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Risk & Capital Analysis

UBS Group AG

Reporting Period: H1 2026 (30 June 2026)

Analysis Date: 2026-09-10

RISK VIEW
Risk Analytics for Financial Institutions

Produced by the Risk Analytics team
Dynamic Strategies

Contents

Executive Summary

Overall Assessment: Stable

Key Findings

- CET1 of 14.4% ranks 1 of 7 in the European peer group (median 14.0%) and is 355bps above UBS's Swiss going-concern CET1 requirement of 10.83%. The closer constraint is leverage: the Swiss CET1 leverage ratio of 4.39% clears its 3.58% requirement by only 81bps (2).
- Swiss capital reform is the dominant risk. The government's plan to deduct foreign participations in full from CET1 would require about USD 20bn of extra CET1 at UBS AG, a de facto Group minimum of about 18.4% (3). A committee compromise reported in the press would soften this, but it is not law, and UBS ties its buyback pace to the outcome.
- Profitability has recovered but efficiency still lags. H1 2026 RoTE was 13.9% against 9.5% for FY 2025 (rank 5 of 7), while the 72.7% cost/income ratio ranks 7 of 7 as Credit Suisse integration costs run off (1).
- Liquidity is strong but the structural trend is weakening. The LCR of 177%, a quarterly average, ranks 1 of 7 although peers report on different bases, while the NSFR fell to 115.0% from 122.4% a year earlier and ranks 6 of 7 (2).
- Asset quality is the best in the group on UBS's own measure: credit-impaired lending of 1.0% ranks 1 of 7. Coverage of 28.1% looks low because the book is heavily collateralised; the definitions are not the same as EBA NPL ratios (1).
- The Credit Suisse integration is in its final phase. Gross cost saves reached USD 12.6bn, Non-core and Legacy RWA are down 68% since 2Q23, and legacy IT decommissioning is due to be substantially complete by end-2026, which should narrow the gap between reported and underlying costs (1).

Key Metrics Dashboard

Metric	Value	Status	Comment
CET1 Ratio (14.4%)	14.4%	GREEN	Rank 1 of 7; 355bps over Swiss CET1 requirement
Tier 1 Leverage (5.8%)	5.8%	GREEN	Basel III basis; rank 1 of 7
Swiss CET1 Leverage (4.4%)	4.39%	AMBER	Only 81bps over 3.58% requirement
TLAC (38.4%)	38.4%	GREEN	Swiss requirement 26.08% of RWA
LCR (177%)	177%	GREEN	Rank 1 of 7; quarterly average
NSFR (115%)	115.0%	AMBER	Down from 122.4% a year earlier; rank 6 of 7
Credit-Impaired (1.0%)	1.0%	GREEN	Rank 1 of 7; UBS definition, not EBA NPL
Coverage (28%)	28.1%	AMBER	Low, but lending is mostly collateralised
RoTE (13.9%)	13.9%	AMBER	Up from 9.5% in FY25; rank 5 of 7
Cost/Income (72.7%)	72.7%	RED	Rank 7 of 7; integration costs still running
Swiss Capital Reform	Pending	AMBER	Up to about USD 20bn more CET1 at UBS AG
Fed IHC Stress (-280bps)	15.3%	GREEN	US holding company only; minimum CET1

Improving: capital and risk metrics trending positively. Stable: metrics broadly unchanged. Deteriorating: material weakening in key risk di

(2) UBS Group Pillar 3 Report, 30 June 2026, published 14 August 2026 (KM1, KM2, OV1, Swiss SRB tables).

(3) UBS news release on Swiss government capital announcements, 22 April 2026.

(1) UBS Group 30 June 2026 Interim Report (2Q26 report), published 29 July 2026.

Macroeconomic Context

Switzerland is growing below trend. The Federal Government Expert Group on Business Cycles expects real GDP growth of 0.9% in 2026 and 1.6% in 2027, after 1.5% in 2025, with unemployment rising to 3.1% and consumer price inflation of 0.6% in 2026. The June forecast was cut because the Middle East crisis lifted energy prices and weighed on global demand (5). The Swiss National Bank held its policy rate at 0% on 18 June 2026. Its conditional inflation forecast of 0.6% for 2026, 0.6% for 2027 and 0.7% for 2028 assumes an unchanged 0% rate over the whole horizon, and the SNB repeated its increased willingness to intervene against a rapid franc appreciation (6).

For UBS the domestic cycle matters less than for a typical European bank. Switzerland anchors Personal & Corporate Banking and much of the franc deposit base, but the earnings engine is Global Wealth Management, where the Americas are the largest client market. SECO's technical assumptions put US growth at 2.2% in 2026 and 2.0% in 2027, well ahead of the euro area at 0.6% and 1.3% (5). A zero policy rate caps franc deposit margins, while US equity and credit markets drive invested assets and transaction fees more than Swiss GDP does.

The macro-prudential variable that matters most for UBS is Swiss regulation, not the Swiss economy. On 22 April 2026 the Federal Council finalised the Capital Adequacy Ordinance and sent Parliament a Banking Act amendment requiring UBS AG to deduct its foreign participations in full from CET1 (3). A committee of the Council of States backed a softer version on 31 August 2026, according to press reports, but the law is not settled (8).

Macro Projections: Switzerland

Indicator	2024	2025	2026E	2027E	Source
Real GDP growth	1.2%	1.5%	0.9%	1.6%	SECO (5)
Unemployment rate	2.4%	2.8%	3.1%	3.0%	SECO (5)
CPI inflation	1.1%	0.2%	0.6%	0.6%	SECO (5)
SNB conditional CPI	n/a	n/a	0.6%	0.6%	SNB (6)
SARON (average)	1.3%	0.1%	0.0%	0.2%	SECO (5)
10Y Swiss govt yield	0.6%	0.3%	0.5%	0.6%	SECO (5)
US real GDP growth	2.8%	2.1%	2.2%	2.0%	SECO (5)
Euro area GDP growth	0.9%	1.5%	0.6%	1.3%	SECO (5)
Brent, USD/bbl	80.5	69.1	93.5	80.5	SECO (5)

Medium-Term Outlook for UBS's Business Model

- The Swiss capital regime is the swing factor. The Federal Council's proposal phases in a full CET1 deduction of foreign participations at UBS AG over seven years, starting at 65% and rising by 5 percentage points a year. UBS estimates it would need about USD 20bn of additional CET1 at UBS AG, implying a de facto Group CET1 minimum of about 18.4% against 14.4% today (3). Press reports say the Council of States economic committee instead backed 50% CET1 and 50% AT1 backing; plenary votes in both chambers remain and a final decision is unlikely before the end of 2026 (8).
- The Capital Adequacy Ordinance changes are already final. Capitalised software must be amortised over no more than three years by 1 January 2029, and prudential valuation adjustments tighten from 1 January 2027, removing about USD 4bn of net CET1 at Group level, roughly 0.8 percentage points of CET1 ratio (3).
- Franc margins have little policy upside. With the SNB at 0% and SECO assuming SARON of 0.0% in 2026 and 0.2% in 2027, net interest income growth depends on loan and deposit volumes and on dollar balances rather than on franc rates (5)(6).
- Growth is increasingly driven by wealth management outside Switzerland. The US business adds a second regulatory perimeter, UBS Americas Holding LLC, whose Federal Reserve stress capital buffer constrains how much capital can be moved back to the parent (see Section 5).
- The integration is in its final phase. Legacy IT decommissioning is due to be substantially complete by end-2026, after the cost

(5) SECO, Federal Expert Group on Business Cycles: economic forecast for Switzerland, 18 June 2026.
(6) Swiss National Bank: monetary policy assessment, 18 June 2026.
(3) UBS news release on Swiss government capital announcements, 22 April 2026.
(8) Press report (Reuters), 31 August 2026: Council of States committee vote on UBS capital rules.

programme reaches its annualised exit-rate target. Once integration costs stop, the reported cost/income ratio should converge toward the underlying ratio, but revenue exposure to markets remains high.

- Ratings reflect lower execution risk but an uncertain capital path. Fitch upgraded UBS Group AG to A+ in April 2026 and Moody's and S&P rate it A2 and A-. Fitch names the Swiss TBTF revision and litigation over the 2023 write-down of Credit Suisse AT1 notes as the main uncertainties (7).

1. Capital Position

UBS reported a CET1 ratio of 14.38% at 30 June 2026, down from 14.65% at 31 March and 14.44% at end-2025 (2). The second-quarter decline reflected capital returns, not risk growth. CET1 capital fell USD 0.8bn to USD 72.5bn: pre-tax profit of USD 3.6bn was more than offset by a new USD 3.0bn reserve for future share repurchases, USD 0.9bn of dividend accruals, USD 0.5bn of current tax and USD 0.3bn of adverse currency translation. RWA rose USD 3.6bn to USD 503.9bn.

Tier 1 and total capital ratios are both 19.05% because UBS holds practically no Tier 2 capital. The Swiss framework is met with CET1 and high-trigger AT1 for going concern, and with TLAC-eligible senior debt for gone concern. UBS ranks 1 of 7 on Tier 1 and 3 of 7 on total capital. The total capital ranking understates its loss-absorbing capacity: TLAC of 38.4% of RWA ranks 2 of 7 against a peer median of 36.4%, although Swiss TLAC and EU MREL are not calculated identically.

The leverage ratio in the peer tables is UBS's Basel III tier 1 leverage ratio, 5.82%, which ranks 1 of 7 (median 4.8%). It is not the Swiss headline metric. The Swiss SRB CET1 leverage ratio is 4.39% against a 3.58% requirement, only 81bps of headroom, compared with 355bps on the risk-weighted CET1 requirement (2). With RWA density of 29.5% (peer median 26.4%), leverage is the closer constraint. The MDA headroom row shows UBS's headroom to the Swiss CET1 requirement; Switzerland has no EU-style MDA trigger, so it is not strictly comparable.

Capital Ratios Comparison

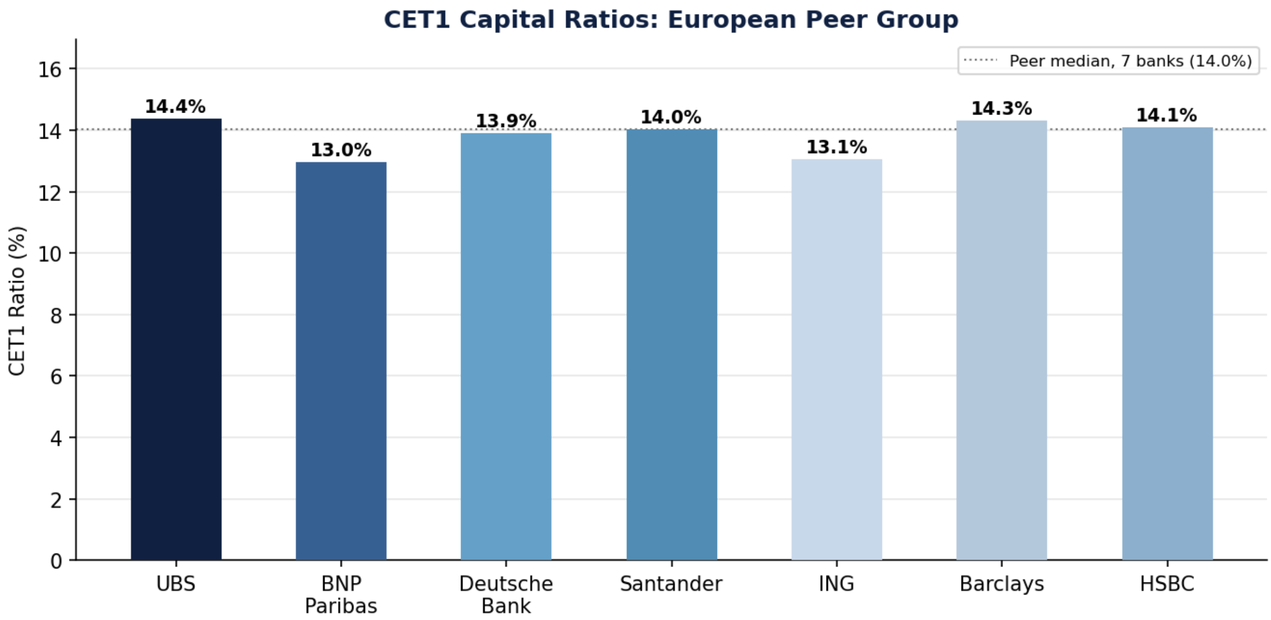
MREL/TLAC bases differ: BNP Paribas reports TLAC; Santander, Deutsche Bank, Barclays and ING report MREL (ING's TLAC capacity is identical); HSBC reports TLAC summed across its resolution groups; and UBS reports Swiss TLAC. The MREL/TLAC row is therefore indicative only.

Metric	UBS	BNP Par.	Deutsche	Santander	ING	Barclays	HSBC	Median
CET1 ratio	14.4%	13.0%	13.9%	14.0%	13.1%	14.3%	14.1%	14.0%
Tier 1 ratio	19.1%	15.5%	17.2%	15.7%	15.7%	18.0%	16.7%	16.7%
Total capital	19.1%	17.7%	19.0%	18.8%	18.7%	20.3%	19.7%	19.0%
Leverage ratio	5.8%	4.4%	4.5%	4.8%	4.2%	4.9%	4.9%	4.8%
MDA headroom	355bps	254bps	271bps	401bps	197bps	210bps	300bps	271bps
MREL/TLAC	38.4%	27.1%	36.4%	40.9%	32.5%	36.7%	33.0%	36.4%

(7) Fitch Ratings, UBS Group AG Rating Report, 6 May 2026; UBS credit ratings page, September 2026.

(2) UBS Group Pillar 3 Report, 30 June 2026, published 14 August 2026 (KM1, KM2, OV1, Swiss SRB tables).

CET1 Ratios: European Peer Comparison



Swiss Going-Concern and Gone-Concern Requirements

As a Swiss systemically relevant bank, UBS faces a total going-concern requirement of 15.20% of RWA and 5.08% of the leverage ratio denominator (LRD). At least 10.83% of RWA must be CET1: a 4.50% minimum, a 5.72% buffer, 0.45% of countercyclical buffers and a 0.16% Pillar 2 add-on for residual exposure to hedge funds, private equity and family offices. Up to 4.37% can be met with high-trigger AT1. Add-ons of 1.89% of RWA reflect UBS's Swiss market share and its leverage exposure. The too-big-to-fail gone-concern requirement is 10.89% of RWA, and FINMA may add up to 25% of the going-concern requirement if it finds obstacles to resolvability (2). UBS meets every requirement. The widest margin is in gone-concern capacity (19.38% of RWA); the narrowest is CET1 leverage.

30 June 2026	Req. % RWA	Actual % RWA	Req. % LRD	Actual % LRD
CET1 capital	10.83%	14.38%	3.58%	4.39%
Total going-concern capital	15.20%	19.05%	5.08%	5.82%
Gone-concern capacity	10.89%	19.38%	3.81%	5.92%
Total loss-absorbing capacity	26.08%	38.42%	8.88%	11.74%

RWA Composition

Operational risk RWA of USD 135.4bn are 27% of UBS's total against a peer median share of 14%, consistent with a fee-heavy, low credit-intensity business model. Market risk RWA rose USD 7.7bn in the quarter to USD 32.3bn, all on the FRTB standardised approach. The 65% output floor that applies in 2026 is not binding (2).

Risk type	UBS, USD bn	UBS share	Peer median share, 7 banks
Credit risk (excl. CCR)	256.1	50.8%	72.9%
Counterparty credit and CVA	44.5	8.8%	5.7%
Market risk	32.3	6.4%	3.9%
Operational risk	135.4	26.9%	14.1%
Other (securitisation, funds, 250% items)	35.6	7.1%	5.5%
Total RWA	503.9	100.0%	100.0%

(2) UBS Group Pillar 3 Report, 30 June 2026, published 14 August 2026 (KM1, KM2, OV1, Swiss SRB tables).

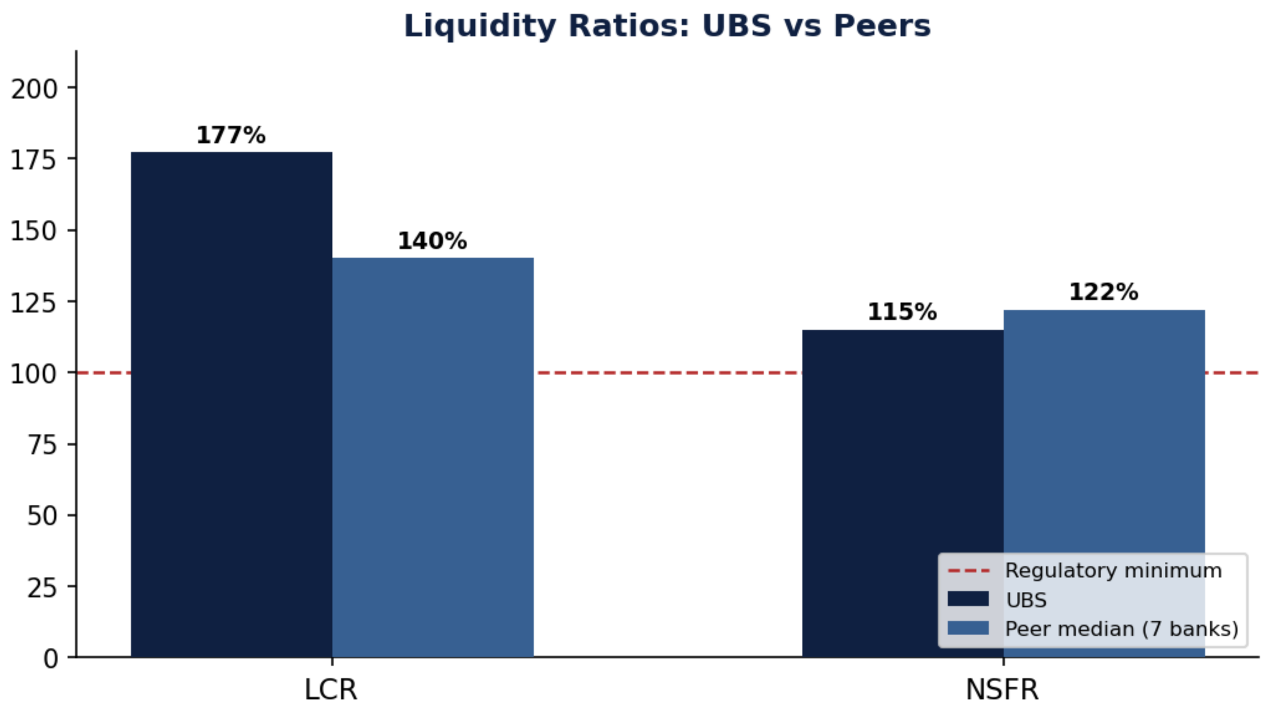
2. Liquidity Position

UBS's liquidity coverage ratio averaged 177.3% in 2Q26, ranking 1 of 7 against a peer median of 140.1% (2). Average high-quality liquid assets rose USD 7.8bn to USD 341.8bn, but average net cash outflows also rose, by USD 5.0bn to USD 192.9bn, leaving the ratio broadly unchanged from 182.6% at end-2025. LCR bases differ: BNP Paribas, Deutsche Bank, Barclays, HSBC and ING report twelve-month averages to 30 June 2026; Santander reports a twelve-month average to 31 March 2026; and UBS reports a quarterly average of daily data points. Small differences between banks should therefore not be over-read.

The NSFR is the metric to watch. It fell to 115.0% at 30 June 2026 from 122.4% a year earlier and 116.1% at end-2025, and now ranks 6 of 7 (median 122.0%). Available stable funding was slightly lower over the twelve months at USD 900.3bn, while required stable funding rose about USD 43.6bn as trading and lending assets grew (2). The ratio remains above FINMA's requirement, but it has moved in the opposite direction to capital.

Funding is deposit-led. Customer deposits of USD 785bn exceed customer loans of USD 663bn, a loan-to-deposit ratio of 84.5% against a peer median of 80.9% (1). Fitch notes the ratio improved to 86% at end-2025 from a post-acquisition peak of 96% in mid-2023 (7).

Liquidity Ratios vs Peer Median



Liquidity Metrics

Metric	UBS	Peer median	UBS rank
LCR	177.3%	140.1%	1 of 7
NSFR	115.0%	122.0%	6 of 7
Loan-to-deposit ratio	84.5%	80.9%	n/a (neutral)
HQLA, EURbn	300	300	n/a
Customer deposits, EURbn	689	773	n/a

(2) UBS Group Pillar 3 Report, 30 June 2026, published 14 August 2026 (KM1, KM2, OV1, Swiss SRB tables).
(1) UBS Group 30 June 2026 Interim Report (2Q26 report), published 29 July 2026.
(7) Fitch Ratings, UBS Group AG Rating Report, 6 May 2026; UBS credit ratings page, September 2026.

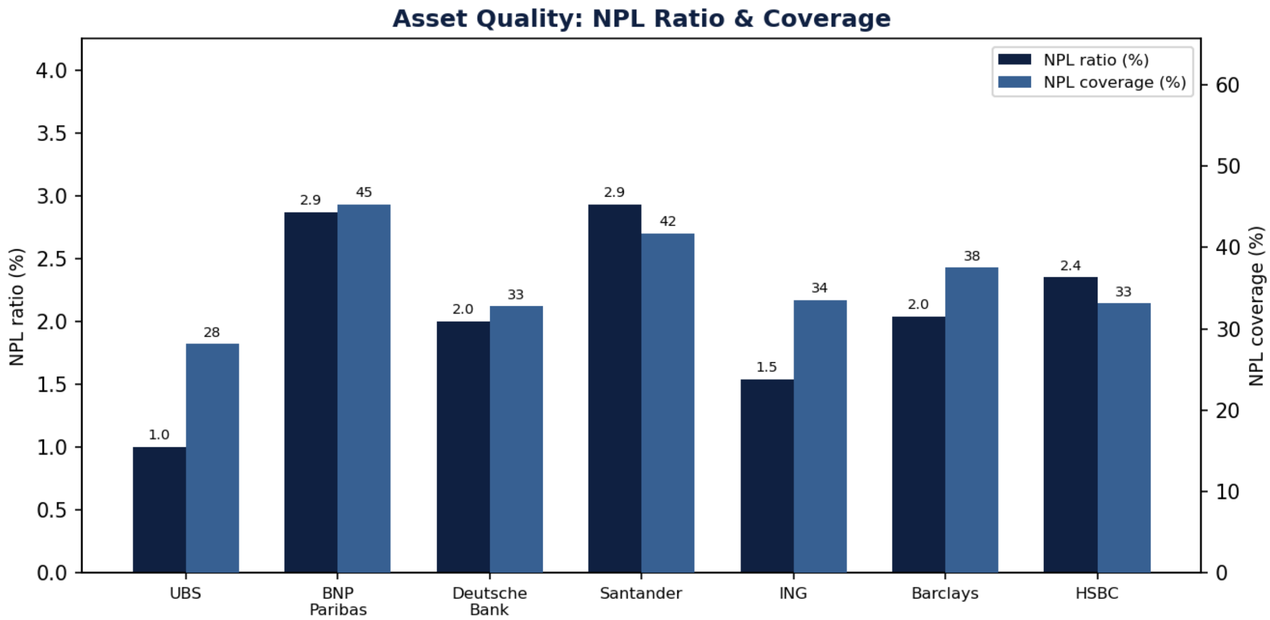
3. Asset Quality

UBS does not publish an EBA-style NPL ratio. The measure used here is its credit-impaired lending ratio: 1.0% of gross lending assets at 30 June 2026, covering Stage 3 and purchased credit-impaired exposures, up from 0.9% at end-2025 (1). On this measure UBS ranks 1 of 7 (median 2.0%), but EU peers report EBA non-performing loan ratios, so the comparison is directional. In the IFRS 9 core loan portfolio, Stage 2 loans were 4.3% and Stage 3 loans 0.9% of the gross carrying amount.

Coverage of 28.1% ranks 7 of 7 and looks low against a peer median of 33.5%. That reflects collateral, not under-provisioning. 98.3% of Global Wealth Management loans and 89.7% of Personal & Corporate Banking loans are collateralised, mainly by securities and Swiss residential real estate, so expected loss after default is small (1). Across the peer set, coverage ranges from 28.1% at UBS to 45.3% at BNP Paribas.

Credit costs remain negligible: the cost of credit risk was 6bps in H1 2026 (peer median 41bps), and H1 credit loss expense was USD 191m. The direction still deserves monitoring. Total credit-impaired exposure rose to USD 7.7bn from USD 7.2bn in the quarter, and Personal & Corporate Banking accounts for USD 4.3bn of it, which is consistent with a slowing Swiss economy (1)(5).

NPL Ratio & Coverage: Peer Comparison



Asset Quality Trend

H1 2025 values are year-to-date comparatives in the 2Q26 report; FY 2025 values are from the fourth quarter 2025 report (9).

Metric	H1 2025	FY 2025	H1 2026	Direction
Credit-impaired ratio	0.9%	0.9%	1.0%	Slightly weaker
Cost of credit risk	8bps	8bps	6bps	Improved
Credit loss expense, USD m	263	524	191	Lower (H1 vs H1)
Stage 2 ratio (core loans)	n/a	n/a	4.3%	n/a
Stage 3 coverage	n/a	n/a	28.1%	n/a

(1) UBS Group 30 June 2026 Interim Report (2Q26 report), published 29 July 2026.
(5) SECO, Federal Expert Group on Business Cycles: economic forecast for Switzerland, 18 June 2026.
(9) UBS Group fourth quarter 2025 report (4 February 2026) and second quarter 2025 report (30 July 2025).

4. Market Risk & Trading

UBS runs a moderate trading book for a global universal bank, and since FRTB took effect all market risk RWA are calculated under the standardised approach; no internal-model desks are approved (2). Market risk RWA jumped USD 7.7bn in 2Q26, from USD 24.5bn to USD 32.3bn, because of Group Treasury hedging and Investment Bank Global Markets activity. That is large in percentage terms, but market risk is still only 6.4% of total RWA.

Because UBS no longer reports regulatory VaR, the available risk measure is management VaR (1-day, 95% confidence, five years of history). It averaged USD 21m in 2Q26 against USD 12m in 1Q26, mainly because of Group Treasury hedging and a VaR model change (1). This basis is not comparable with the 99%, 10-day regulatory VaR still disclosed by banks with internal-model approval.

Interest rate risk in the banking book is contained. Of FINMA's six prescribed shock scenarios, 'Parallel up' is the most severe: it would reduce economic value of equity by USD 8.6bn, 9.0% of tier 1 capital, against the 15% supervisory outlier threshold. The immediate tier 1 capital effect would be only about USD 1.1bn because most of the banking book is accrual-accounted or hedge-accounted. Earnings sensitivity favours UBS in both directions: a +100bp parallel shift would add about USD 1.5bn to annual banking book net interest income, mostly in francs, and a -100bp shift would still add about USD 0.9bn because of contractual and assumed flooring on franc products (1).

Market Risk and IRRBB Indicators

Measure	30 Jun 2026	31 Mar 2026	Basis
Market risk RWA, USD bn	32.3	24.5	FRTB standardised
Management VaR, avg USD m	21	12	1-day, 95%
EVE, Parallel up, USD bn	-8.6	-9.1	FINMA scenario
EVE, Parallel up, % tier 1	9.0%	9.4%	Outlier test 15%
EVE, +1bp, USD m	-46.0	-49.4	Excludes AT1
NII, +100bp, USD bn	+1.5	n/a	Year 1, franc-led

5. Stress Test Results

UBS Group is not in the EBA EU-wide stress test, and FINMA does not publish bank-level stress results. UBS's reports refer to its internal combined stress test, but its interim disclosures do not publish stressed Group CET1 outcomes. The only public quantitative supervisory result is the Federal Reserve's 2026 test of UBS Americas Holding LLC, UBS's US intermediate holding company (4).

In the severely adverse scenario, the IHC's CET1 ratio fell from 18.1% at end-2025 to a minimum of 15.3%, a depletion of 280bps, and ended the nine-quarter horizon at 17.4%. The tier 1 leverage ratio minimum was 6.7% and the supplementary leverage ratio minimum 5.7%. Projected loan losses of USD 2.3bn were well covered by USD 5.1bn of pre-provision net revenue. The Federal Reserve kept 2025 stress capital buffers unchanged for 2026, so the IHC remains subject to a 5.2% SCB until 2027, even though the new result is milder (4). The IHC's CET1 ratio was 16.5% at 30 June 2026 (2).

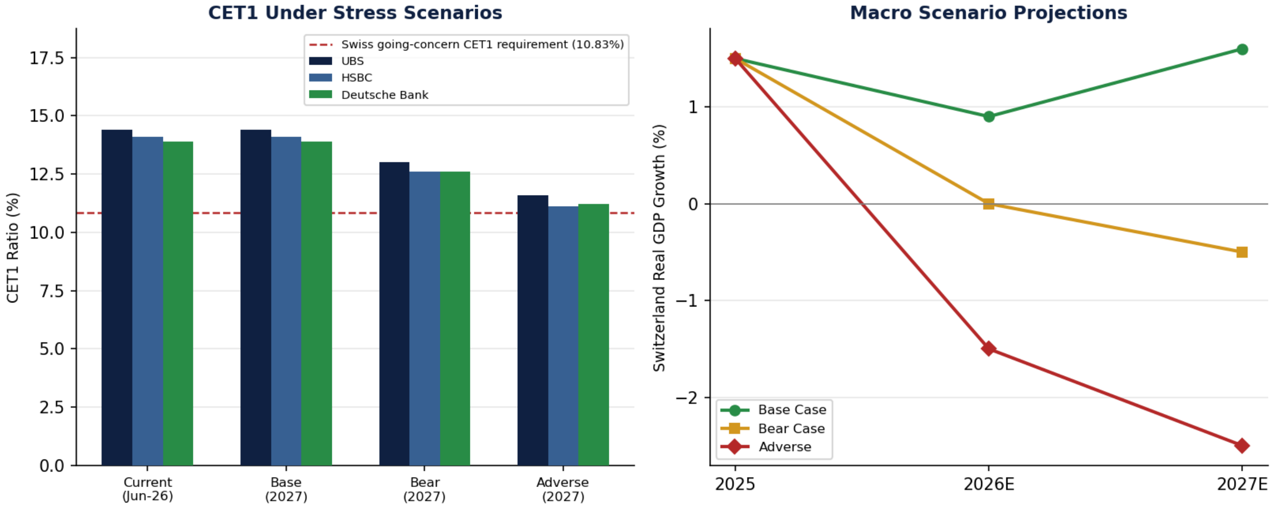
Scope limits matter. The IHC's USD 75.7bn of US standardised RWA is equivalent to about 15% of Group RWA, measured on a different rule set, and the exercise excludes the Swiss balance sheet, the franc mortgage book and most of the global wealth platform. Below, the 280bps depletion is used only as the input to RiskView's shared illustrative scenario rule. It is not a Group stress result and is not like-for-like with EBA or Bank of England depletions.

For UBS the more consequential stress is regulatory. On UBS's own estimate, the full foreign-participation deduction would lift the de facto Group CET1 minimum to about 18.4%, 4.0 percentage points above today's ratio, phased in over seven years (3). None of the illustrative paths below reaches that level. Meeting it would require years of earnings retention, lower distributions or the softer

(2) UBS Group Pillar 3 Report, 30 June 2026, published 14 August 2026 (KM1, KM2, OV1, Swiss SRB tables).
(1) UBS Group 30 June 2026 Interim Report (2Q26 report), published 29 July 2026.
(4) Federal Reserve: 2026 Stress Test Results and Large Bank Capital Requirements, 24 June 2026.
(3) UBS news release on Swiss government capital announcements, 22 April 2026.

outcome reported in the press.

Scenario Analysis: CET1 Paths and Swiss Macro



Scenario Assumptions

Variable	Base Case	Bear Case	Adverse
Swiss GDP 2026	+0.9%	+0.0%	-1.5%
Swiss GDP 2027	+1.6%	-0.5%	-2.5%
Swiss unemployment 2027	3.0%	3.8%	5.0%
SNB policy rate 2027	0.0%	0.0%	-0.5%
Invested assets vs Jun-26	Flat	-10%	-25%
CET1, UBS 2027E	14.4%	13.0%	11.6%
Headroom to Swiss CET1 req.	357bps	217bps	77bps

Scenario Narrative

- Base Case: anchored to the SECO June 2026 forecast, with GDP of 0.9% in 2026 and 1.6% in 2027, unemployment near 3% and the SNB at 0% (5)(6). Organic capital generation funds the dividend and the USD 3bn buyback, so CET1 holds at about 14.4%, in line with management's stated operating level of around 14%.
- Bear Case (RiskView illustrative): a euro area slowdown and a stronger franc stall Swiss growth in 2026 and push GDP down 0.5% in 2027, while lower market levels cut invested assets and recurring fees by about a tenth. Deducting half of the Fed IHC depletion gives CET1 of about 13.0%, 217bps above the Swiss CET1 requirement; buybacks would likely pause.
- Adverse Scenario (RiskView illustrative): a global recession with a 25% fall in invested assets, Swiss real estate stress and a return to negative policy rates. Deducting the full 280bps gives CET1 of about 11.6%, 77bps above the 10.83% requirement. On the same rule HSBC reaches 11.1% and Deutsche Bank 11.2%. The margin for UBS is thinner than the paths suggest, because the IHC depletion is a US-only proxy and a Group-wide shock would also hit Swiss lending and fee revenue.

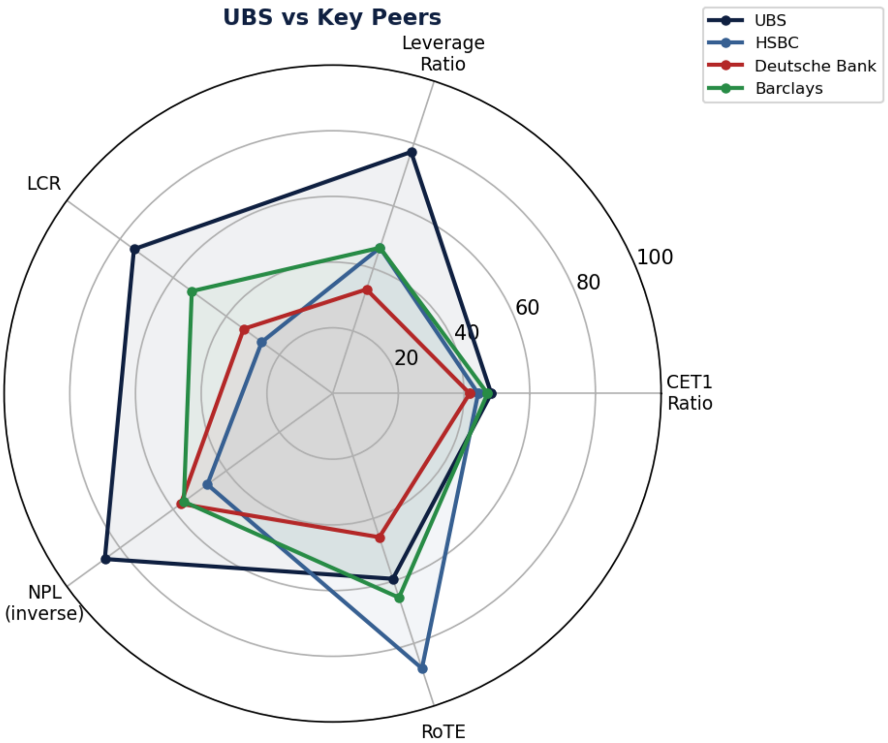
(5) SECO, Federal Expert Group on Business Cycles: economic forecast for Switzerland, 18 June 2026.
(6) Swiss National Bank: monetary policy assessment, 18 June 2026.

6. Peer Comparison

The seven-bank European peer group spans EUR 1,161bn to EUR 3,084bn of total assets at 30 June 2026 exchange rates. UBS, at EUR 1,498bn, ranks 6 of 7 by size (10). Two structural differences shape every comparison. UBS is regulated under the Swiss SRB framework, with going-concern and gone-concern requirements instead of CRR buffers and MREL. And its business mix is dominated by wealth management fees rather than lending, which lowers RWA density and credit costs but raises the cost base.

On the eight scorecard metrics UBS ranks first on CET1 ratio, leverage ratio, LCR and NPL ratio and last on NPL coverage and cost/income. The pattern is a conservatively funded, low credit-risk franchise with below-peer efficiency. Returns are below the median, at a RoTE of 13.9% against 14.8%. LCR bases differ: BNP Paribas, Deutsche Bank, Barclays, HSBC and ING report twelve-month averages to 30 June 2026; Santander reports a twelve-month average to 31 March 2026; and UBS reports a quarterly average of daily data points.

Metric	UBS	BNP Par.	Deutsche	Santander	ING	Barclays	HSBC	Median
CET1 ratio	14.4%	13.0%	13.9%	14.0%	13.1%	14.3%	14.1%	14.0%
Leverage ratio	5.8%	4.4%	4.5%	4.8%	4.2%	4.9%	4.9%	4.8%
LCR	177.3%	134.8%	140.1%	147.0%	137.0%	157.7%	134.0%	140.1%
NSFR	115.0%	108.6%	118.0%	122.0%	127.7%	135.8%	140.0%	122.0%
NPL ratio	1.0%	2.9%	2.0%	2.9%	1.5%	2.0%	2.4%	2.0%
NPL coverage	28.1%	45.3%	32.8%	41.7%	33.5%	37.5%	33.1%	33.5%
RoTE	13.9%	13.3%	11.9%	17.4%	15.3%	14.8%	18.2%	14.8%
Cost/income	72.7%	59.3%	60.9%	42.8%	52.1%	55.0%	46.2%	55.0%
Total assets, EURbn	1,498	3,084	1,521	1,954	1,161	2,008	3,018	1,954
H1 net income, EURbn	5	8	4	9	4	5	13	5



(10) RiskView H1 2026 European peer dataset: seven banks' H1 2026 Pillar 3 and interim disclosures.

Commentary

- HSBC is the closest comparator on scale and dollar reporting. It earns a RoTE of 18.2% with a cost/income ratio of 46.2%, against 13.9% and 72.7% at UBS, on CET1 of 14.1% (10). The gap between the two is efficiency, not capital.
- Deutsche Bank has the closest business mix among the EU banks, with a large investment bank and a growing wealth arm. UBS's CET1 ratio is 0.5 percentage points higher and its leverage ratio 1.3 points higher than Deutsche's, while Deutsche's RoTE is 11.9% against 13.9% at UBS (10).
- Santander has the lowest cost/income ratio in the group at 42.8%, 29.9 percentage points below UBS. Even UBS's underlying cost/income ratio of 70.1% for H1 2026 would leave it at the high end of the range (1).
- Barclays' Bank of England 2025 depletion of 420bps and HSBC's 300bps compare with 280bps for UBS's US holding company. The exercises differ in scope and severity, so the comparison indicates relative resilience only.

7. Year-over-Year Changes

Over the twelve months to 30 June 2026 UBS's risk profile was broadly stable and its profitability improved sharply. CET1 was 14.41% at 30 June 2025, 14.44% at end-2025 and 14.38% at 30 June 2026. The Basel III leverage ratio rose to 5.82% from 5.53% as tier 1 capital grew to USD 96.0bn from USD 91.7bn (2). The cost/income ratio improved by 8.7 percentage points to 72.7%, and RoTE rose to 13.9% from 10.2% (1). Two measures moved the wrong way: the NSFR fell 7.4 percentage points and the credit-impaired ratio edged up to 1.0%.

Metric	H1 2025	FY 2025	H1 2026	vs H1 2025
CET1 ratio	14.4%	14.4%	14.4%	Weaker
Leverage ratio	5.5%	5.6%	5.8%	Improved
LCR	182.3%	182.6%	177.3%	Weaker
NPL ratio	0.9%	0.9%	1.0%	Weaker
RoTE	10.2%	9.5%	13.9%	Improved
Cost/income	81.4%	81.1%	72.7%	Improved

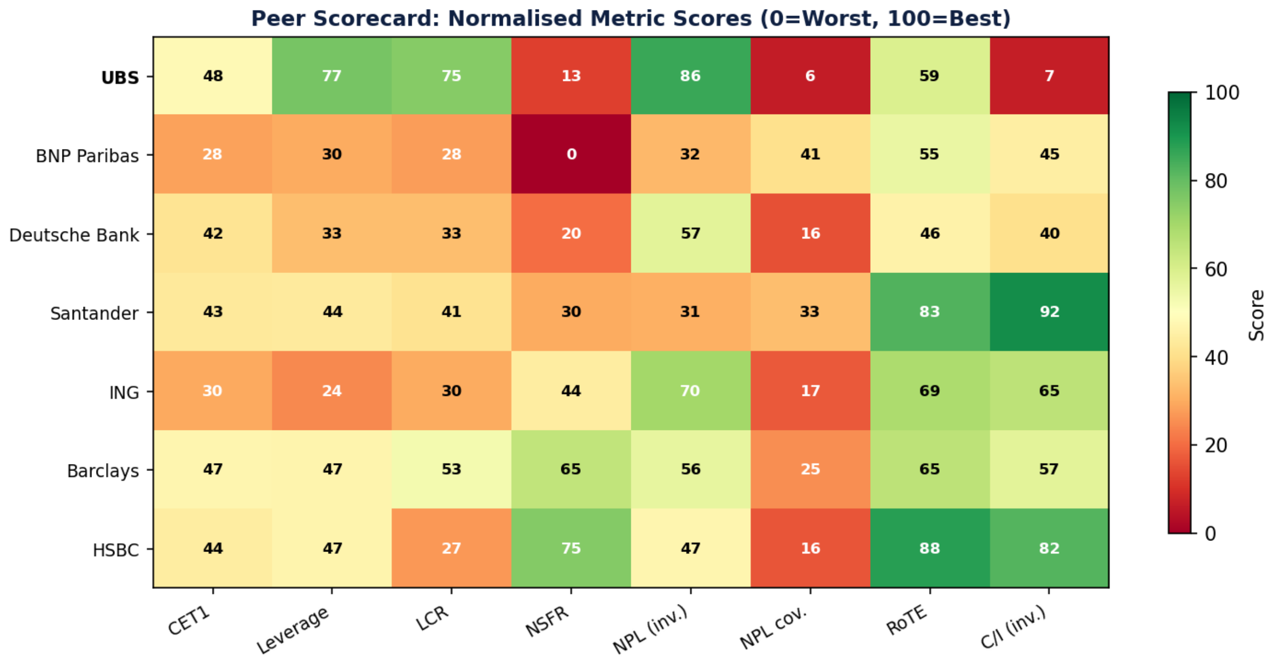
- The RoTE improvement is mainly operating leverage. H1 revenues rose 13% year on year to USD 27.9bn, while operating expenses rose only 1%, as cumulative gross cost saves reached USD 12.6bn (1).
- CET1 is flat despite higher earnings because distributions absorb them: a dividend of USD 1.10 per share was paid in April 2026 (USD 0.90 a year earlier), and a USD 3.0bn reserve for the new buyback was deducted in 2Q26.
- The NSFR fell from 122.4% to 115.0% as required stable funding grew by about USD 44bn while available stable funding edged down (2).
- The LCR moved from 182.3% to 177.3%, a decline that still leaves it well above the peer median of 140.1%, although peer LCRs are reported on different bases.
- Non-core and Legacy is nearly wound down: its RWA fell 68% since 2Q23 and credit and market risk RWA reached the USD 4bn end-2026 ambition early (1).

(10) RiskView H1 2026 European peer dataset: seven banks' H1 2026 Pillar 3 and interim disclosures.
(1) UBS Group 30 June 2026 Interim Report (2Q26 report), published 29 July 2026.
(2) UBS Group Pillar 3 Report, 30 June 2026, published 14 August 2026 (KM1, KM2, OV1, Swiss SRB tables).

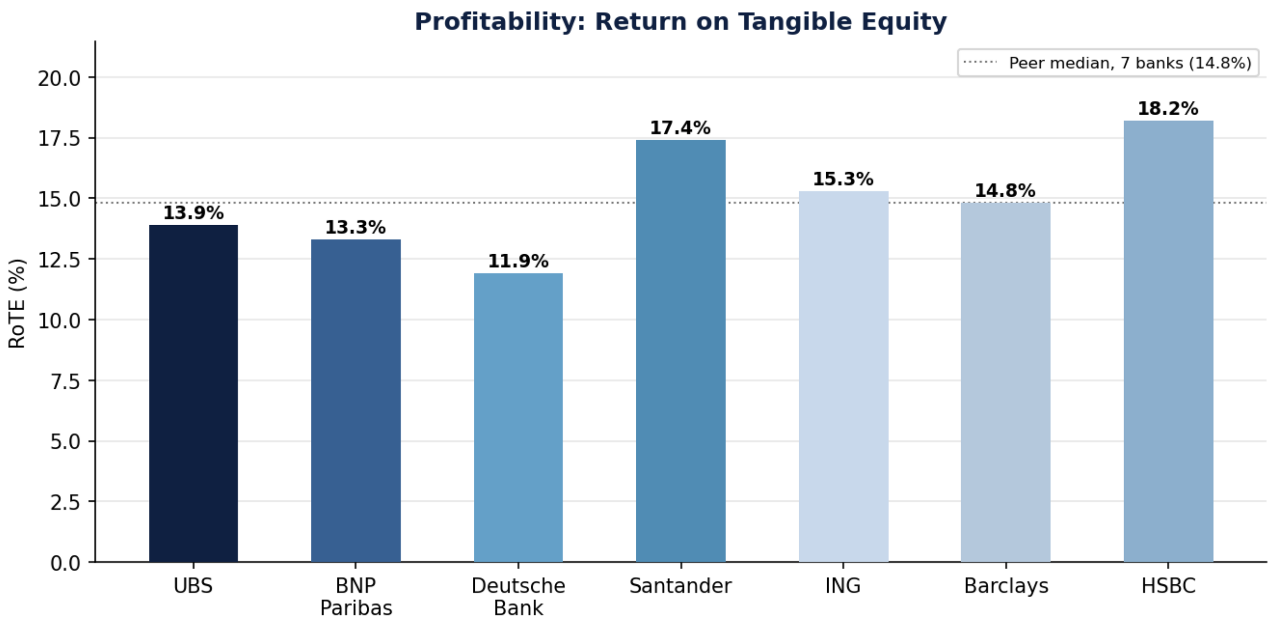
8. Potential Improvements

UBS's weaknesses are not solvency or liquidity. They are efficiency, the structural funding trend and exposure to an unsettled domestic capital regime. The improvements below would strengthen its position without relying on a favourable parliamentary outcome.

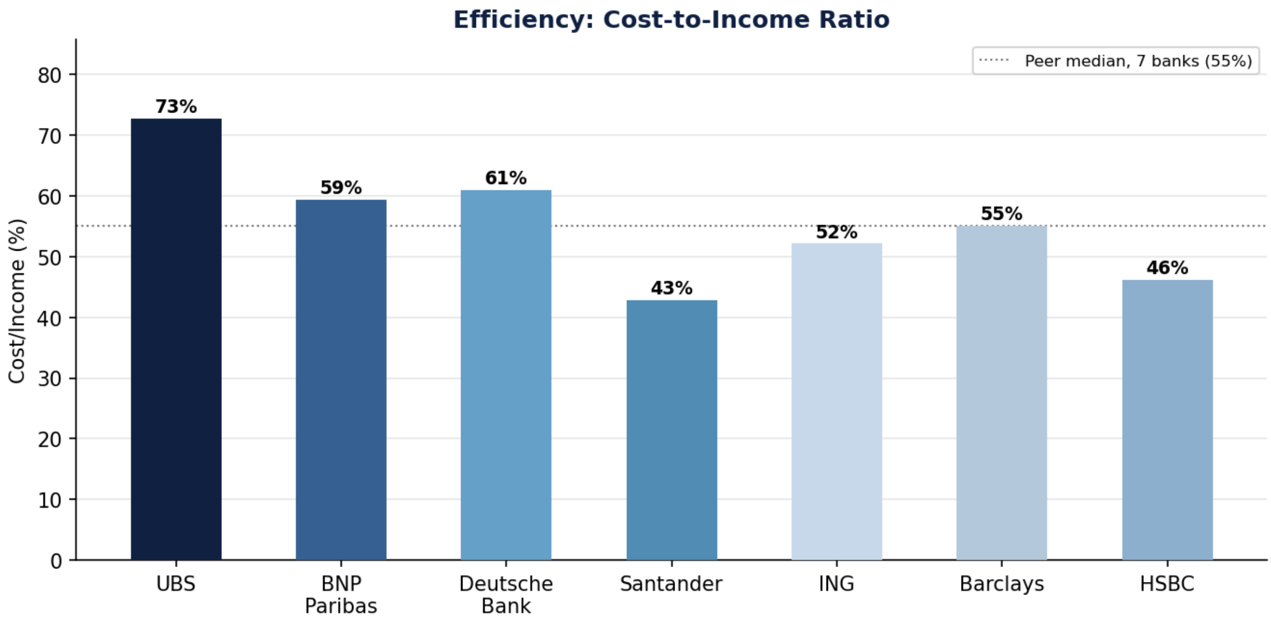
Scorecard: UBS vs Peers



Profitability: Return on Tangible Equity



Efficiency: Cost-to-Income Ratio



UBS: Areas for Improvement

- Close the efficiency gap. At 72.7%, reported cost/income ranks 7 of 7. Delivering the remaining about USD 0.9bn of the USD 13.5bn gross cost-save target, and letting integration costs run off after USD 14.2bn to date, should move the reported ratio toward the underlying ratio (1).
- Publish pro-forma capital for each regulatory outcome. Investors can see the government proposal's impact, but not a reconciled path under the press-reported 50% CET1 / 50% AT1 compromise, nor the AT1 cost of that route. Scenario-level CET1, AT1 and TLAC targets would reduce uncertainty premia.
- Rebuild structural funding. An NSFR of 115.0%, down 7.4 points in a year, is below the peer median of 122.0%. Longer-dated funding, or slower growth in trading assets that consume stable funding, would restore a cushion.
- Reduce the capital locked in subsidiaries. The milder Fed stress result supports upstreaming capital from the US holding company once the stress capital buffer is recalibrated, which also lowers the base for any Swiss foreign-participation deduction.
- Explain and contain market risk RWA. The 7.7bn quarterly jump came mostly from Group Treasury hedging. Disclosing the hedging strategy's RWA cost, and its benefit to banking book sensitivity, would show whether it is structural or tactical.
- Improve comparability of stress and asset quality disclosures. A headline Group result from the combined stress test and an NPL measure on the EBA definition would let investors benchmark UBS directly against EU peers.
- Watch Swiss domestic credit. Personal & Corporate Banking holds most credit-impaired exposure and SECO expects unemployment to rise in 2026, so the franc SME and commercial real estate books are where credit costs would rise first (5).
- Resolve legacy litigation exposure. Fitch flags claims over the 2023 Credit Suisse AT1 write-down as a rating sensitivity; clearer disclosure of potential outcomes would help (7).

Appendix

Data Sources

- (1) UBS Group AG: 30 June 2026 Interim Report (second quarter 2026 report), published 29 July 2026; SEC Form 6-K
- (2) UBS Group AG: Pillar 3 Report 30 June 2026, UBS Group and significant regulated subsidiaries and sub-groups, published 14 August 2026; SEC Form 6-K
- (3) UBS Group AG: statement on regulatory capital announcements made by the Swiss government, news release, 22 April 2026

(1) UBS Group 30 June 2026 Interim Report (2Q26 report), published 29 July 2026.
(5) SECO, Federal Expert Group on Business Cycles: economic forecast for Switzerland, 18 June 2026.
(7) Fitch Ratings, UBS Group AG Rating Report, 6 May 2026; UBS credit ratings page, September 2026.

- (4) Board of Governors of the Federal Reserve System: 2026 Federal Reserve Stress Test Results; Large Bank Capital Requirements, 24 June 2026
- (5) SECO, Federal Government Expert Group on Business Cycles: economic forecast for Switzerland, press release and appendix, 18 June 2026
- (6) Swiss National Bank: monetary policy assessment of 18 June 2026
- (7) Fitch Ratings: UBS Group AG Rating Report, 6 May 2026; UBS investor relations credit ratings page (Moody's, S&P), accessed 10 September 2026
- (8) Reuters, 31 August 2026: Swiss parliamentary committee passes UBS capital concessions (press report, not an official source)
- (9) UBS Group AG: fourth quarter 2025 report, published 4 February 2026; second quarter 2025 report, published 30 July 2025
- (10) RiskView H1 2026 European peer dataset: H1 2026 Pillar 3 reports and interim results of BNP Paribas, Deutsche Bank, Santander, ING, Barclays, HSBC and UBS

Methodology Notes

Data basis. UBS figures are from the 30 June 2026 Pillar 3 Report and the 30 June 2026 Interim Report (both filed with the SEC), with H1 2025 and FY 2025 comparatives from the same documents and the fourth quarter 2025 report. UBS reports in US dollars under IFRS and is supervised by FINMA under the Swiss systemically relevant bank (SRB) framework, not by the ECB or the PRA. Peer figures come from the RiskView H1 2026 dataset, built from each bank's own H1 2026 disclosures; every peer value, median and rank in this report is computed from that dataset.

Definitional caveats. NPL definitions differ: EU banks report EBA non-performing loan ratios, while UK and Swiss banks report credit-impaired or Stage 3 ratios; UBS's figure is credit-impaired lending (Stage 3 plus purchased credit-impaired) as a share of gross lending assets, and its coverage is Stage 3 ECL coverage of the core loan portfolio. LCR bases differ: BNP Paribas, Deutsche Bank, Barclays, HSBC and ING report twelve-month averages to 30 June 2026; Santander reports a twelve-month average to 31 March 2026; and UBS reports a quarterly average of daily data points. MREL/TLAC bases differ: BNP Paribas reports TLAC; Santander, Deutsche Bank, Barclays and ING report MREL (ING's TLAC capacity is identical); HSBC reports TLAC summed across its resolution groups; and UBS reports Swiss TLAC. The MREL/TLAC row is therefore indicative only. CET1 ratios are reported on the basis each bank discloses, so phased-in and fully loaded figures may be mixed; UBS has no transitional CET1 difference. UK leverage ratios exclude central bank claims, whereas UBS's Basel III leverage ratio includes them (no temporary exemption applies). UBS's MDA headroom is measured against the Swiss going-concern CET1 requirement, and its MREL/TLAC figure is Swiss TLAC as a percentage of RWA. UBS's VaR is management VaR (1-day, 95%), not regulatory VaR.

Currency. Amounts are shown in each bank's reporting currency in the text; peer tables convert to euros using the ECB euro foreign exchange reference rates, 30 June 2026 (EUR 1 = USD 1.1394 = GBP 0.86178).

Scoring. Scorecard and radar scores are linear 0-100 scores on fixed ranges shared by every RiskView H1 2026 European report, capped at 0 and 100: CET1 11-18 (higher is better); Leverage 3.5-6.5 (higher is better); LCR 110-200 (higher is better); NSFR 110-150 (higher is better); NPL (inv.) 0.5-4 (lower is better); NPL cov. 25-75 (higher is better); RoTE 5-20 (higher is better); C/I (inv.) 40-75 (lower is better).

Scenarios. Illustrative CET1 paths (RiskView estimates, not bank or supervisory projections) use one rule for every bank so peer bars match across reports: Base holds CET1 at its 30 June 2026 level (organic capital generation offsets distributions); Bear deducts half, and Adverse the full, CET1 depletion from the bank's latest published regulatory stress test (EBA 2025 for EU banks, Bank of England 2025 for UK banks, Federal Reserve 2026 for UBS's US intermediate holding company). Stress tests differ in scope, horizon and methodology, so the paths indicate relative resilience rather than forecasts. For UBS, the Base Case macro path is SECO's June 2026 forecast; Bear and Adverse macro assumptions are RiskView illustrations, not official projections. The Swiss parliamentary committee decision of 31 August 2026 is cited from a press report and is not an official source.

Glossary

SRB	Swiss systemically relevant bank framework (FINMA / Capital Adequacy Ordinance)
Going concern	Capital (CET1 and high-trigger AT1) required while the bank operates normally
Gone concern	Bail-in capacity required to recapitalise the bank in resolution

TLAC	Total loss-absorbing capacity: going plus gone concern capital, % of RWA or LRD
LRD	Leverage ratio denominator (total leverage exposure)
CET1 leverage	CET1 capital / LRD, the Swiss SRB headline leverage metric
CAO	Swiss Capital Adequacy Ordinance
TBTF	Too big to fail: Swiss regime for systemically important banks
IHC	Intermediate holding company; UBS Americas Holding LLC in the US
SCB	Stress capital buffer set by the Federal Reserve from its stress test
DFAST	Dodd-Frank Act stress test run by the Federal Reserve
FRTB	Fundamental Review of the Trading Book market risk framework
EVE	Economic value of equity sensitivity to interest rate shocks
PCI	Purchased or originated credit-impaired financial assets
NCL	Non-core and Legacy: UBS division winding down Credit Suisse positions
GWM / P&C	Global Wealth Management / Personal & Corporate Banking divisions
RoTE	Return on tangible equity, annualised

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