debt issued and other swaps			(2,056)			989
Interest expense on off-balance sheet securities and other			113			(78)
Total interest expense			(11,439)			8,700

¹ Currency effects are included within the variances disclosed in this table.

Deposits

The table below analyzes average deposits and average rates on each deposit category for the years ended 31 December 2025, 31 December 2024 and 31 December 2023. For the purpose of this disclosure, foreign deposits represent deposits from depositors who are based outside of Switzerland. Deposits by foreign depositors in domestic offices were USD 85,025m as of 31 December 2025 (31 December 2024: USD 87,345m; 31 December 2023: USD 92,784m).

Deposits

USD m, except where indicated	31.12.25		31.12.24		31.12.23	
	Average deposits	Average rate (%)	Average deposits	Average rate (%)	Average deposits	Average rate (%)
Due to banks						
Domestic						
Demand deposits	1,702	(0.2)	1,931	0.0	1,355	0.0
Time deposits	1,259	1.2	16,920	2.7	29,827	4.0
Total domestic	2,961	0.4	18,851	2.4	31,183	3.8
Foreign						
Demand deposits	12,701	0.5	11,755	1.4	9,331	1.1
Time deposits	11,647	3.0	9,759	3.5	6,922	3.3
Total foreign	24,347	1.7	21,514	2.3	16,253	2.0
Total due to banks¹	27,308	1.5	40,365	2.4	47,435	3.2
Customer deposits						
Domestic						
Demand deposits	159,158	0.3	137,309	0.7	119,782	0.6
Savings and sweep deposits	158,523	0.1	139,790	0.3	127,017	0.2
Time deposits	55,691	2.0	114,608	3.4	45,708	2.6
Total domestic	373,372	0.5	391,707	1.4	292,508	0.8
Foreign						
Demand deposits	85,555	0.7	82,996	0.9	86,249	0.8
Savings and sweep deposits	88,238	2.2	79,971	2.4	89,569	2.5
Time deposits	222,284	3.6	207,193	4.4	165,728	4.1
Total foreign	396,076	2.7	370,160	3.2	341,546	2.9
Total customer deposits¹	769,448	1.6	761,867	2.3	634,054	1.9

¹ For the purpose of this table, the distinction between foreign and domestic deposits is based on the domicile of the depositor, while foreign and domestic deposits disclosed in previous tables are based on the booking location.

Uninsured deposits

From the combined total of Due to banks and Customer deposits as of 31 December 2025, total estimated uninsured deposits were USD 609bn (31 December 2024: USD 559bn; 31 December 2023: USD 670bn). Uninsured deposits are deposits that are in excess of local deposit insurance or protection scheme limits in the key locations in which UBS operates, calculated based on the respective local regulations, as well as deposits in uninsured accounts. The main deposit insurance schemes applicable to UBS deposits are the Swiss depositor protection scheme in Switzerland (which protects applicable deposits up to a maximum of CHF 100,000 per client and per bank or securities firm), the Compensation Scheme of German Banks in combination with the Deposit Protection Fund of the Association of German Banks in Germany (which protects applicable deposits up to a maximum of EUR 3m per client and EUR 30m per business) and the Federal Deposit Insurance Corporation (the FDIC) scheme in the Americas (which protects applicable deposits up to a maximum of USD 250,000 per depositor, per insured bank, for each account ownership category).

The table below presents the maturity of estimated uninsured time deposits as of 31 December 2025. Where a depositor holds multiple accounts that in aggregate are in excess of a deposit insurance or protection limit, the insured amount is first allocated to the account with the shortest time to maturity.

Uninsured deposits

USD m	Uninsured time deposits ¹
Within 3 months	196,877
3 to 6 months	18,894
6 to 12 months	15,282
Over 12 months	10,055
Total uninsured time deposits as of 31 December 2025	241,108

¹ Amounts are estimated based on the methodologies defined in each local jurisdiction. As of 31 December 2025, there were no US time deposits subject to the FDIC scheme that were in excess of the FDIC insurance limit.

Investments in debt instruments

The table below presents the carrying amount and weighted average yield of debt instruments presented within Financial assets measured at fair value through other comprehensive income and Other financial assets measured at amortized cost on the balance sheet by contractual maturity bucket. The yield for each range of maturities is calculated by dividing the annualized interest income by the average balance of the investment per contractual maturity bucket. The maturity information presented does not consider any early redemption features.

Investments in debt instruments

	Within 1 year		1 to 5 years		5 to 10 years		Over 10 years		Total carrying amount
<i>USD m. except where indicated</i>	Carrying amount	Yield (%)	Carrying amount	Yield (%)	Carrying amount	Yield (%)	Carrying amount	Yield (%)	
Debt instruments measured at fair value through other comprehensive income									
Government bills / bonds			484	3.53	11,175	2.25			11,659
Corporate and other	2,145	4.59	64	1.76					2,208
Subtotal as of 31 December 2025	2,145		548		11,175				13,868
Debt securities measured at amortized cost									
Asset-backed securities			260	1.12	1,447	2.58	8,494	3.78	10,202
Government bills / bonds	2,899	2.74	9,665	2.49	4,524	3.62	3,561	3.90	20,648
Corporate and other	3,290	2.30	16,390	2.59	2,684	2.63			22,364
Subtotal as of 31 December 2025	6,189		26,315		8,655		12,055		53,214
Total as of 31 December 2025	8,334		26,863		19,830		12,055		67,081

Loan portfolio

The table below provides the maturity profile of UBS's core loan portfolio as of 31 December 2025. The contractual maturity is based on carrying amounts and includes the effect of callable features. For loans due after one year, a breakdown between fixed and adjustable or floating interest rates is also provided.

Loan portfolio

<i>USD m</i>	31.12.25					of which: over 1 year	
	Within 1 year	1 to 5 years	5 to 15 years	Over 15 years	Total	Fixed rate	Adjustable or floating rate
Private clients with mortgages	43,262	158,021	54,944	31,197	287,424	160,406	83,756
Real estate financing	37,544	41,036	13,490	264	92,334	42,037	12,753
Large corporate clients	8,390	16,632	1,688	43	26,752	6,235	12,127
SME clients	13,066	8,220	2,494	25	23,805	7,764	2,974
Lombard	154,178	10,498	601	43	165,320	9,619	1,523
Credit cards	2,408	0	0	0	2,408	0	0
Commodity trade finance	4,778	71	0	0	4,849	70	1
Ship / aircraft financing	1,106	5,611	2,036	0	8,753	0	7,647
Consumer financing	253	1,477	1,235	0	2,966	2,713	0
Other loans and advances to customers	17,930	18,458	2,786	61	39,235	5,340	15,965
Loans to financial advisors	112	326	2,211	67	2,716	2,604	0
Total	283,029	260,349	81,485	31,699	656,562	236,786	136,747

Allowance for credit losses

For the years ended 31 December 2025, 31 December 2024 and 31 December 2023, the ratio of net charge-offs (i.e. write-offs of expected credit loss allowances to gross carrying amount of the average loans outstanding) during the period was not material for UBS's core loan portfolio, both on an overall basis and on an individual loan category basis. Total write-offs for 31 December 2025 were USD 374m (31 December 2024: USD 348m; 31 December 2023: USD 93m). Refer to the coverage ratio tables in "Note 9 Financial assets at amortized cost and other positions in scope of expected credit loss measurement" in the "Consolidated financial statements" section of this report for the ratio of expected credit loss allowances to total loans outstanding at the end of each period.

Appendix

Alternative performance measures

An alternative performance measure (an APM) is a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable recognized accounting standards or in other applicable regulations. A number of APMs are reported in the discussion of the financial and operating performance of the external reports (annual, quarterly and other reports). APMs are used to provide a more complete picture of operating performance and to reflect management's view of the fundamental drivers of the business results. The table below indicates where an APM also qualifies as non-GAAP measure as defined by US Securities and Exchange Commission (SEC) regulations. A definition of each APM, and non-GAAP measure as applicable, the method used to calculate it and the information content are presented in alphabetical order in the table below.

APM / non-GAAP label	Calculation	Information content / usefulness
Cost / income ratio (%)	Calculated as operating expenses divided by total revenues.	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues.
Cost / income ratio (underlying) (%) (non-GAAP measure)	Calculated as underlying operating expenses (as defined above) divided by underlying total revenues (as defined above).	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Cost of credit risk (bps)	Calculated as total credit loss expense / (release) (annualized for reporting periods shorter than 12 months) divided by the average balance of lending assets for the reporting period, expressed in basis points. Lending assets include the gross amounts of Amounts due from banks and Loans and advances to customers.	This measure provides information about the total credit loss expense / (release) incurred in relation to the average balance of gross lending assets for the period.
Credit-impaired lending assets as a percentage of total lending assets, gross (%)	Calculated as credit-impaired lending assets divided by total lending assets. Lending assets includes the gross amounts of Amounts due from banks and Loans and advances to customers. Credit-impaired lending assets refers to the sum of stage 3 and purchased credit-impaired positions.	This measure provides information about the proportion of credit-impaired lending assets in the overall portfolio of gross lending assets.
Credit-impaired loan portfolio as a percentage of total loan portfolio, gross (%) – Global Wealth Management, Personal & Corporate Banking	Calculated as credit-impaired loan portfolio divided by total gross loan portfolio.	This measure provides information about the proportion of the credit-impaired loan portfolio in the total gross loan portfolio.
Customer deposit volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as the sum of customer deposits and brokerage payables.	This measure provides information about the volume of customer deposits in Global Wealth Management.
Fee-generating assets (USD) – Global Wealth Management	Calculated as the sum of discretionary and non-discretionary wealth management portfolios (mandate volume) and assets where generated revenues are predominantly of a recurring nature, i.e. mainly investment, mutual, hedge and private-market funds where we have a distribution agreement, including client commitments into closed-ended private-market funds from the date that recurring fees are charged. Assets related to our Global Financial Intermediaries business are excluded, as are assets of sanctioned clients.	This measure provides information about the volume of invested assets that create a revenue stream, whether as a result of the nature of the contractual relationship with clients or through the fee structure of the asset. An increase in the level of fee-generating assets results in an increase in the associated revenue stream. Assets of sanctioned clients are excluded from fee-generating assets.
Gross margin on invested assets (bps) – Asset Management	Calculated as total revenues (annualized for reporting periods shorter than 12 months) divided by average invested assets.	This measure provides information about the total revenues of the business in relation to invested assets.

APM / non-GAAP label	Calculation	Information content / usefulness
Integration-related expenses (USD) (non-GAAP measure)	Generally include costs of internal staff and contractors substantially dedicated to integration activities, retention awards, redundancy costs, incremental expenses from the shortening of useful lives of property, equipment and software, and impairment charges relating to these assets. Classification as integration-related expenses does not affect the timing of recognition and measurement of those expenses or the presentation thereof in the income statement. Integration-related expenses incurred by Credit Suisse also included expenses associated with restructuring programs that existed prior to the acquisition.	This measure provides information about expenses that are temporary, incremental and directly related to the integration of Credit Suisse into UBS.
Invested assets (USD and CHF)	Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts.	This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes.
Loan volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as loans and advances to customers and brokerage receivables, gross of expected credit losses.	This measure provides information about the loan volumes in Global Wealth Management.
Net interest income (underlying) (USD) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by adjusting net interest income as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of net interest income, while excluding items that management believes are not representative of the underlying performance of the businesses.
Net interest margin (bps) – Personal & Corporate Banking	Calculated as net interest income (annualized for reporting periods shorter than 12 months) divided by average loans.	This measure provides information about the profitability of the business by calculating the difference between the interest charged for lending and the associated cost of funding, relative to loan value.
Net management fees (USD) – Asset Management (non-GAAP measure)	Calculated as the total of transaction fees, fund administration revenues (including net interest and trading income from lending activities and foreign-exchange hedging as part of the fund services offering), distribution fees, incremental fund-related expenses, gains or losses from seed money and co-investments, funding costs, the negative pass-through impact of third-party performance fees, and other items that are not Asset Management's performance fees.	This measure provides information about the amount of net management fees earned through managing client assets.
Net new assets (USD) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period, plus interest and dividends. Excluded from the calculation are movements due to market performance, foreign exchange translation, fees, and the effects on invested assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of invested assets during a specific period as a result of net new asset flows, plus the effect of interest and dividends.
Net new assets growth rate (%) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period (annualized for reporting periods shorter than 12 months), plus interest and dividends, divided by total invested assets at the beginning of the period.	This measure provides information about the growth of invested assets during a specific period as a result of net new asset flows.
Net new deposit volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as the net amount of inflows and outflows of deposit volumes recorded during a specific period. Deposits include customer deposits and customer brokerage payables. Excluded from the calculation are movements due to fair value measurement, foreign exchange translation, accrued interest and fees, as well as the effects on customer deposits of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of deposits during a specific period as a result of net new deposit flows.
Net new fee-generating assets (USD) – Global Wealth Management	Calculated as the net amount of fee-generating asset inflows and outflows, including dividend and interest inflows into mandates and outflows from mandate fees paid by clients during a specific period. Excluded from the calculation are the effects on fee-generating assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of fee-generating assets during a specific period as a result of net flows, excluding movements due to market performance and foreign exchange translation, as well as the effects on fee-generating assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.

APM / non-GAAP label	Calculation	Information content / usefulness
Net new loan volumes (USD) – Global Wealth Management (non-GAAP measure)	Calculated as the net amount of originations, drawdowns and repayments of loan volumes recorded during a specific period. Loan volumes include loans and advances to customers and customer brokerage receivables. Excluded from the calculation are allowances, movements due to fair value measurement and foreign exchange translation, as well as the effects on loans and advances to customers of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations.	This measure provides information about the development of loan volumes during a specific period as a result of net new loan volumes.
Net new money (USD) – Global Wealth Management, Asset Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period. Excluded from the calculation are movements due to market performance, foreign exchange translation, dividends, interest and fees, as well as the effects on invested assets of strategic decisions by UBS to exit markets or cease offering services in a particular location, or those resulting from new externally imposed regulations. Net new money is not measured for Personal & Corporate Banking.	This measure provides information about the development of invested assets during a specific period as a result of net new money flows.
Net profit growth (%)	Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period.	This measure provides information about profit growth since the comparison period.
Operating expenses (underlying) (USD) (non-GAAP measure)	Calculated by adjusting operating expenses as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of operating expenses, while excluding items that management believes are not representative of the underlying performance of the businesses.
Operating profit / (loss) before tax (underlying) (USD) (non-GAAP measure)	Calculated by adjusting operating profit / (loss) before tax as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of operating profit / (loss) before tax, while excluding items that management believes are not representative of the underlying performance of the businesses.
Other revenues (USD and CHF) – Global Wealth Management, Personal & Corporate banking (non-GAAP measure)	Calculated by including other income as reported in accordance with IFRS Accounting Standards, profit or loss related to non-client derivative instruments and profit or loss related to equity investments measured at fair value through profit or loss.	This measure provides information about residual business division revenues, after deduction of net interest income, recurring net fee income and transaction-based income.
Other revenues (underlying) (USD and CHF) – Global Wealth Management, Personal & Corporate banking (non-GAAP measure)	Calculated by adjusting other revenues for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of other revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Pre-tax profit growth (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period.	This measure provides information about pre-tax profit growth since the comparison period.
Pre-tax profit growth (underlying) (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank (non-GAAP measure)	Calculated as the change in underlying net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by underlying net profit before tax attributable to shareholders from continuing operations of the comparison period. Underlying net profit before tax attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about pre-tax profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.
Recurring net fee income (USD and CHF) – Personal & Corporate Banking (non-GAAP measure)	Calculated as the total of fees for services provided on an ongoing basis, such as portfolio management fees, asset-based investment fund fees and custody fees, which are generated on client assets, and administrative fees for accounts.	This measure provides information about the amount of recurring net fee income.
Return on attributed equity (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as business division operating profit before tax (annualized for reporting periods shorter than 12 months) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity.

APM / non-GAAP label	Calculation	Information content / usefulness
Return on attributed equity (underlying) (%) (non-GAAP measure)	Calculated as underlying business division operating profit before tax (annualized for reporting periods shorter than 12 months) (as defined above) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity, while excluding items that management believes are not representative of the underlying performance of the businesses.
Return on common equity tier 1 capital (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average common equity tier 1 capital.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital.
Return on common equity tier 1 capital (underlying) (%) (non-GAAP measure)	Calculated as underlying net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average common equity tier 1 capital. Underlying net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital, while excluding items that management believes are not representative of the underlying performance of the businesses.
Return on equity (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders.	This measure provides information about the profitability of the business in relation to equity.
Return on tangible equity (%)	Calculated as net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders less average goodwill and intangible assets.	This measure provides information about the profitability of the business in relation to tangible equity.
Return on tangible equity (underlying) (%) (non-GAAP measure)	Calculated as underlying net profit attributable to shareholders (annualized for reporting periods shorter than 12 months) divided by average equity attributable to shareholders less average goodwill and intangible assets. Underlying net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to tangible equity, while excluding items that management believes are not representative of the underlying performance of the businesses.
Revenues over leverage ratio denominator, gross (%)	Calculated as total revenues (annualized for reporting periods shorter than 12 months) divided by the average leverage ratio denominator.	This measure provides information about the revenues of the business in relation to the leverage ratio denominator.
Tangible book value per share (USD)	Calculated as equity attributable to shareholders less goodwill and intangible assets divided by the number of shares outstanding.	This measure provides information about tangible net assets on a per-share basis.
Total book value per share (USD)	Calculated as equity attributable to shareholders divided by the number of shares outstanding.	This measure provides information about net assets on a per-share basis.
Total revenues (underlying) (USD) (non-GAAP measure)	Calculated by adjusting total revenues as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Transaction-based income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated as the total of the non-recurring portion of net fee and commission income, mainly composed of brokerage and transaction-based investment fund fees, and credit card fees, as well as fees for payment and foreign-exchange transactions, together with other net income from financial instruments measured at fair value through profit or loss.	This measure provides information about the amount of the non-recurring portion of net fee and commission income, together with other net income from financial instruments measured at fair value through profit or loss.
Transaction-based income (underlying) (USD and CHF) – Global Wealth Management, Personal & Corporate Banking (non-GAAP measure)	Calculated by adjusting transaction-based income for items that management believes are not representative of the underlying performance of the businesses.	This measure provides information about the amount of transaction-based income, while excluding items that management believes are not representative of the underlying performance of the businesses.

This is a general list of the APMs and non-GAAP measures used in our financial reporting. Not all of the above-listed measures may appear in this particular report.

Information related to underlying return on common equity tier 1 capital (RoCET1) and underlying return on tangible equity (%)

	As of or for the year ended	
<i>USD m</i>	31.12.25	31.12.24
Underlying net profit / (loss) attributable to shareholders	9,891	6,609
Tangible equity	83,265	78,192
Average tangible equity	81,544	77,973
CET1 capital	71,262	71,367
Average CET1 capital	71,958	75,666
Underlying return on tangible equity (%)	12.1	8.5
Underlying return on common equity tier 1 capital (%)	13.7	8.7

Abbreviations frequently used in our financial reports

A		CRO	Chief Risk Officer	FRTB	Fundamental Review of the Trading Book
ABS	asset-backed securities	CST	combined stress test		
AG	Aktiengesellschaft	CUSIP	Committee on Uniform Security Identification Procedures	FSB	Financial Stability Board
AGM	Annual General Meeting of shareholders			FTA	Swiss Federal Tax Administration
AI	artificial intelligence	CVA	credit valuation adjustment	FVA	funding valuation adjustment
A-IRB	advanced internal ratings-based	D		FVOCI	fair value through other comprehensive income
ALCO	Asset and Liability Committee	DBO	defined benefit obligation	FVTPL	fair value through profit or loss
AMA	advanced measurement approach	DCCP	Deferred Contingent Capital Plan		
AML	anti-money laundering	DFAST	Dodd–Frank Act Stress Test	FX	foreign exchange
AoA	Articles of Association	DisO-FINMA	FINMA Ordinance on the Disclosure Obligations of Banks and Securities Firms	G	
APM	alternative performance measure		discount margin	GAAP	generally accepted accounting principles
ARR	alternative reference rate	DM	US Department of Justice	GBP	pound sterling
ARS	auction rate securities	DOJ	deferred tax asset	GDP	gross domestic product
ASF	available stable funding	DTA	debit valuation adjustment	GEB	Group Executive Board
AT1	additional tier 1	DVA		GHG	greenhouse gas
AuM	assets under management	E		GCORC	Group Compliance and Operational Risk Control
B		EAD	exposure at default		
BCBS	Basel Committee on Banking Supervision	EB	Executive Board	GRI	Global Reporting Initiative
		EC	European Commission	G-SIB	global systemically important bank
BIS	Bank for International Settlements	ECB	European Central Bank		
		ECL	expected credit loss	H	
BoD	Board of Directors	EGM	Extraordinary General Meeting of shareholders	HQLA	high-quality liquid assets
C		EIR	effective interest rate		
CAO	Capital Adequacy Ordinance	EL	expected loss	I	
		EMEA	Europe, Middle East and Africa	IAS	International Accounting Standards
CCAR	Comprehensive Capital Analysis and Review	EOP	Equity Ownership Plan	IASB	International Accounting Standards Board
CCF	credit conversion factor	EPS	earnings per share	IBOR	interbank offered rate
CCP	central counterparty	ESG	environmental, social and governance	IFRIC	International Financial Reporting Interpretations Committee
CCR	counterparty credit risk	ETD	exchange-traded derivatives		
CCRC	Corporate Culture and Responsibility Committee	ETF	exchange-traded fund	IFRS	accounting standards issued by the IASB
CDS	credit default swap	EU	European Union	Accounting Standards	
CEO	Chief Executive Officer	EUR	euro		
CET1	common equity tier 1	EURIBOR	Euro Interbank Offered Rate	IRB	internal ratings-based
CFO	Chief Financial Officer	EVE	economic value of equity	IRRBB	interest rate risk in the banking book
CGU	cash-generating unit	EY	Ernst & Young Ltd		
CHF	Swiss franc	F		ISDA	International Swaps and Derivatives Association
CIO	Chief Investment Office	FCA	UK Financial Conduct Authority	ISIN	International Securities Identification Number
CORC	Compliance and Operational Risk Control	FDIC	Federal Deposit Insurance Corporation		
CRM	credit risk mitigation	FINMA	Swiss Financial Market Supervisory Authority		
		FMIA	Swiss Financial Market Infrastructure Act		

Abbreviations frequently used in our financial reports (continued)

K		R		T		
KRT	Key Risk Taker	RBC	risk-based capital	TBTF	too big to fail	
L		RbM	risk-based monitoring	TCFD	Task Force on Climate-related Financial Disclosures	
	LAS	REIT	real estate investment trust			
	LCR	RMBS	residential mortgage-backed securities	TIBOR	Tokyo Interbank Offered Rate	
	LGD		RniV	risks not in VaR	TLAC	total loss-absorbing capacity
	LIBOR	London Interbank Offered Rate	RoCET1	return on CET1 capital	TTC	through the cycle
LLC	limited liability company	RoU	right-of-use			
LoD	lines of defense	rTSR	relative total shareholder return	U		
LRD	leverage ratio denominator	RWA	risk-weighted assets	USD	US dollar	
LTIP	Long-Term Incentive Plan			V		
LTV	loan-to-value	S		VaR	value-at-risk	
M		SA	standardized approach or société anonyme	VAT	value-added tax	
	M&A					
	MRT	SA-CCR	standardized approach for counterparty credit risk			
		SAR	Special Administrative Region of the People’s Republic of China			
	N					
NII	net interest income					
NSFR	net stable funding ratio	SDG	Sustainable Development Goal			
NYSE	New York Stock Exchange					
O		SEC	US Securities and Exchange Commission			
	OCA					
	OCI	SFT	securities financing transaction			
		SIBOR	Singapore Interbank Offered Rate			
	OECD	Organisation for Economic Co-operation and Development	SICR	significant increase in credit risk		
OTC	over-the-counter	SIX	SIX Swiss Exchange			
P		SME	small and medium-sized entities			
	PCI					
	PD	SMF	Senior Management Function			
	PIT					
	PPA	purchase price allocation	SNB	Swiss National Bank		
Q		SOR	Singapore Swap Offer Rate			
	QCCP	SRB	solely payments of principal and interest			
		SVaR	systemically relevant bank			
			stressed value-at-risk			

This is a general list of the abbreviations frequently used in our financial reporting. Not all of the listed abbreviations may appear in this particular report.

Information sources

Reporting publications

Annual publications

UBS Group Annual Report: Published in English, this report provides descriptions of: the Group strategy and performance; the strategy and performance of the business divisions and Group functions; risk, treasury and capital management; corporate governance; the compensation framework, including information about compensation for the Board of Directors and the Group Executive Board members; and financial information, including the financial statements.

"Auszug aus dem Geschäftsbericht": This publication provides a German translation of selected sections of the UBS Group Annual Report.

Compensation Report: This report discusses the compensation framework and provides information about compensation for the Board of Directors and the Group Executive Board members. It is available in English and German ("*Vergütungsbericht*") and represents a component of the UBS Group Annual Report.

Sustainability Report: Published in English, the UBS Group Sustainability Report provides disclosures on environmental, social and governance (ESG) topics.

Quarterly publications

Quarterly financial report: This report provides an update on performance and strategy (where applicable) for the respective quarter. It is available in English.

The annual and quarterly publications are available in .pdf and online formats at ubs.com/investors, under "Financial information". Printed copies, in any language, of the aforementioned annual publications are no longer provided.

Other information

Website

The "Investor Relations" website at ubs.com/investors provides the following information about UBS: results-related news releases; financial information, including results-related filings with the US Securities and Exchange Commission (the SEC); information for shareholders, including UBS dividend and share repurchase program information, and for bondholders, including rating agencies reports; the corporate calendar; and presentations by management for investors and financial analysts. Information is available online in English, with some information also available in German.

Results presentations

Quarterly results presentations are webcast live. Recordings of most presentations can be downloaded from ubs.com/presentations.

Messaging service

Email alerts to news about UBS can be subscribed for under "UBS News Alert" at ubs.com/global/en/investor-relations/contact/investor-services.html. Messages are sent in English, German, French or Italian, with an option to select theme preferences for such alerts.

Form 20-F and other submissions to the US Securities and Exchange Commission

UBS files periodic reports with and submits other information to the SEC. Principal among these filings is the annual report on Form 20-F, filed pursuant to the US Securities Exchange Act of 1934. The filing of Form 20-F is structured as a wraparound document. Most sections of the filing can be satisfied by referring to the UBS Group Annual Report. However, there is a small amount of additional information in Form 20-F that is not presented elsewhere and is particularly targeted at readers in the US. Readers are encouraged to refer to this additional disclosure. Any document that is filed with the SEC is available on the SEC's website: sec.gov. Refer to ubs.com/investors for more information.

Cautionary statement regarding forward-looking statements | This report contains statements that constitute “forward-looking statements”, including but not limited to management’s outlook for UBS’s financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS’s business and future development and goals. While these forward-looking statements represent UBS’s judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS’s expectations. In particular, the global economy may suffer significant adverse effects from increasing political tensions between world powers, changes to international trade policies, including those related to tariffs and trade barriers, and evolving armed conflicts. UBS’s acquisition of the Credit Suisse Group materially changed its outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to continue through 2026 and presents significant operational and execution risk, including the risks that UBS may be unable to achieve the cost reductions and business benefits contemplated by the transaction, that it may incur higher costs to execute the integration of Credit Suisse and that the acquired business may have greater risks or liabilities, including those related to litigation, than expected. Following the failure of Credit Suisse, Switzerland is considering significant changes to its capital, resolution and regulatory regime, which, if adopted, would significantly increase our capital requirements or impose other costs on UBS. These factors create greater uncertainty about forward-looking statements. Other factors that may affect UBS’s performance and ability to achieve its plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility and the size of the combined Group; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including any potential changes to banking examination and oversight practices and standards as a result of executive branch orders or staff interpretations of law in the US; (iii) inflation and interest rate volatility in major markets; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates, residential and commercial real estate markets, general economic conditions, and changes to national trade policies on the financial position or creditworthiness of UBS’s clients and counterparties, as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any adverse changes in UBS’s credit spreads and credit ratings of UBS, as well as availability and cost of funding, including as affected by the marketability of additional tier one debt instruments, to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in and potential divergence between central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the EU and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS’s business activities; (vii) UBS’s ability to successfully implement resolvability and related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS in response to legal and regulatory requirements including heightened requirements and expectations due to its acquisition of the Credit Suisse Group; (viii) UBS’s ability to maintain and improve its systems and controls for complying with sanctions in a timely manner and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in the current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers adversely affect UBS’s ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to its businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, including litigation it has inherited by virtue of the acquisition of Credit Suisse, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of its RWA; (xiii) UBS’s ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xiv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xv) UBS’s ability to implement new technologies and business methods, including digital services, artificial intelligence and other technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvi) limitations on the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xvii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks, data leakage and systems failures, the risk of which is increased with persistently high levels of cyberattack threats; (xviii) restrictions on the ability of UBS Group AG, UBS AG and regulated subsidiaries of UBS AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS’s operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xix) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS’s ability to maintain its stated capital return objective; (xx) uncertainty over the scope of actions that may be required by UBS, governments and others for UBS to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and the increasing divergence among regulatory regimes; (xxi) the ability of UBS to access capital markets; (xxii) the ability of UBS to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, conflict, pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event; and (xxiii) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on its reputation and the additional consequences that this may have on its business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. UBS’s business and financial performance could be affected by other factors identified in its past and future filings and reports, including those filed with the US Securities and Exchange Commission (the SEC). More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including the UBS Group AG and UBS AG Annual Reports on Form 20-F for the year ended 31 December 2025. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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Tables | Within tables, blank fields generally indicate non-applicability or that presentation of any content would not be meaningful, or that information is not available as of the relevant date or for the relevant period. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. Values that are zero on a rounded basis can be either negative or positive on an actual basis.

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