Pillar 3 Report

30 June 2024

UBS Group and significant regulated subsidiaries and sub-groups

UBS

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 Group excluding the Credit Suisse AG sub-group"	All UBS Group entities, excluding the Credit Suisse AG sub-group before the merger with UBS AG
"UBS AG" and "UBS AG consolidated"	UBS AG and its consolidated subsidiaries
"Credit Suisse AG" and "Credit Suisse AG consolidated"	Credit Suisse AG and its consolidated subsidiaries before the merger with UBS AG
"Credit Suisse Group" and "Credit Suisse Group AG consolidated"	Pre-acquisition Credit Suisse Group
"Credit Suisse"	Credit Suisse AG and its consolidated subsidiaries before the merger with UBS AG, Credit Suisse Services AG and other small former Credit Suisse Group entities now directly held by UBS Group AG
"UBS Group AG" and "UBS Group AG standalone"	UBS Group AG on a standalone basis
"Credit Suisse Group AG" and "Credit Suisse Group AG standalone"	Credit Suisse Group AG on a standalone basis
"UBS AG standalone"	UBS AG on a standalone basis
"Credit Suisse AG standalone"	Credit Suisse AG before the merger with UBS AG on a standalone basis
"UBS Switzerland AG" and "UBS Switzerland AG standalone"	UBS Switzerland AG on a standalone basis
"UBS Europe SE consolidated"	UBS Europe SE and its consolidated subsidiaries
"UBS Americas Holding LLC" and "UBS Americas Holding LLC consolidated"	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.

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UBS Group

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Contacts

Switchboards
For all general inquiries.
ubs.com/contact

Zurich +41-44-234 1111
London +44-207-567 8000
New York +1-212-821 3000
Hong Kong SAR +852-2971 8888
Singapore +65-6495 8000

Investor Relations
UBS's Investor Relations team manages relationships with institutional investors, research analysts and credit rating agencies.

ubs.com/investors

Zurich +41-44-234 4100
New York +1-212-882 5734

Media Relations
UBS's Media Relations team manages relationships with global media and journalists.

ubs.com/media

Zurich +41-44-234 8500
mediarelations@ubs.com

London +44-20-7567 4714
ubs-media-relations@ubs.com

New York +1-212-882 5858
mediarelations@ubs.com

Hong Kong SAR +852-2971 8200
sh-mediarelations-ap@ubs.com

Office of the Group Company Secretary
The Group Company Secretary handles inquiries directed to the Chairman or to other members of the Board of Directors.

UBS Group AG, Office of the Group Company Secretary
PO Box, CH-8098 Zurich, Switzerland

sh-company-secretary@ubs.com

Zurich +41-44-235 6652

Shareholder Services
UBS's Shareholder Services team, a unit of the Group Company Secretary's office, manages relationships with shareholders and the registration of UBS Group AG registered shares.

UBS Group AG, Shareholder Services
PO Box, CH-8098 Zurich, Switzerland

sh-shareholder-services@ubs.com

Zurich +41-44-235 6652

US Transfer Agent
For global registered share-related inquiries in the US.

Computershare Trust Company NA
PO Box 43006
Providence, RI, 02940-3006, USA

Shareholder online inquiries:
www.computershare.com/us/investor-inquiries

Shareholder website:
computershare.com/investor

Calls from the US
+1-866-305-9566
Calls from outside the US
+1-781-575-2623
TDD for hearing impaired
+1-800-231-5469
TDD for foreign shareholders
+1-201-680-6610

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UBS Group

Introduction and basis for preparation

Scope of Basel III Pillar 3 disclosures

The Basel Committee on Banking Supervision (the BCBS) Basel III capital adequacy framework consists of three complementary pillars. Pillar 1 provides a framework for measuring minimum capital requirements for the credit, market, operational and non-counterparty-related risks faced by banks. Pillar 2 addresses the principles of the supervisory review process, emphasizing the need for a qualitative approach to supervising banks. Pillar 3 requires banks to publish a range of disclosures, mainly covering risk, capital, leverage, liquidity and remuneration.

This report provides Pillar 3 disclosures for the UBS Group, including the acquired Credit Suisse Group, and prudential key figures and regulatory information for UBS AG consolidated and standalone, UBS Switzerland AG standalone, UBS Europe SE consolidated, and UBS Americas Holding LLC consolidated, as well as Credit Suisse (Schweiz) AG consolidated and standalone, and Credit Suisse International standalone in the respective sections under "Significant regulated subsidiaries and sub-groups."

This Pillar 3 Report has been prepared in accordance with Swiss Financial Market Supervisory Authority (FINMA) Pillar 3 disclosure requirements (FINMA Circular 2016/1 "Disclosure – banks") as revised on 8 December 2021, the underlying BCBS guidance "Revised Pillar 3 disclosure requirements" issued in January 2015, the "Frequently asked questions on the revised Pillar 3 disclosure requirements" issued in August 2016, the "Pillar 3 disclosure requirements – consolidated and enhanced framework" issued in March 2017 and the subsequent "Technical Amendment – Pillar 3 disclosure requirements – regulatory treatment of accounting provisions" issued in August 2018.

As UBS is considered a systemically relevant bank (an SRB) under Swiss banking law, UBS Group AG, UBS AG and Credit Suisse (Schweiz) AG are required to comply with regulations based on the Basel III framework as applicable to Swiss SRBs on a consolidated basis.

Local regulators may also require the publication of Pillar 3 information at a subsidiary or sub-group level. Where applicable, these local disclosures are provided under "Holding company and significant regulated subsidiaries and sub-groups" at *ubs.com/investors*.

Acquisition of the Credit Suisse Group

Impact of our acquisition of the Credit Suisse Group on Basel III Pillar 3 disclosures

We completed the merger of UBS AG and Credit Suisse AG on 31 May 2024 and the transition to a single US intermediate holding company on 7 June 2024. These changes have been reflected in the significant regulated subsidiaries and sub-groups section of this report.

› **Refer to the "UBS AG consolidated," "UBS AG standalone" and "UBS Americas Holding LLC consolidated" sections of this report for more information about the newly merged entities**

› **Refer to "Integration of Credit Suisse" in the "Recent developments" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about the integration of Credit Suisse**

› **Refer to "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG" in the "Consolidated financial statements" section of the UBS AG second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about the merger of UBS AG and Credit Suisse AG**

Finalization of IFRS 3 measurement period adjustments for the acquisition of the Credit Suisse Group

In the second quarter of 2024, in light of the additional information about circumstances existing on the acquisition date that became available to management, IFRS 3 measurement period adjustments totaling USD 0.5bn were made. The adjustments reflect our final conclusions on critical assumptions and judgments, which are within a range of reasonably possible outcomes, relating to significant uncertainties that existed on the acquisition date. With the measurement period adjustments effected in the second quarter of 2024, the accounting for the acquisition of the Credit Suisse Group is complete. Comparative periods for common equity tier 1 capital information have been revised accordingly. We have applied the amended measurement for leverage ratio denominator, risk-weighted assets and net stable funding ratio calculation purposes prospectively from the second quarter of 2024.

› **Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about the IFRS 3 measurement period adjustments**

Significant regulatory developments, disclosure requirements and other changes

Developments related to the final Basel III implementation

In June 2024, the Swiss Federal Council confirmed that the amendments to the Capital Adequacy Ordinance that will incorporate the final Basel III standards into Swiss law will enter into force on 1 January 2025. Also in June 2024, the European Commission confirmed its intention to implement the final Basel III requirements as of 1 January 2025, except for the market risk capital requirements, the implementation of which will be delayed until at least 1 January 2026. The implementation timeline to incorporate the final Basel III standards in the US is expected to be delayed beyond July 2025, as banking agencies continue to discuss amendments to their proposals. The UK has previously stated its intention to implement the final Basel III standards by 1 July 2025; however, it has delayed the publication of its final rules until the autumn of 2024.

We expect that the adoption of the final Basel III standards in January 2025 will lead to an increase of around 5% in UBS Group risk-weighted assets, driven mainly by the Fundamental Review of the Trading Book. This estimate is based on our current understanding of the relevant standards. We are in an active dialogue with FINMA regarding various aspects of the final rules. Our estimate does not take into account mitigating actions, nor does it reflect the impact of the output floor, which is to be phased in over time.

Frequency and comparability of Pillar 3 disclosures

FINMA has specified the reporting frequency for each disclosure, as outlined in the "Introduction and basis for preparation" section of the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*. In line with the FINMA-specified disclosure frequency and requirements for disclosure with regard to comparative periods, we provide quantitative comparative information as of 31 March 2024 for disclosures required on a quarterly basis and as of 31 December 2023 for disclosures required on a semi-annual basis. Where specifically required by FINMA and / or the BCBS, we disclose comparative information for additional reporting dates.

Where required, movement commentary is aligned with the corresponding disclosure frequency required by FINMA and always refers to the latest comparative period. Throughout this report, signposts are displayed at the beginning of a section, table or chart – **Semi-annual |** **Quarterly |** – indicating whether the disclosure is provided semi-annually or quarterly. A triangle symbol – ▲ ▲ – indicates the end of the signpost.

› **Refer to the 31 March 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more information about previously published quarterly movement commentary**

› **Refer to the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more information about previously published semi-annual movement commentary**

Key metrics

Key metrics for the second quarter of 2024

Quarterly | The KM1 and KM2 tables below are based on Basel Committee on Banking Supervision Basel III rules. The KM2 table includes a reference to the total loss-absorbing capacity (TLAC) term sheet, published by the Financial Stability Board (the FSB). The FSB provides this term sheet at *fsb.org/2015/11/total-loss-absorbing-capacity-tlac-principles-and-term-sheet*.

Our capital ratios increased, reflecting a decrease in risk-weighted assets (RWA), partly offset by a decrease in our tier 1 capital. Our leverage ratio increased, reflecting a decrease in the leverage ratio denominator (the LRD), partly offset by the decrease in our tier 1 capital.

Our common equity tier 1 (CET1) capital decreased by USD 1.6bn to USD 76.1bn, mainly as the operating profit before tax of USD 1.5bn and an increase in eligible deferred tax assets recognized for temporary differences of USD 0.1bn were more than offset by a net share repurchase effect of USD 1.0bn, a negative effect from compensation- and own-share-related capital components of USD 1.0bn, dividend accruals of USD 0.6bn, current tax expenses of USD 0.3bn, and amortization of transitional CET1 capital purchase price allocation (PPA) adjustments (interest rate and own credit) of USD 0.3bn (net of tax). The net share repurchase effect of USD 1.0bn reflects actual share repurchases of USD 0.15bn under our new, 2024 share repurchase program and the establishing of a USD 0.85bn capital reserve for potential share repurchases.

As agreed with the Swiss Financial Market Supervisory Authority (FINMA), as part of the acquisition of the Credit Suisse Group in 2023, a transitional CET1 capital treatment has been applied for certain PPA fair value adjustments required under IFRS 3, *Business Combinations*, due to the substantially temporary nature of these IFRS-3-accounting-driven effects related to interest rate and own credit. As such, equity reductions under IFRS Accounting Standards of USD 5.9bn (before tax) and USD 5.0bn (net of tax) as of the acquisition date have been neutralized for CET1 capital calculation purposes, of which USD 1.0bn (net of tax) related to own-credit-related fair value adjustments. The transitional treatment is subject to linear amortization and will be reduced to nil by 30 June 2027. The amortization of transitional CET1 capital PPA adjustments since the acquisition date totaled USD 1.3bn (net of tax) as of 30 June 2024, an increase of USD 0.3bn (net of tax) in the second quarter of 2024.

Our tier 1 capital decreased by USD 1.2bn to USD 91.8bn, reflecting the aforementioned decrease in CET1 capital, partly offset by an increase in additional tier 1 (AT1) capital of USD 0.4bn. The AT1 capital increase was mainly driven by the issuance of one AT1 capital instrument equivalent to USD 0.4bn.

The TLAC available as of 30 June 2024 included CET1 capital, AT1 capital and non-regulatory capital elements of TLAC. Under the Swiss systemically relevant bank framework, including transitional arrangements, TLAC excludes 45% of the gross unrealized gains on debt instruments measured at fair value through other comprehensive income for accounting purposes, which for regulatory capital purposes are measured at the lower of cost or market value. This amount was negligible as of 30 June 2024 but is included as available TLAC in the KM2 table in this section.

Our available TLAC increased by USD 0.7bn to USD 197.7bn, driven by a USD 1.9bn increase in TLAC-eligible senior unsecured debt, partly offset by the aforementioned decrease in tier 1 capital. The increase in TLAC-eligible senior unsecured debt was mainly due to new issuances totaling USD 2.3bn equivalent of TLAC-eligible senior unsecured debt instruments, partly offset by a USD 0.1bn equivalent TLAC-eligible senior unsecured debt instrument that ceased to be eligible as gone concern capital as it entered the final year before maturity, and negative impacts from interest rate risk hedge, foreign currency translation and other effects.

During the second quarter of 2024, RWA decreased by USD 15.1bn to USD 511.4bn, mainly driven by decreases of USD 11.1bn in credit risk RWA and USD 1.9bn in market risk RWA. The remaining variance was spread across other risk types.

The LRD decreased by USD 35.4bn to USD 1,564.2bn, driven by asset size and other movements of USD 33.4bn, as well as currency effects of USD 2.1bn.

The quarterly average liquidity coverage ratio (the LCR) of the UBS Group decreased 8.2 percentage points to 212.0%, remaining above the prudential requirement communicated by FINMA. The movement in the quarterly average LCR was primarily driven by a decrease in high-quality liquid assets of USD 44.4bn to USD 378.2bn, mainly due to the repayment of the remaining funding drawn under the Swiss National Bank Emergency Liquidity Assistance facility and an increase in trading assets. The average net cash outflows decreased by USD 13.7bn to USD 178.5bn, reflecting lower outflows from deposits and loan commitments and higher net inflows from securities financing transactions.

As of 30 June 2024, the net stable funding ratio of the UBS Group increased 1.6 percentage points to 128.0%, remaining above the prudential requirement communicated by FINMA. Available stable funding decreased by USD 4.8bn to USD 882.3bn, mainly driven by lower customer deposits, partly offset by higher debt issued measured at amortized cost. Required stable funding decreased by USD 12.5bn to USD 689.0bn, predominantly reflecting lower lending assets and derivative balances, partly offset by higher trading assets and securities financing transactions.

KM1: Key metrics

USD m, except where indicated

		30.6.24	31.3.24[1]	31.12.23[1]	30.9.23[1]	30.6.23[1]
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	76,104	77,663	78,002	76,926	78,597
2	Tier 1	91,804	92,983	91,894	89,885	91,626
3	Total capital	91,804	92,984	91,895	89,886	91,626
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	511,376	526,437	546,505	546,491	556,603
4a	Minimum capital requirement[2]	40,910	42,115	43,720	43,719	44,528
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	14.88	14.75	14.27	14.08	14.12
6	Tier 1 ratio (%)	17.95	17.66	16.81	16.45	16.46
7	Total capital ratio (%)	17.95	17.66	16.81	16.45	16.46
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	0.16	0.15	0.14	0.15	0.11
9a	Additional countercyclical buffer for Swiss mortgage loans (%)	0.33	0.32	0.33	0.31	0.30
10	Bank G-SIB and / or D-SIB additional requirements (%)	1.00	1.00	1.00	1.00	1.00
11	Total of bank CET1 specific buffer requirements (%)[3]	3.66	3.65	3.64	3.65	3.61
12	CET1 available after meeting the bank's minimum capital requirements (%)[4]	9.95	9.66	8.81	8.45	8.46
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	1,564,201	1,599,646	1,695,403	1,615,817	1,677,877
14	Basel III leverage ratio (%)	5.87	5.81	5.42	5.56	5.46
Liquidity coverage ratio (LCR)[5]						
15	Total high-quality liquid assets (HQLA)	378,235	422,617	415,594	367,518	257,107
16	Total net cash outflow	178,452	192,106	192,760	187,256	144,973
16a	*of which: cash outflows*	*342,383*	*348,693*	*342,096*	*344,862*	*275,298*
16b	*of which: cash inflows*	*163,931*	*156,588*	*149,336*	*157,606*	*130,325*
17	LCR (%)	211.99	220.21	215.66	196.53	175.24
Net stable funding ratio (NSFR)						
18	Total available stable funding	882,282	887,037	926,424	872,742	873,061
19	Total required stable funding	689,025	701,560	743,159	722,927	742,130
20	NSFR (%)	128.05	126.44	124.66	120.72	117.64

1 Comparative-period information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information. 2 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 3 Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 4 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS tier 2 capital requirement met with CET1 capital. 5 Calculated after the application of haircuts, inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 61 data points in the second quarter of 2024 and 61 data points in the first quarter of 2024. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information.

KM2: Key metrics – TLAC requirements (at resolution group level)[1]

USD m, except where indicated

		30.6.24	31.3.24[2]	31.12.23[2]	30.9.23[2]	30.6.23[2]
1	Total loss-absorbing capacity (TLAC) available	197,690	196,970	199,001	193,239	194,379
2	Total RWA at the level of the resolution group	511,376	526,437	546,505	546,491	556,603
3	TLAC as a percentage of RWA (%)	38.66	37.42	36.41	35.36	34.92
4	Leverage ratio exposure measure at the level of the resolution group	1,564,201	1,599,646	1,695,403	1,615,817	1,677,877
5	TLAC as a percentage of leverage ratio exposure measure (%)	12.64	12.31	11.74	11.96	11.58
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?			No		
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?			No		
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognized as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognized as external TLAC if no cap was applied (%)			N/A – Refer to our response to 6b.		

1 Resolution group level is defined as the UBS Group AG consolidated level. 2 Comparative-period information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information.

Overview of risk-weighted assets

Overview of RWA and capital requirements

Quarterly | The OV1 table below provides an overview of our risk-weighted assets (RWA) and the related minimum capital requirements by risk type. The table presented is based on the respective Swiss Financial Market Supervisory Authority (FINMA) template and empty rows indicate current non-applicability to UBS.

During the second quarter of 2024, RWA decreased by USD 15.1bn to USD 511.4bn, mainly driven by decreases of USD 11.1bn in credit risk RWA and USD 1.9bn in market risk RWA. The remaining variance was spread across other risk types.

Credit risk RWA decreased by USD 11.1bn, mainly driven by decreases of USD 8.2bn related to asset size and other movements and USD 3.0bn related to model updates and methodology changes. Asset size and other movements decreased by USD 8.2bn, mainly driven by a reduction of RWA in the Non-core and Legacy portfolio, driven by our actions to actively unwind the portfolio, in addition to the natural roll-off. The decrease was also driven by decreases in loan balances in Personal & Corporate Banking and Global Wealth Management. Model updates and methodology changes resulted in a decrease of USD 3.0bn, mainly reflecting a decrease in RWA of USD 1.6bn related to the recalibration of certain multipliers as a result of model improvements and a decrease in RWA of USD 0.8bn from methodology changes related to commercial real estate and large corporate loans.

Market risk RWA decreased by USD 1.9bn, mainly driven by a decrease related to asset size and other movements that reflected updates from the monthly risks-not-in-VaR assessments.

The flow tables for credit risk, counterparty credit risk and market risk RWA in the respective sections of this report provide further details regarding the movements in RWA in the second quarter of 2024.

› **Refer to the "Introduction and basis for preparation" section of this report for more information about the regulatory standards applied**

› **Refer to the "Capital management" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about capital management and RWA, including details regarding movements in RWA during the second quarter of 2024**

OV1: Overview of RWA

USD m		30.6.24	31.3.24	31.12.23	Section or table reference	Minimum capital requirements[1] 30.6.24
1	Credit risk (excluding counterparty credit risk)	251,271	262,330	279,723	4	20,102
2	*of which: standardized approach (SA)*	*59,701*	*63,902*	*69,725*	*CR4*	*4,776*
2a	*of which: non-counterparty-related risk*	*16,574*	*16,744*	*17,979*	*CR4*	*1,326*
3	*of which: foundation internal ratings-based (F-IRB) approach*					
4	*of which: supervisory slotting approach*	*1,611*	*2,351*	*3,103*	*CR10*	*129*
5	*of which: advanced internal ratings-based (A-IRB) approach*	*189,959*	*196,078*	*206,896*	*CR6*	*15,197*
6	Counterparty credit risk[2]	40,238	39,989	42,862	5, CCR1, CCR8	3,219
7	*of which: SA for counterparty credit risk (SA-CCR)*	*8,908*	*8,979*	*9,233*		*713*
8	*of which: internal model method (IMM)*	*16,482*	*15,968*	*17,273*	*CCR7*	*1,319*
8a	*of which: value-at-risk (VaR)*	*9,712*	*9,708*	*10,996*	*CCR7*	*777*
9	*of which: other CCR*	*5,137*	*5,333*	*5,360*		*411*
10	Credit valuation adjustment (CVA)	7,356	8,737	8,807	5, CCR2	589
11	Equity positions under the simple risk-weight approach	5,785	6,201	5,454	4, CR10	463
12	Equity investments in funds – look-through approach	2,551	2,775	2,776		204
13	Equity investments in funds – mandate-based approach	870	1,057	823		70
14	Equity investments in funds – fallback approach	675	738	662		54
15	Settlement risk	354	338	523		28
16	Securitization exposures in banking book	8,574	9,671	12,831	6	686
17	*of which: securitization internal ratings-based approach (SEC-IRBA)*	*5,203*	*5,753*	*7,000*	*6*	*416*
18	*of which: securitization external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)*	*961*	*939*	*924*	*6*	*77*
19	*of which: securitization standardized approach (SEC-SA)*	*2,409*	*2,978*	*4,907*	*6*	*193*
20	Market Risk	22,540	24,416	21,398	6,7	1,803
21	*of which: standardized approach (SA)*	*468*	*512*	*509*	*MR1*	*37*
22	*of which: internal models approach (IMA)*	*22,072*	*23,904*	*20,889*	*MR2*	*1,766*
23	Capital charge for switch between trading book and banking book[3]					
24	Operational risk	145,426	145,426	145,426		11,634
25	Amounts below thresholds for deduction (250% risk weight)[4]	25,736	24,759	25,219		2,059
25a	*of which: deferred tax assets*	*16,610*	*16,384*	*16,392*		*1,329*
26	Floor adjustment					
27	Total	511,376	526,437	546,505		40,910

1 Calculated based on 8% of RWA. 2 Excludes settlement risk, which is separately reported in line 15 "Settlement risk." Includes RWA with central counterparties. The split between the sub-components of counterparty credit risk refers to the calculation of the exposure measure. 3 Not applicable until the implementation of the final rules on the minimum capital requirements for market risk (the Fundamental Review of the Trading Book). 4 Includes items subject to threshold deduction treatment that do not exceed their respective threshold and are risk-weighted at 250%. Items subject to threshold deduction treatment include significant investments in common shares of non-consolidated financial institutions (banks, insurance and other financial entities), deferred tax assets arising from temporary differences, and mortgage servicing rights.

Credit risk

Introduction

Semi-annual | The parameters applied under the advanced internal ratings-based (A-IRB) approach are generally based on the same methodologies, data and systems we use for internal credit risk quantification, except where certain treatments are specified by regulatory requirements. These include, for example, the application of regulatory prescribed floors and multipliers, and differences with respect to eligibility criteria and exposure definitions. The exposure information presented in this section may thus differ from our internal management view disclosed in the "Risk management and control" sections of the quarterly and annual reports. Similarly, the regulatory capital prescribed measure of credit risk exposure also differs from how it is defined under IFRS Accounting Standards. ▲

Credit quality of assets

Semi-annual | The CR1 table below provides a breakdown of defaulted and non-defaulted loans, debt securities and off-balance sheet exposures. The table includes a split of expected credit loss accounting provisions based on the standardized approach and the internal ratings-based approach.

Compared with 31 December 2023, the net carrying values of loans, including balances at central banks, decreased by USD 111.5bn to USD 875.5bn, mainly due to the repayment of funding from the Swiss National Bank, including the repayment of the remaining funding drawn under the Emergency Liquidity Assistance (ELA) facility, active unwinds in Non-core and Legacy, and currency effects. The net carrying value of off-balance sheet exposures decreased by USD 18.4bn to USD 99.3bn, primarily driven by decreases in loan commitments and guarantees across businesses.

- **Refer to the "CR3: Credit risk mitigation techniques – overview" table in this section for more information about the net value movements related to Loans and Debt securities shown in the table below**
- **Refer to "Credit risk" in the "Risk management and control" section of the UBS Group Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about the definitions of default and credit impairment and to "Credit risk exposure categories" in the "Credit risk" section of the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more information about the classification of loans and debt securities**

CR1: Credit quality of assets

		Gross carrying amounts of:			*Of which: ECL accounting provisions for credit losses on SA exposures*			
USD m		Defaulted exposures[1]	Non-defaulted exposures	Allowances / impairments[2]	*Allocated in regulatory category of Specific[3]*	*Allocated in regulatory category of General[3]*	*Of which: ECL accounting provisions for credit losses on IRB exposures*	Net values
30.6.24								
1	Loans[4]	5,749	871,545	(1,837)	(112)	(53)	(1,672)	875,457
2	Debt securities	63	87,120	(5)	0	(5)	0	87,179
3	Off-balance sheet exposures[5]	386	99,098	(209)	(1)	(8)	(200)	99,276
4	**Total**	6,199	1,057,763	(2,051)	(113)	(65)	(1,872)	1,061,911
31.12.23								
1	Loans[4]	5,836	982,846	(1,758)	(76)	(69)	(1,613)	986,924
2	Debt securities	56	87,789	(4)		(4)		87,841
3	Off-balance sheet exposures[5]	565	117,410	(253)	(1)	(3)	(249)	117,722
4	**Total**	**6,457**	**1,188,045**	**(2,015)**	**(78)**	**(76)**	**(1,862)**	**1,192,487**

1 Defaulted exposures include stage 3 and defaulted purchased credit-impaired (PCI) assets under IFRS 9. Refer to "Note 9 Expected credit loss measurement" in the "Consolidated financial statements" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information about IFRS 9. 2 Expected credit loss (ECL) allowances and provisions amounted to USD 2,258m as of 30 June 2024, as disclosed in "Note 9 Expected credit loss measurement" in the "Consolidated financial statements" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors. This Pillar 3 table excludes ECL on securitization on- and off- balance sheet exposures (30 June 2024: USD 122m; 31 December 2023: USD 143m), ECL on revocable off-balance sheet exposures (30 June 2024: USD 80m; 31 December 2023: USD 95m), ECL on exposures subject to counterparty credit risk (30 June 2024: USD 5m; 31 December 2023: USD 5m) and ECL on irrevocable committed prolongation of loans that do not give rise to additional credit exposures (30 June 2024: USD 2m; 31 December 2023: USD 3m). 3 Specific provisions include stage 3 ECL allowances and additional ECL allowances on defaulted PCI assets. General provisions include stage 1 and 2 ECL allowances and additional ECL allowances on non-defaulted PCI assets. 4 Loan exposure is reported in line with the Pillar 3 definition. Refer to "Credit risk exposure categories" in the "Credit risk" section of the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information about the classification of loans and debt securities. 5 Off-balance sheet exposures include unutilized credit facilities, guarantees provided and forward starting loan commitments but exclude prolongations of loans that do not increase the initially committed loan amount. Unutilized credit facilities exclude unconditionally revocable as well as uncommitted credit facilities, even if they attract RWA.

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Semi-annual | The CR2 table below presents changes in stock of defaulted loans, debt securities and off-balance sheet exposures for the first half of 2024. The total amount of defaulted loans and debt securities was USD 6.2bn as of 30 June 2024, a decrease of USD 0.3bn compared with 31 December 2023.

CR2: Changes in stock of defaulted loans, debt securities and off-balance sheet exposures

	USD m	For the half year ended 30.6.24[1]	For the half year ended 31.12.23[1]
1	**Defaulted loans, debt securities and off-balance sheet exposures as of the beginning of the half year**	6,457	5,958
2	Loans and debt securities that have defaulted since the last reporting period	1,418	2,305
3	Returned to non-defaulted status	(304)	(152)
4	Amounts written off	(182)	(55)
5	Other changes[2]	(1,190)	(1,601)
6	**Defaulted loans, debt securities and off-balance sheet exposures as of the end of the half year**	6,199	6,457

1 Off-balance sheet exposures include unutilized credit facilities, guarantees provided and forward starting loan commitments, but exclude prolongations of loans that do not increase the initially committed loan amount. Unutilized credit facilities exclude unconditionally revocable and uncommitted credit facilities, even if they attract RWA. 2 Includes primarily partial or full repayments, as well as currency effects.

Credit risk mitigation

Semi-annual | The CR3 table below provides a breakdown of loans and debt securities into unsecured and partially or fully secured exposures, with additional information about the security type.

Compared with 31 December 2023, the carrying amount of unsecured loans, including balances at central banks, decreased by USD 72.0bn to USD 326.3bn, mainly due to the repayment of funding from the Swiss National Bank, including the repayment of the remaining funding drawn under the ELA facility and currency effects.

The carrying amount of partially or fully secured loans decreased by USD 39.5bn to USD 549.2bn, primarily driven by currency effects and decreases in Non-core and Legacy, mainly resulting from our actions to actively unwind the portfolio, in addition to the natural roll-off.

CR3: Credit risk mitigation techniques – overview[1]

					Secured portion of exposures partially or fully secured:		
	USD m	Exposures fully unsecured: carrying amount	Exposures partially or fully secured: carrying amount	Total: carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
	30.6.24						
1	Loans[2]	326,263	549,194	875,457	501,128	9,052	23
1a	*of which: cash and balances at central banks*	*247,399*		*247,399*			
2	Debt securities	87,080	99	87,179	99		
3	**Total**	413,343	549,293	962,636	501,227	9,052	23
4	*of which: defaulted[3]*	*1,238*	*3,402*	*4,640*	*2,119*	*348*	
	31.12.23						
1	Loans[2]	398,277	588,647	986,924	533,136	10,766	46
1a	*of which: cash and balances at central banks*	*312,971*		*312,971*			
2	Debt securities	87,635	206	87,841	201		
3	**Total**	**485,912**	**588,853**	**1,074,765**	**533,337**	**10,766**	**46**
4	*of which: defaulted[3]*	*1,189*	*3,643*	*4,832*	*2,445*	*287*	

1 Exposures in this table represent carrying amounts in accordance with the regulatory scope of consolidation. 2 Loan exposure is reported in line with the Pillar 3 definition. Refer to "Credit risk exposure categories" in the "Credit risk" section of the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors for more information about the classification of loans and debt securities. 3 Includes purchased credit-impaired assets when defaulted.

Credit risk under the standardized approach

Introduction

The standardized approach is generally applied where using the A-IRB approach is not feasible. Under the standardized approach we use, where possible, credit ratings from external credit assessment institutions to determine the risk weightings applied to rated counterparties.

Credit risk exposure and credit risk mitigation effects

Semi-annual | The CR4 table below illustrates the credit risk exposure and effect of credit risk mitigation (CRM) on the calculation of capital requirements under the standardized approach.

Compared with 31 December 2023, exposures before credit conversion factors (CCFs) and CRM in the Central governments and central banks asset class decreased by USD 28.0bn to USD 60.4bn, mainly due to a decrease in cash and central bank balances, including the repayment of the remaining funding drawn under the Swiss National Bank ELA facility.

Exposures before CCFs and CRM in the Corporates asset class decreased by USD 10.3bn to USD 58.4bn and exposures after CCFs and CRM decreased by USD 8.4bn to USD 43.2bn and RWA decreased by USD 7.1bn to USD 29.3bn, primarily driven by decreases in Non-core and Legacy, mainly driven by our actions to actively unwind the portfolio, in addition to the natural roll-off, and a methodology change related to the establishing of a new model for commercial real estate, which resulted in a transition of these exposures from the standardized approach to the A-IRB approach.

CR4: Standardized approach – credit risk exposure and credit risk mitigation (CRM) effects

		Exposures before CCF and CRM			Exposures post-CCF and post-CRM			RWA and RWA density	
USD m, except where indicated		On-balance sheet amount	Off-balance sheet amount	Total	On-balance sheet amount	Off-balance sheet amount	Total	RWA	RWA density in %
30.6.24									
Asset classes									
1	Central governments and central banks	60,173	272	60,445	59,854	12	59,866	806	1.3
2	Banks and securities dealers	15,239	2,332	17,571	15,027	1,127	16,154	3,815	23.6
3	Public-sector entities and multi-lateral development banks	4,123	3,193	7,317	4,123	903	5,027	1,355	27.0
4	Corporates	39,789	18,588	58,377	38,749	4,479	43,228	29,318	67.8
5	Retail	8,868	3,874	12,741	8,565	280	8,845	6,865	77.6
6	Equity								
7	Other assets	19,000	194	19,194	19,000	194	19,194	17,541	91.4
7a	*of which: non-counterparty related assets*	*17,320*	*190*	*17,510*	*17,320*	*190*	*17,510*	*16,574*	*94.7*
7b	*of which: others*	*1,680*	*4*	*1,684*	*1,680*	*4*	*1,684*	*967*	*57.4*
8	**Total**	**147,191**	**28,454**	**175,645**	**145,318**	**6,995**	**152,314**	**59,701**	**39.2**
31.12.23									
Asset classes									
1	Central governments and central banks	88,175	306	88,481	87,539	10	87,549	686	0.8
2	Banks and securities dealers	16,061	2,461	18,522	15,968	1,199	17,167	4,062	23.7
3	Public-sector entities and multi-lateral development banks	4,297	4,168	8,465	3,613	1,194	4,807	1,382	28.7
4	Corporates	45,415	23,223	68,638	44,805	6,788	51,593	36,370	70.5
5	Retail	10,332	3,377	13,709	9,824	185	10,009	7,917	79.1
6	Equity								
7	Other assets	20,923	254	21,176	20,923	254	21,176	19,309	91.2
7a	*of which: non-counterparty related assets*	*18,906*	*250*	*19,156*	*18,906*	*250*	*19,155*	*17,979*	*93.9*
7b	*of which: others*	*2,017*	*4*	*2,021*	*2,017*	*4*	*2,021*	*1,330*	*65.8*
8	**Total**	**185,203**	**33,789**	**218,992**	**182,671**	**9,630**	**192,301**	**69,725**	**36.3**

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Exposures by asset classes and risk weight

Semi-annual | The CR5 table below shows credit risk exposures under the standardized approach by asset classes and risk weights applied.

CR5: Standardized approach – exposures by asset classes and risk weights

USD m

	Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post-CCF and post-CRM)
30.6.24											
	Asset classes										
1	Central governments and central banks	58,780		135		367		560	24		59,866
2	Banks and securities dealers			14,691		1,172		289	1		16,154
3	Public-sector entities and multi-lateral development banks	359		3,650		787		229	2		5,027
4	Corporates			13,103	2,527	3,533	23	23,647	284	111[1]	43,228
5	Retail				2,487		1,699	4,537	123		8,845
6	Equity										
7	Other assets	1,742						17,444		8	19,194
7a	*of which: non-counterparty related assets*	*936*						*16,574*			*17,510*
7b	*of which: others*	*806*						*870*		*8*	*1,684*
8	**Total**	**60,882**		**31,580**	**5,013**	**5,859**	**1,722**	**46,705**	**434**	**119**	**152,314**
9	*of which: secured by real estate[2]*				*5,013*	*86*	*103*	*2,484*	*90*		*7,777*
10	*of which: past due[3]*							*518*	*260*		*778*
31.12.23											
	Asset classes										
1	Central governments and central banks	86,731		139		77		563	38		87,549
2	Banks and securities dealers			15,766		1,006		390	4		17,167
3	Public-sector entities and multi-lateral development banks	396		3,087		1,121		201	2		4,807
4	Corporates			12,667	2,573	4,520	35	29,989	411	1,399[1]	51,593
5	Retail				2,568		2,298	4,883	260		10,009
6	Equity										
7	Other assets	1,956						19,213		8	21,176
7a	*of which: non-counterparty related assets*	*1,176*						*17,979*			*19,155*
7b	*of which: others*	*779*						*1,234*		*8*	*2,021*
8	**Total**	**89,084**		**31,659**	**5,141**	**6,725**	**2,333**	**55,239**	**714**	**1,406**	**192,301**
9	*of which: secured by real estate[2]*				*5,141*	*84*	*155*	*4,941*			*10,321*
10	*of which: past due[3]*							*553*	*375*		*928*

1 Includes exposures secured by credit derivatives cleared through central counterparties risk-weighted at 2% or 4%. 2 Includes both residential mortgages and claims secured by other properties, such as commercial real estate. 3 Includes exposure to defaulted counterparties and purchased credit-impaired assets.

Credit risk under the advanced internal ratings-based approach

Introduction

Under the A-IRB approach, the required capital for credit risk is quantified through empirical models that we have developed to estimate the probability of default (PD), loss given default (LGD), exposure at default (EAD) and other parameters, subject to FINMA approval.

Credit risk exposures by portfolio and probability of default range

Semi-annual | The CR6 table below provides information about credit risk exposures under the A-IRB approach, including a breakdown of the main parameters used in A-IRB models to calculate the capital requirements, presented by portfolio and PD range across FINMA-defined asset classes. EAD in the following comments represents exposure at default after credit conversion factors and credit risk mitigation.

Compared with 31 December 2023, EAD decreased by USD 91.9bn to USD 965.9bn, and RWA decreased by USD 16.9bn to USD 190.0bn across various asset classes.

In the Central governments and central banks asset class, EAD decreased by USD 37.8bn to USD 243.6bn, and RWA remained broadly unchanged at USD 4.7bn. EAD decreased mainly due to a decrease in cash and balances at central banks, including the repayment of the remaining funding drawn under the Swiss National Bank ELA facility and currency effects.

In the Banks and securities dealers asset class both EAD (at USD 16.4bn) and RWA (at USD 7.1bn) remained broadly unchanged in the first half of 2024.

In the Public-sector entities and multi-lateral development banks asset class both EAD (at USD 7.9bn) and RWA (at USD 0.9bn) remained broadly unchanged in the first half of 2024.

In the Corporates: specialized lending asset class, EAD decreased by USD 5.3bn to USD 57.6bn, and RWA decreased by USD 1.5bn to USD 25.9bn. The decreases mainly reflected currency effects and decreases in loan balances in Personal & Corporate Banking and Global Wealth Management, partly offset by a methodology change related to the establishing of a new model for commercial real estate, which resulted in a transition of these exposures from the standardized approach to the A-IRB approach.

In the Corporates: other lending asset class, EAD decreased by USD 18.2bn to USD 110.9bn, and RWA decreased by USD 10.9bn to USD 65.0bn. The decreases were primarily driven by decreases in Non-core and Legacy, mainly due to our actions to actively unwind the portfolio, in addition to the natural roll-off, a decrease due to a model update related to small and medium-sized enterprises in Personal & Corporate Banking, and a decrease in loan balances in Global Wealth Management, as well as currency effects. A further reduction in RWA was related to the recalibration of certain multipliers as a result of improvements to models, primarily in the Investment Bank.

In the Retail: residential mortgages asset class, EAD decreased by USD 21.2bn to USD 290.4bn, and RWA decreased by USD 4.9bn to USD 59.7bn. The decreases mainly reflected currency effects and decreases in loan balances in Global Wealth Management and Personal & Corporate Banking. An additional reduction in RWA resulted from financial resource optimization, mainly in Personal & Corporate Banking.

In the Retail: qualifying revolving retail exposures (QRRE) asset class both EAD (at USD 7.2bn) and RWA (at USD 1.3bn) remained broadly unchanged in the first half of 2024.

In the Retail: other retail asset class, EAD decreased by USD 8.6bn to USD 231.8bn, and RWA remained broadly unchanged at USD 25.4bn. The decrease in EAD mainly reflected currency effects and a decrease in Lombard loans in Global Wealth Management and Personal & Corporate Banking, partly offset by a model update related to small and medium-sized enterprises.

› **Refer to the "CR8: RWA flow statements of credit risk exposures under IRB" table in this section for more information about the movement of credit risk exposures under the A-IRB approach for the second quarter of 2024**

CR6: IRB – Credit risk exposures by portfolio and PD range

USD m, except where indicated	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Total exposures pre-CCF	Average CCF in %	EAD post-CCF and post-CRM	Average PD in %	Number of obligors (in thousands)[1]	Average LGD in %[2]	Average maturity in years[2]	RWA	RWA density in %	EL	Provisions[3]
Central governments and central banks as of 30.6.24													
0.00 to <0.15	240,879	420	241,299	60.6	242,886	0.0	<0.1	36.3	1.0	4,180	1.7	5	
0.15 to <0.25	529		529		529	0.2	<0.1	51.5	1.0	171	32.2	0	
0.25 to <0.50	10	12	22	100.0	51	0.4	<0.1	53.0	2.4	38	73.9	0	
0.50 to <0.75	31	0	31	13.2	2	0.5	<0.1	18.5	2.7	1	32.0	0	
0.75 to <2.50	109	3	112	45.0	8	1.3	<0.1	19.9	4.2	6	80.8	0	
2.50 to <10.00	326	113	439	35.8	30	4.5	<0.1	45.6	2.8	48	160.7	1	
10.00 to <100.00	205	69	273	35.0	53	28.4	<0.1	81.9	1.0	241	458.6	12	
100.00 (default)[4]	54	1	55	55.0	49	100.0	<0.1			52	106.0	5	
Subtotal	242,143	617	242,760	53.9	243,607	0.0	0.1	36.4	1.0	4,736	1.9	24	32
Central governments and central banks as of 31.12.23													
0.00 to <0.15	278,625	681	279,306	52.5	280,410	0.0	<0.1	30.0	1.0	3,823	1.4	6	
0.15 to <0.25	462		462		462	0.2	<0.1	51.2	1.0	147	31.9	0	
0.25 to <0.50	202	0	202	10.1	189	0.4	<0.1	53.0	1.0	104	54.9	0	
0.50 to <0.75	44	0	44	13.1	4	0.6	<0.1	34.8	2.1	2	53.2	0	
0.75 to <2.50	112	5	117	46.8	9	1.3	<0.1	24.7	3.9	8	87.2	0	
2.50 to <10.00	429	174	603	37.9	70	4.5	<0.1	55.1	2.2	136	195.1	2	
10.00 to <100.00	289	104	394	35.0	95	28.1	<0.1	70.5	1.0	370	390.7	19	
100.00 (default)[4]	134	0	134	10.1	126	100.0	<0.1			133	106.0	6	
Subtotal	280,298	963	281,262	47.9	281,365	0.1	0.1	30.0	1.0	4,724	1.7	33	33
Banks and securities dealers as of 30.6.24													
0.00 to <0.15	9,314	1,779	11,092	51.8	12,924	0.1	1.5	50.8	0.9	2,614	20.2	5	
0.15 to <0.25	964	456	1,420	37.3	1,113	0.2	0.3	59.0	1.4	627	56.3	1	
0.25 to <0.50	483	394	877	57.3	648	0.4	0.3	60.3	0.9	494	76.3	1	
0.50 to <0.75	46	281	327	41.9	145	0.6	<0.1	52.6	1.6	135	93.1	0	
0.75 to <2.50	625	455	1,080	45.9	787	1.3	0.2	55.4	1.4	1,049	133.2	6	
2.50 to <10.00	1,047	392	1,439	40.5	752	6.0	0.2	70.3	1.1	2,083	277.2	33	
10.00 to <100.00	91	5	96	46.2	12	22.5	<0.1	60.9	0.6	44	355.3	2	
100.00 (default)[4]	46	0	46	0.0	46	100.0	<0.1			49	106.0		
Subtotal	12,616	3,762	16,378	48.0	16,428	0.7	2.6	52.8	1.0	7,095	43.2	48	1
Banks and securities dealers as of 31.12.23													
0.00 to <0.15	10,118	1,723	11,841	52.2	13,111	0.1	1.8	51.3	0.9	2,572	19.6	4	
0.15 to <0.25	720	527	1,247	39.6	947	0.2	0.3	59.7	1.5	549	57.9	1	
0.25 to <0.50	664	354	1,018	44.9	738	0.4	0.2	65.6	0.8	613	83.1	2	
0.50 to <0.75	103	198	301	44.2	191	0.6	0.1	48.0	1.3	166	86.9	1	
0.75 to <2.50	593	519	1,112	45.0	745	1.6	0.2	54.6	1.1	977	131.1	6	
2.50 to <10.00	977	436	1,413	42.8	645	6.3	0.2	72.8	1.0	1,861	288.6	30	
10.00 to <100.00	114	6	120	32.9	28	23.8	<0.1	49.4	0.7	83	291.2	3	
100.00 (default)[4]	95	0	95	0.0	95	100.0	<0.1			101	106.0		
Subtotal	13,384	3,764	17,148	47.2	16,500	1.0	2.9	53.4	1.0	6,921	41.9	48	3

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

USD m, except where indicated	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Total exposures pre-CCF	Average CCF in %	EAD post-CCF and post-CRM	Average PD in %	Number of obligors (in thousands)[1]	Average LGD in %[2]	Average maturity in years[2]	RWA	RWA density in %	EL	Provisions[3]
Public sector entities, multilateral developmental banks as of 30.6.24													
0.00 to <0.15	5,960	2,161	8,121	7.5	6,407	0.0	0.2	35.9	1.2	342	5.3	1	
0.15 to <0.25	352	950	1,302	20.8	558	0.2	0.2	26.6	2.3	141	25.3	0	
0.25 to <0.50	738	351	1,089	23.3	794	0.3	0.2	31.0	2.1	323	40.7	1	
0.50 to <0.75	28	56	84	36.1	48	0.6	<0.1	36.1	4.5	42	86.8	0	
0.75 to <2.50	1	0	2	30.8	1	1.1	<0.1	15.2	1.5	1	40.2	0	
2.50 to <10.00	60	102	162	45.0	107	5.2	<0.1	5.5	3.8	24	22.3	0	
10.00 to <100.00													
100.00 (default)[4]	0		0		0	0.0	<0.1			0	106.0		
Subtotal	7,140	3,620	10,760	14.0	7,916	0.1	0.6	34.3	1.4	873	11.0	2	0
Public sector entities, multilateral developmental banks as of 31.12.23													
0.00 to <0.15	6,411	2,431	8,842	7.7	6,898	0.0	0.2	35.5	1.2	378	5.5	1	
0.15 to <0.25	373	970	1,343	19.3	568	0.2	0.2	28.8	2.2	131	23.1	0	
0.25 to <0.50	803	417	1,220	21.3	871	0.3	0.2	26.4	2.3	273	31.3	1	
0.50 to <0.75	3	7	10	43.2	6	0.7	<0.1	36.9	1.4	4	57.3	0	
0.75 to <2.50	14	2	16	27.0	15	1.0	<0.1	33.9	1.1	7	49.6	0	
2.50 to <10.00	67	110	177	45.0	118	5.2	<0.1	5.5	3.9	26	22.2	0	
10.00 to <100.00													
100.00 (default)[4]													
Subtotal	7,672	3,937	11,608	13.1	8,476	0.1	0.6	33.7	1.4	819	9.7	2	0
Corporates: specialized lending as of 30.6.24													
0.00 to <0.15	9,347	2,939	12,286	54.4	11,524	0.1	1.3	18.2	2.6	1,820	15.8	1	
0.15 to <0.25	5,048	2,628	7,676	46.5	6,322	0.2	0.7	19.9	2.2	1,401	22.2	2	
0.25 to <0.50	8,369	3,733	12,102	30.9	9,606	0.4	1.4	22.9	2.1	3,677	38.3	8	
0.50 to <0.75	7,446	3,716	11,162	34.3	8,664	0.6	0.9	23.2	2.0	3,735	43.1	12	
0.75 to <2.50	16,787	4,396	21,182	35.6	18,528	1.3	1.8	25.8	2.1	12,080	65.2	65	
2.50 to <10.00	2,328	359	2,687	48.6	2,560	3.4	0.3	31.5	1.6	2,698	105.4	27	
10.00 to <100.00	9	0	9	100.0	10	15.7	<0.1	26.7	1.8	15	157.6	0	
100.00 (default)[4]	348	35	383	59.3	417	100.0	<0.1			442	106.0	119	
Subtotal	49,681	17,805	67,486	39.3	57,631	1.5	6.4	23.0	2.2	25,867	44.9	235	140
Corporates: specialized lending as of 31.12.23													
0.00 to <0.15	12,041	3,444	15,485	51.7	13,898	0.1	1.3	18.9	2.5	2,165	15.6	2	
0.15 to <0.25	5,813	1,951	7,764	48.1	6,584	0.2	0.7	22.5	2.5	1,820	27.6	3	
0.25 to <0.50	10,479	4,727	15,206	32.8	11,852	0.4	1.5	24.8	2.1	4,700	39.7	10	
0.50 to <0.75	7,470	5,392	12,862	32.0	9,117	0.6	0.9	22.1	1.7	3,597	39.5	12	
0.75 to <2.50	17,064	4,644	21,708	34.7	18,664	1.3	2.0	24.6	2.1	11,856	63.5	62	
2.50 to <10.00	2,381	435	2,816	51.3	2,604	3.4	0.4	30.8	1.5	2,956	113.5	26	
10.00 to <100.00	20	13	33	14.3	22	14.6	<0.1	30.7	1.6	38	173.8	1	
100.00 (default)[4]	285	12	297	52.9	215	100.0	<0.1			228	106.0	128	
Subtotal	55,554	20,618	76,172	38.0	62,956	1.1	6.9	23.1	2.1	27,362	43.5	244	140

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

USD m, except where indicated	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Total exposures pre-CCF	Average CCF in %	EAD post-CCF and post-CRM	Average PD in %	Number of obligors (in thousands)[1]	Average LGD in %[2]	Average maturity in years[2]	RWA	RWA density in %	EL	Provisions[3]
Corporates: other lending as of 30.6.24													
0.00 to <0.15	21,459	52,274	73,733	25.1	35,621	0.1	9.7	38.6	1.9	7,430	20.9	8	
0.15 to <0.25	9,418	20,956	30,374	31.2	16,328	0.2	3.1	39.1	2.1	6,582	40.3	15	
0.25 to <0.50	9,884	12,094	21,979	33.2	13,763	0.4	3.7	38.1	2.3	7,763	56.4	19	
0.50 to <0.75	5,833	6,173	12,006	41.0	8,422	0.6	3.0	36.4	2.2	5,562	66.0	20	
0.75 to <2.50	15,783	11,709	27,493	39.0	20,189	1.4	5.5	33.1	2.2	18,303	90.7	93	
2.50 to <10.00	7,660	12,695	20,355	47.3	12,882	4.9	3.3	34.6	2.7	15,230	118.2	221	
10.00 to <100.00	613	1,015	1,628	46.7	1,094	16.4	0.3	24.8	2.8	1,389	126.9	44	
100.00 (default)[4]	2,636	497	3,134	57.6	2,602	100.0	1.5			2,757	106.0	843	
Subtotal	73,287	117,414	190,701	32.0	110,902	3.5	30.0	36.8	2.2	65,014	58.6	1,263	1,408
Corporates: other lending as of 31.12.23													
0.00 to <0.15	22,521	63,917	86,438	25.8	41,055	0.1	11.2	38.6	2.0	8,492	20.7	9	
0.15 to <0.25	10,935	24,194	35,129	29.4	18,419	0.2	3.9	41.2	2.1	7,739	42.0	17	
0.25 to <0.50	10,269	14,260	24,529	35.0	15,320	0.4	5.0	41.1	2.2	9,538	62.3	23	
0.50 to <0.75	6,293	8,342	14,635	36.9	9,564	0.6	4.3	33.1	2.2	5,544	58.0	20	
0.75 to <2.50	18,439	13,837	32,276	38.8	23,286	1.4	11.5	33.8	2.2	17,947	77.1	112	
2.50 to <10.00	10,464	17,641	28,104	45.3	16,964	5.0	6.1	33.4	2.3	21,600	127.3	285	
10.00 to <100.00	753	855	1,609	53.9	1,240	17.2	0.3	20.7	2.9	1,600	129.1	52	
100.00 (default)[4]	2,564	807	3,371	47.6	3,231	100.0	1.4			3,423	106.0	713	
Subtotal	82,238	143,854	226,092	31.9	129,079	3.7	43.6	37.1	2.2	75,884	58.8	1,231	1,380
Retail: residential mortgages as of 30.6.24													
0.00 to <0.15	115,546	2,267	117,813	47.3	118,298	0.1	186.3	18.4		6,462	5.5	19	
0.15 to <0.25	48,230	1,113	49,343	50.3	50,109	0.2	54.8	19.3		5,938	11.9	18	
0.25 to <0.50	59,825	1,507	61,332	52.8	62,104	0.3	69.8	20.9		12,064	19.4	44	
0.50 to <0.75	19,052	548	19,599	71.3	19,511	0.6	17.2	29.3		5,990	30.7	36	
0.75 to <2.50	27,533	1,608	29,141	70.0	28,753	1.4	29.6	32.7		15,989	55.6	127	
2.50 to <10.00	9,085	274	9,358	68.5	9,282	4.4	9.2	33.1		9,971	107.4	135	
10.00 to <100.00	1,175	20	1,195	88.5	1,198	15.3	1.0	31.1		2,055	171.5	58	
100.00 (default)[4]	1,121	33	1,155	72.6	1,179	100.0	1.2			1,249	106.0	27	
Subtotal	281,567	7,370	288,937	56.6	290,433	0.9	369.0	21.8		59,718	20.6	464	230
Retail: residential mortgages as of 31.12.23													
0.00 to <0.15	119,466	2,509	121,975	48.4	123,015	0.1	183.6	18.2		6,704	5.5	20	
0.15 to <0.25	51,586	1,356	52,942	54.0	53,999	0.2	56.2	19.1		6,415	11.9	19	
0.25 to <0.50	64,885	1,813	66,698	52.7	67,761	0.3	72.6	20.5		13,059	19.3	47	
0.50 to <0.75	20,641	683	21,324	70.9	21,211	0.6	18.0	28.7		6,319	29.8	38	
0.75 to <2.50	30,775	2,735	33,510	58.3	32,492	1.3	31.4	32.1		17,467	53.8	141	
2.50 to <10.00	10,459	397	10,856	67.1	10,742	4.4	10.1	32.5		11,218	104.4	152	
10.00 to <100.00	1,196	35	1,231	90.3	1,229	14.7	1.1	32.6		2,193	178.4	59	
100.00 (default)[4]	953	21	974	74.0	1,136	100.0	1.1			1,204	106.0	30	
Subtotal	299,960	9,549	309,509	55.4	311,584	0.9	373.9	21.6		64,580	20.7	506	261

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

USD m, except where indicated	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Total exposures pre-CCF	Average CCF in %	EAD post-CCF and post-CRM	Average PD in %	Number of obligors (in thousands)[1]	Average LGD in %[2]	Average maturity in years[2]	RWA	RWA density in %	EL	Provisions[3]
Retail: qualifying revolving retail exposures (QRRE) as of 30.6.24													
0.00 to <0.15	243	3,863	4,105	51.8	2,244	0.0	467.0	37.5		48	2.1	0	
0.15 to <0.25	157	2,577	2,734	38.0	1,154	0.2	327.0	36.6		66	5.7	1	
0.25 to <0.50	260	2,285	2,545	28.0	910	0.4	289.7	32.7		77	8.5	1	
0.50 to <0.75	271	1,324	1,594	30.3	679	0.6	176.2	32.3		87	12.8	1	
0.75 to <2.50	750	1,917	2,666	38.0	1,484	1.4	300.8	34.1		390	26.3	7	
2.50 to <10.00	515	268	783	37.0	601	4.4	134.6	39.4		408	67.8	10	
10.00 to <100.00	79	19	98	48.4	89	17.8	21.8	44.7		163	183.8	7	
100.00 (default)[4]	64	2	66	27.4	40	100.0	30.0			42	106.0	25	
Subtotal	2,338	12,253	14,591	39.7	7,201	1.6	1,747.0	35.8		1,281	17.8	53	38
Retail: qualifying revolving retail exposures (QRRE) as of 31.12.23													
0.00 to <0.15	265	4,116	4,381	51.8	2,395	0.0	465.8	37.5		51	2.1	0	
0.15 to <0.25	147	2,700	2,847	38.6	1,188	0.2	326.3	36.7		68	5.7	1	
0.25 to <0.50	241	2,431	2,672	28.0	936	0.4	290.1	33.6		82	8.7	1	
0.50 to <0.75	253	1,421	1,674	30.7	697	0.6	178.0	33.2		93	13.3	1	
0.75 to <2.50	654	1,831	2,485	42.9	1,487	1.4	305.0	35.2		401	27.0	7	
2.50 to <10.00	550	504	1,053	21.7	607	4.4	134.2	40.8		434	71.5	11	
10.00 to <100.00	99	22	121	51.1	111	18.2	24.0	46.6		216	194.5	10	
100.00 (default)[4]	62	2	64	27.4	38	100.0	28.6			41	106.0	24	
Subtotal	2,271	13,027	15,298	39.9	7,459	1.6	1,751.9	36.4		1,385	18.6	56	39
Retail: other retail as of 30.6.24													
0.00 to <0.15	125,642	421,136	546,778	15.2	189,797	0.0	498.0	34.0		10,263	5.4	26	
0.15 to <0.25	6,520	12,427	18,947	17.6	8,705	0.2	26.8	29.1		1,209	13.9	5	
0.25 to <0.50	9,004	14,496	23,499	18.5	11,679	0.4	29.6	32.7		2,936	25.1	14	
0.50 to <0.75	5,991	11,231	17,222	19.7	8,683	0.6	38.4	28.9		2,623	30.2	16	
0.75 to <2.50	6,950	8,870	15,820	23.9	8,852	1.3	96.5	38.7		4,605	52.0	44	
2.50 to <10.00	3,141	1,469	4,609	26.0	3,180	4.0	46.4	50.4		2,634	82.8	61	
10.00 to <100.00	538	102	640	15.1	547	23.2	18.9	52.8		718	131.4	68	
100.00 (default)[4]	240	52	292	54.4	366	100.0	5.9			388	106.0	67	
Subtotal	158,026	469,781	627,807	15.7	231,809	0.4	760.5	34.0		25,376	10.9	300	60
Retail: other retail as of 31.12.23													
0.00 to <0.15	134,559	428,417	562,976	15.5	200,541	0.0	503.5	34.9		10,876	5.4	28	
0.15 to <0.25	7,335	11,897	19,233	18.1	9,481	0.2	30.7	34.5		1,456	15.4	6	
0.25 to <0.50	7,531	13,790	21,322	19.0	10,146	0.4	30.8	27.4		2,058	20.3	10	
0.50 to <0.75	5,241	12,075	17,317	19.8	8,106	0.6	39.9	28.1		2,309	28.5	14	
0.75 to <2.50	6,593	8,245	14,838	21.4	8,362	1.2	88.5	42.2		4,711	56.3	44	
2.50 to <10.00	2,680	1,213	3,893	18.5	2,757	4.3	39.2	55.6		2,601	94.3	66	
10.00 to <100.00	497	109	607	16.8	514	23.7	16.9	52.9		683	133.1	65	
100.00 (default)[4]	542	44	586	65.0	497	100.0	5.6			527	106.0	48	
Subtotal	164,981	475,791	640,772	15.9	240,403	0.4	755.1	34.8		25,220	10.5	281	32
Total 30.6.24	826,799	632,622	1,459,420	20.6	965,927	0.9	2,916.2	30.9	1.5	189,959	19.7	2,388	1,910
Total 31.12.23	**906,357**	**671,503**	**1,577,860**	**21.2**	**1,057,823**	**0.9**	**2,935.1**	**29.5**	**1.5**	**206,895**	**19.6**	**2,400**	**1,889**

1 Numbers of obligors represent an aggregation of the client relationships in the UBS Group excluding Credit Suisse along with the client relationships in Credit Suisse. RWA calculations are based on the applicable rules and models approved by FINMA for the respective legal entities. 2 Defaulted exposures disclosed in the table are excluded from average loss given default (LGD) and average maturity information as not relevant for risk weighting. Furthermore, Retail asset classes are excluded from the average maturity, as maturity is not relevant for risk weighting. 3 In line with BCBS Pillar 3 disclosure requirements, provisions are only provided for the sub-totals by asset class. Provisions reflect IFRS Accounting Standards Expected Credit Losses accounting provisions for credit losses on A-IRB exposures. 4 Includes defaulted purchased credit-impaired assets.

Credit derivatives used as credit risk mitigation techniques

Semi-annual | Where credit derivatives are used as CRM techniques, the PD of the obligor is in general substituted with the PD of the hedge provider. In addition, default correlation between the obligor and the hedge provider is taken into account through the double default approach. The impact of credit derivatives used as CRM techniques on A-IRB credit risk has been immaterial for past reporting periods and continued to be immaterial for this reporting period. Therefore, we have discontinued the disclosure of the "CR7: IRB – effect on RWA of credit derivatives used as CRM techniques" table, in line with FINMA Circular 2016/1, General principles of disclosure. ▲

› **Refer to the "CCR6: Credit derivatives exposures" table in the "Counterparty credit risk" section of this report for notional and fair value information about credit derivatives used as CRM techniques**

Risk-weighted assets flow statements of credit risk exposures under the internal ratings-based approach

Quarterly | The CR8 table below provides a breakdown of the credit risk RWA movements in the second quarter of 2024 across movement categories defined by the Basel Committee on Banking Supervision (the BCBS).

Credit risk RWA under the internal ratings-based (IRB) approach decreased by USD 6.9bn to USD 191.6bn during the second quarter of 2024. This balance includes credit risk under the A-IRB approach, as well as credit risk under the supervisory slotting approach.

Movements in asset size drove a USD 5.6bn decrease in RWA, due to a decrease in loan balances in Global Wealth Management and Personal & Corporate Banking, as well as reductions in Non-core and Legacy, mainly driven by our actions to actively unwind the portfolio, in addition to the natural roll-off.

Movements in asset quality, including changes in risk density across the overall portfolio, decreased RWA by USD 1.0bn, mainly resulting from financial resource optimization in Global Wealth Management and Personal & Corporate Banking. Such decreases were partly offset by changes in risk density in other business divisions.

Model updates decreased RWA by USD 2.2bn, primarily related to the recalibration of certain multipliers as a result of improvements to models, primarily in the Investment Bank and Personal & Corporate Banking.

Methodology and policy changes resulted in an RWA increase of USD 1.8bn, mainly related to the establishing of a new model for commercial real estate, which resulted in a transition of these exposures from the standardized approach to the A-IRB approach.

Currency effects, driven by the weakening of the US dollar against other major currencies, resulted in an RWA increase of USD 0.2bn.

› **Refer to the "Definitions of credit risk and counterparty credit risk RWA movement table components for CR8 and CCR7" in the "Credit risk" section of the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for definitions of credit risk RWA movement table components**

CR8: RWA flow statements of credit risk exposures under IRB

	USD m	For the quarter ended 30.6.24	For the quarter ended 31.3.24
1	RWA as of the beginning of the quarter	198,429	209,998
2	Asset size	(5,554)	(4,748)
3	Asset quality	(1,020)	529
4	Model updates	(2,208)	(737)
5	Methodology and policy	1,826	
5a	*of which: regulatory add-ons*		
6	Acquisitions and disposals		
7	Foreign exchange movements	247	(8,441)
8	Other	(150)	1,828
9	RWA as of the end of the quarter	191,570	198,429

▲

Specialized lending

Semi-annual | The table below provides information about specialized lending exposures, subject to the supervisory slotting approach. Exposures related to specialized lending for the UBS Group excluding Credit Suisse are included in the "CR6: IRB – Credit risk exposures by portfolio and PD range" table in this section.

CR10: Specialized lending

USD m, except where indicated		On-balance sheet amount	Off-balance sheet amount	Risk weight in %	Exposure amount[1]	RWA	EL
30.6.24							
Other than high-volatility commercial real estate							
Regulatory categories and remaining maturity							
Strong	Less than 2.5 years	204	11	50	270	143	
	Equal to or more than 2.5 years	132		70	183	136	1
Good	Less than 2.5 years	1,150	91	70	1,199	890	5
	Equal to or more than 2.5 years	283	81	90	332	317	3
Satisfactory		77	3	115[2]	79	96	2
Weak			20	250	11	30	1
Default		51			51		26
Total		1,897	207		2,125	1,611	37
High-volatility commercial real estate							
Regulatory categories and remaining maturity							
Default			1		2		
Total			1		2		
31.12.23							
Other than high-volatility commercial real estate							
Regulatory categories and remaining maturity							
Strong	Less than 2.5 years	292	139	50	368	195	
	Equal to or more than 2.5 years	152	248	70	288	214	1
Good	Less than 2.5 years	1,703	190	70	1,807	1,341	7
	Equal to or more than 2.5 years	349	104	90	396	378	3
Satisfactory		405	34	115[2]	423	516	12
Weak		139	62	250	173	459	14
Default		32			32		16
Total		3,073	776		3,488	3,103	53
High-volatility commercial real estate							
Regulatory categories and remaining maturity							
Default							
Total							

1 Exposure amounts in connection with income-producing real estate. 2 For a portion of the exposure, a risk weight of 120% is applied.

▲

Equity exposures

Semi-annual | The table below provides information about our equity exposures under the simple risk-weight method. Compared with 31 December 2023, RWA from equity positions under the simple risk-weight approach increased by USD 0.3bn to USD 5.8bn.

CR10: IRB (equities under the simple risk-weight method)

USD m, except where indicated	On-balance sheet amount	Off-balance sheet amount	Risk weight in %[1]	Exposure amount[2]	RWA[1]
30.6.24					
Exchange-traded equity exposures	37		300	37	118
Other equity exposures	1,337		400	1,337	5,667
Total	1,374			1,374	5,785
31.12.23					
Exchange-traded equity exposures	33		300	33	105
Other equity exposures	1,262		400	1,262	5,350
Total	**1,295**			**1,295**	**5,454**

1 RWA are calculated post-application of the A-IRB multiplier of 6%, therefore the respective risk weight is higher than 300% and 400%. 2 The exposure amount for equities in the banking book is based on the net position.

▲

Counterparty credit risk

Introduction

Semi-annual | This section provides information about the exposures subject to the Basel III counterparty credit risk (CCR) framework. CCR arises from over-the-counter (OTC) derivatives and exchange-traded derivatives (ETDs), securities financing transactions (SFTs), and long settlement transactions. We determine the regulatory credit exposure on the majority of our derivatives portfolio by applying the internal model method (IMM). For the remainder of the derivatives portfolio we apply the standardized approach for counterparty credit risk (SA-CCR). For the majority of SFTs we determine the regulatory credit exposure using the value-at-risk (VaR) approach. For the remainder of the SFTs portfolio we apply the comprehensive approach for credit risk mitigation. ▲

Counterparty credit risk exposure

Semi-annual | The CCR1 table below presents the methods used to calculate CCR exposure. Compared with 31 December 2023, exposures on SFTs under the VaR approach decreased by USD 5.6bn to USD 37.3bn, mainly reflecting lower levels of client activity. Derivative exposures subject to the IMM decreased by USD 2.2bn, primarily from decreases in Non-core and Legacy, due to our actions to actively unwind the portfolio, in addition to the natural roll-off.

CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

	USD m, except where indicated	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
	30.6.24						
1	SA-CCR (for derivatives)	6,232	9,191		1.4	21,593	8,522
2	Internal model method (for derivatives)			29,211	1.6[1]	46,733	16,054
3	Simple approach for credit risk mitigation (for SFTs)						
4	Comprehensive approach for credit risk mitigation (for SFTs)					13,819	3,497
5	VaR (for SFTs)					37,328	9,582
6	**Total**					119,474	37,655
	31.12.23						
1	SA-CCR (for derivatives)	6,441	7,475		1.4	19,482	8,525
2	Internal model method (for derivatives)			30,579	1.6[1]	48,891	16,460
3	Simple approach for credit risk mitigation (for SFTs)						
4	Comprehensive approach for credit risk mitigation (for SFTs)					14,148	3,355
5	VaR (for SFTs)					42,916	10,884
6	**Total**					**125,437**	**39,224**

1 A conservative treatment for the purpose of calculating exposure profiles is applied to material trades with wrong-way risk features, along with an alpha factor of 1.0.

▲

Semi-annual | The CCR2 table below presents the credit valuation adjustment (CVA) capital charge with a breakdown by standardized and advanced approaches. In addition to the default risk capital requirements for CCR on derivatives, we add a CVA capital charge to cover the risk of mark-to-market losses associated with the deterioration of counterparty credit quality. The advanced CVA VaR approach has been used to calculate the CVA capital charge for the majority of derivatives. Where this is not feasible, the standardized CVA approach has been used.

Compared with 31 December 2023, CVA risk-weighted assets (RWA) decreased by USD 1.5bn to USD 7.4bn, primarily reflecting decreases in exposures on derivatives subject to the advanced CVA capital change within Non-core and Legacy. During the first half of 2024, USD 1.5bn of RWA was reclassified from advanced CVA to standardized CVA, better aligning the CVA capital treatment across the Group.

CCR2: Credit valuation adjustment (CVA) capital charge

		30.6.24		31.12.23	
	USD m	EAD post-CRM	RWA	EAD post-CRM	RWA
	Total portfolios subject to the advanced CVA capital charge	46,495	2,000	49,216	4,904
1	(i) VaR component (including the 3× multiplier)		307		630
2	(ii) Stressed VaR component (including the 3× multiplier)		1,693		4,274
3	All portfolios subject to the standardized CVA capital charge	19,832	5,357	17,700	3,904
4	**Total subject to the CVA capital charge**	66,327	7,356	66,916	8,808

▲

Semi-annual | We have discontinued the disclosure of the "CCR3: Standardized approach – CCR exposures by regulatory portfolio and risk weights" table, starting with the 31 December 2022 Pillar 3 Report, on the grounds of materiality. The majority of our CCR exposures are subject to advanced internal ratings-based (A-IRB) risk weights or disclosed separately when related to central counterparties. ▲

› **Refer to the "CCR4: IRB – CCR exposures by portfolio and PD scale" and the "CCR8: Exposures to central counterparties" tables in this section for more information about CCR exposures subject to A-IRB risk weights and central counterparties, respectively**

Semi-annual | The CCR4 table below provides a breakdown of the key parameters used for the calculation of capital requirements under the A-IRB approach across Swiss Financial Market Supervisory Authority (FINMA)-defined asset classes. EAD in this section represents exposure at default after credit risk mitigation.

Compared with 31 December 2023, EAD decreased by USD 6.3bn to USD 111.1bn across the various asset classes, and RWA decreased by USD 1.8bn to USD 34.3bn.

In the Central governments and central banks asset class, EAD decreased by USD 4.9bn to USD 7.8bn, mainly as a result of decreased activity in SFTs in Group Treasury. RWA decreased by USD 0.2bn to USD 0.6bn.

In the Banks and securities dealers asset class, EAD decreased by USD 5.3bn to USD 25.9bn, and RWA decreased by USD 1.5bn to USD 7.2bn, primarily driven by lower derivative exposures in the Investment Bank and Group Treasury.

In the Public-sector entities and multi-lateral development banks asset class, EAD decreased by USD 0.2bn to USD 0.9bn. RWA remained unchanged at USD 0.1bn.

In the Corporates asset class, EAD increased by USD 1.2bn to USD 65.3bn, primarily due to exposure increases in SFTs in the Investment Bank, partly offset by lower derivative exposures in Non-core and Legacy, driven by our actions to actively unwind the portfolio, in addition to the natural roll-off. RWA decreased by USD 0.5bn to USD 25.2bn, primarily due to the aforementioned exposure decrease in Non-core and Legacy.

In the Retail: other retail asset class, EAD increased by USD 3.0bn to USD 11.1bn, and RWA increased by USD 0.4bn to USD 1.3bn, mainly due to an increase in derivative exposures in Global Wealth Management.

› **Refer to the "CCR7: RWA flow statements of CCR exposures under the internal model method (IMM) and value-at-risk (VaR)" table in this section for more information about RWA, including details of movements in CCR RWA**

CCR4: IRB – CCR exposures by portfolio and PD scale

USD m, except where indicated	EAD post-CRM	Average PD in %	Number of obligors (in thousands)[1]	Average LGD in %[2]	Average maturity in years[2]	RWA	RWA density in %
Central governments and central banks as of 30.6.24							
0.00 to <0.15	7,441	0.0	0.1	40.4	0.6	365	4.9
0.15 to <0.25	240	0.2	< 0.1	52.5	0.6	67	27.8
0.25 to <0.50	164	0.3	< 0.1	85.0	0.7	131	79.9
0.50 to <0.75	1	0.7	< 0.1	60.0	2.5	1	113.1
0.75 to <2.50	0	1.0	< 0.1	44.2	0.0	0	63.3
2.50 to <10.00							
10.00 to <100.00							
100.00 (default)							
Subtotal	7,846	0.0	0.2	41.7	0.6	564	7.2
Central governments and central banks as of 31.12.23							
0.00 to <0.15	12,373	0.0	0.1	47.3	0.5	514	4.2
0.15 to <0.25	207	0.2	< 0.1	54.1	0.6	58	27.8
0.25 to <0.50	210	0.4	< 0.1	75.4	1.0	157	74.9
0.50 to <0.75	1	0.7	< 0.1	60.0	2.5	1	113.1
0.75 to <2.50	3	1.6	< 0.1	55.0	1.0	3	115.2
2.50 to <10.00							
10.00 to <100.00							
100.00 (default)							
Subtotal	12,793	0.0	0.2	47.9	0.5	733	5.7
Banks and securities dealers as of 30.6.24							
0.00 to <0.15	20,444	0.1	0.5	51.7	0.9	4,223	20.7
0.15 to <0.25	2,925	0.2	0.2	48.1	1.1	1,192	40.8
0.25 to <0.50	1,376	0.4	0.1	52.4	0.5	590	42.9
0.50 to <0.75	288	0.7	< 0.1	54.3	0.8	220	76.4
0.75 to <2.50	741	1.3	0.1	52.9	0.7	820	110.7
2.50 to <10.00	155	3.1	< 0.1	23.1	1.0	129	83.2
10.00 to <100.00	0	13.0	< 0.1	50.0	0.0	0	250.5
100.00 (default)							
Subtotal	25,928	0.2	1.0	51.2	0.9	7,175	27.7
Banks and securities dealers as of 31.12.23							
0.00 to <0.15	25,342	0.1	0.5	52.5	0.8	5,036	19.9
0.15 to <0.25	2,874	0.2	0.2	49.4	0.8	1,160	40.4
0.25 to <0.50	1,640	0.4	0.1	53.7	1.2	1,067	65.1
0.50 to <0.75	330	0.7	< 0.1	52.8	1.3	287	86.9
0.75 to <2.50	897	1.4	0.1	52.3	0.7	988	110.1
2.50 to <10.00	156	3.1	< 0.1	21.8	1.1	131	84.1
10.00 to <100.00	0	13.0	< 0.1	50.0	0.0	0	250.5
100.00 (default)							
Subtotal	31,239	0.1	1.1	52.0	0.8	8,670	27.8

CCR4: IRB – CCR exposures by portfolio and PD scale (continued)

USD m, except where indicated	EAD post-CRM	Average PD in %	Number of obligors (in thousands)[1]	Average LGD in %[2]	Average maturity in years[2]	RWA	RWA density in %
Public-sector entities and multi-lateral development banks as of 30.6.24							
0.00 to <0.15	805	0.0	< 0.1	41.6	2.4	64	7.9
0.15 to <0.25	46	0.2	< 0.1	32.6	1.1	10	21.9
0.25 to <0.50	1	0.4	< 0.1	92.6	1.3	1	100.0
0.50 to <0.75							
0.75 to <2.50	0	1.2	< 0.1	5.0	1.0	0	9.3
2.50 to <10.00							
10.00 to <100.00							
100.00 (default)							
Subtotal	852	0.0	< 0.1	41.1	2.4	75	8.8
Public-sector entities and multi-lateral development banks as of 31.12.23							
0.00 to <0.15	930	0.0	< 0.1	51.2	2.2	113	12.1
0.15 to <0.25	109	0.2	< 0.1	40.9	1.2	24	21.5
0.25 to <0.50	2	0.4	< 0.1	97.2	1.3	2	84.6
0.50 to <0.75							
0.75 to <2.50	0	1.0	< 0.1	27.6	1.0	0	47.4
2.50 to <10.00							
10.00 to <100.00							
100.00 (default)							
Subtotal	1,042	0.0	< 0.1	50.2	2.1	138	13.3
Corporates as of 30.6.24[3]							
0.00 to <0.15	40,352	0.0	12.0	35.2	0.6	3,924	9.7
0.15 to <0.25	7,948	0.2	2.6	45.7	0.6	2,602	32.7
0.25 to <0.50	4,152	0.4	0.7	74.8	0.7	4,449	107.2
0.50 to <0.75	4,137	0.6	0.8	72.0	0.5	6,679	161.4
0.75 to <2.50	5,167	1.2	1.4	30.6	0.5	4,619	89.4
2.50 to <10.00	3,554	4.1	0.3	18.1	0.8	2,864	80.6
10.00 to <100.00	0	16.6	< 0.1	59.1	1.0	0	268.0
100.00 (default)	36	100.0	< 0.1			38	106.0
Subtotal	65,347	0.5	17.8	40.0	0.6	25,175	38.5
Corporates as of 31.12.23[3]							
0.00 to <0.15	41,868	0.0	12.6	34.8	0.6	4,086	9.8
0.15 to <0.25	6,415	0.2	2.5	49.5	0.7	2,355	36.7
0.25 to <0.50	4,500	0.4	0.8	72.0	0.8	4,537	100.8
0.50 to <0.75	4,875	0.6	0.9	72.2	0.5	7,744	158.8
0.75 to <2.50	3,629	1.3	1.4	46.2	0.6	4,422	121.9
2.50 to <10.00	2,827	4.7	0.4	19.7	0.8	2,515	89.0
10.00 to <100.00	1	18.8	< 0.1	23.1	1.0	1	128.5
100.00 (default)	38	100.0	< 0.1			40	106.0
Subtotal	64,152	0.5	18.5	41.7	0.6	25,699	40.1
Retail: other retail as of 30.6.24							
0.00 to <0.15	8,556	0.0	17.6	36.7		476	5.6
0.15 to <0.25	477	0.2	0.5	29.0		67	14.0
0.25 to <0.50	461	0.3	0.6	27.7		95	20.7
0.50 to <0.75	373	0.6	0.3	29.1		115	30.8
0.75 to <2.50	960	1.1	1.2	34.3		432	45.0
2.50 to <10.00	253	4.2	0.2	36.8		158	62.3
10.00 to <100.00	2	19.7	< 0.1	44.5		3	127.4
100.00 (default)	0	100.0	< 0.1			0	106.0
Subtotal	11,082	0.3	20.5	35.5		1,346	12.1
Retail: other retail as of 31.12.23							
0.00 to <0.15	6,338	0.0	16.4	40.6		349	5.5
0.15 to <0.25	237	0.2	0.5	33.2		34	14.4
0.25 to <0.50	349	0.4	0.5	27.8		68	19.5
0.50 to <0.75	331	0.6	0.3	26.8		92	27.9
0.75 to <2.50	657	1.1	1.2	35.7		295	44.9
2.50 to <10.00	175	3.3	0.2	28.8		82	46.7
10.00 to <100.00	9	20.3	< 0.1	53.3		14	154.8
100.00 (default)	1	100.0	< 0.1			1	106.0
Subtotal	8,096	0.3	19.1	38.6		934	11.5
Total 30.6.24	111,054	0.4	39.6	42.3	0.7	34,334	30.9
Total 31.12.23	**117,322**	**0.3**	**39.0**	**45.0**	**0.7**	**36,174**	**30.8**

1 Numbers of obligors represent an aggregation of the client relationships in the UBS Group excluding Credit Suisse along with the client relationships in Credit Suisse. RWA calculations are based on the applicable rules and models approved by FINMA for the respective legal entities. 2 Defaulted exposures disclosed in the table are excluded from average loss given default (LGD) and average maturity information as not relevant for risk weighting. Furthermore, Retail asset classes are excluded from the average maturity, as they are not subject to maturity treatment. 3 Includes exposures to managed funds.

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Semi-annual | The CCR5 table below presents a breakdown of collateral posted or received relating to CCR exposures from derivative transactions and SFTs.

Compared with 31 December 2023, the fair value of collateral received for SFTs decreased by USD 14.5bn to USD 686.3bn, and the fair value of collateral posted for SFTs decreased by USD 29.6bn to USD 535.1bn, mainly related to decreases in sovereign and other debt securities, primarily from Non-core and Legacy, due to our actions to actively unwind the portfolio, in addition to the natural roll-off. The decrease in the fair value of collateral received was partly offset by an increase in equity securities received.

The fair value of collateral received for derivatives decreased by USD 6.8bn to USD 119.6bn, and the fair value of collateral posted for derivatives decreased by USD 10.7bn to USD 85.8bn, primarily from decreases in Non-core and Legacy, due to our actions to actively unwind the portfolio, in addition to the natural roll-off.

CCR5: Composition of collateral for CCR exposure[1]

	Collateral used in derivative transactions						Collateral used in SFTs	
	Fair value of collateral received			Fair value of posted collateral			Fair value of collateral received	Fair value of posted collateral
USD m	Segregated	Unsegregated	Total	Segregated	Unsegregated	Total		
30.6.24								
Cash – domestic currency	1,227	26,913	28,140	2,974	17,849	20,823	33,396	87,925
Cash – other currencies	31	21,161	21,192	5,829	17,016	22,844	17,460	70,084
Sovereign debt	12,296	15,093	27,389	9,226	15,432	24,658	279,109	139,419
Other debt securities	4,125	12,383	16,508	1,388	3,034	4,421	67,734	50,435
Equity securities	8,061	12,386	20,447	2,021	10,973	12,994	259,564	176,798
Other collateral[2]	782	5,166	5,948	1	27	28	29,083	10,396
Total	26,522	93,102	119,623	21,439	64,330	85,769	686,346	535,058
31.12.23								
Cash – domestic currency	1,610	30,376	31,987	1,512	20,019	21,531	33,309	85,716
Cash – other currencies	0	25,300	25,300	2,707	25,564	28,270	19,032	72,818
Sovereign debt	14,285	14,837	29,122	16,185	13,898	30,083	307,453	160,086
Other debt securities	2,801	13,554	16,354	1,281	2,412	3,692	75,580	53,096
Equity securities	6,237	11,457	17,695	2,961	9,797	12,758	239,839	182,784
Other collateral[2]	948	5,047	5,995	0	132	132	25,622	10,119
Total	**25,882**	**100,572**	**126,454**	**24,646**	**71,821**	**96,467**	**700,835**	**564,619**

1 This table includes collateral received and posted with and without the right of rehypothecation but excludes securities placed with central banks related to undrawn credit lines and for payment, clearing and settlement purposes for which there were no associated liabilities or contingent liabilities. 2 Includes fund investments, asset-backed securities, and mortgage-backed securities.

▲

Semi-annual | The CCR6 table below presents an overview of credit risk protection bought or sold through credit derivatives.

Compared with 31 December 2023, notionals for credit derivatives decreased by USD 35.6bn to USD 115.1bn for protection bought and by USD 44.6bn to USD 88.2bn for protection sold, primarily driven by index credit default swaps and single-name credit default swaps in Non-core and Legacy, mainly driven by our actions to actively unwind the portfolio, in addition to the natural roll-off.

CCR6: Credit derivatives exposures

	30.6.24		31.12.23	
USD m	Protection bought	Protection sold	Protection bought	Protection sold
Notionals[1]				
Single-name credit default swaps	44,140	46,922	60,366	57,615
Index credit default swaps	67,625	40,316	86,207	74,168
Total return swaps	1,088	983	2,609	1,053
Credit options	2,275	0	1,573	0
Total notionals	115,128	88,220	150,756	132,836
Fair values				
Positive fair value (asset)	*1,454*	*1,577*	*2,038*	*1,931*
Negative fair value (liability)	*2,529*	*1,298*	*3,251*	*1,488*

1 Includes notional amounts for client-cleared transactions.

▲

Counterparty credit risk risk-weighted assets

Quarterly | The CCR7 table below presents a flow statement explaining changes in CCR RWA determined under the internal model method (the IMM) for derivatives and the VaR approach for SFTs.

CCR RWA on derivatives under the IMM increased by USD 0.5bn to USD 16.5bn during the second quarter of 2024. Asset quality movements contributed to a USD 1.5bn increase in RWA, primarily due to changes in average risk density in the Investment Bank. These increases were partly offset by asset size movements that contributed to a USD 0.7bn decrease in RWA. That decrease was mainly due to a decrease in Non-core and Legacy, driven by our actions to actively unwind the portfolio, in addition to the natural roll-off, and a decrease in the Investment Bank. Model updates resulted in a decrease of USD 0.3bn, primarily related to the recalibration of certain multipliers as a result of improvements to models.

CCR RWA on SFTs under the VaR approach remained stable at USD 9.7bn during the second quarter of 2024. Asset quality movements contributed to a USD 1.0bn increase in RWA, primarily due to an increase in the risk profile in Group Treasury. These increases were largely offset by a decrease of USD 0.9bn due to asset size movements, primarily in the Investment Bank.

› **Refer to "Definitions of credit risk and counterparty credit risk RWA movement table components for CR8 and CCR7" in the "Credit risk" section of the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for definitions of CCR RWA movement table components**

CCR7: RWA flow statements of CCR exposures under internal model method (IMM) and value-at-risk (VaR)

		For the quarter ended 30.6.24			For the quarter ended 31.3.24		
USD m		Derivatives	SFTs	Total	Derivatives	SFTs	Total
		Subject to IMM	Subject to VaR		Subject to IMM	Subject to VaR	
1	RWA as of the beginning of the quarter	15,968	9,708	25,676	17,273	10,996	28,270
2	Asset size	(717)	(879)	(1,596)	(3,180)	192	(2,988)
3	Credit quality of counterparties	1,541	994	2,535	2,157	(1,456)	701
4	Model updates	(250)	(81)	(331)	69	86	155
5	Methodology and policy						
5a	*of which: regulatory add-ons*						
6	Acquisitions and disposals						
7	Foreign exchange movements	(60)	(30)	(90)	(352)	(110)	(462)
8	Other						
9	RWA as of the end of the quarter	16,482	9,712	26,194	15,968	9,708	25,676

Semi-annual | The CCR8 table below presents a breakdown of exposures to central counterparties and related RWA. Compared with 31 December 2023, exposures to qualifying central counterparties decreased by USD 28.3bn to USD 64.5bn, and related RWA decreased by USD 0.7bn to USD 2.3bn. This was primarily due to a reduction in Non-core and Legacy, mainly driven by our actions to actively unwind the portfolio, in addition to the natural roll-off, as well decreases in the Investment Bank.

CCR8: Exposures to central counterparties

		30.6.24		31.12.23	
USD m		EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
1	Exposures to QCCPs (total)[1]	64,498	2,263	92,813	2,960
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	35,650	611	56,241	1,016
3	*(i) OTC derivatives*	*3,784*	*68*	*6,104*	*117*
4	*(ii) Exchange-traded derivatives*	*24,876*	*403*	*43,803*	*773*
5	*(iii) Securities financing transactions*	*6,990*	*140*	*6,335*	*127*
6	*(iv) Netting sets where cross-product netting has been approved*				
7	Segregated initial margin				
8	Non-segregated initial margin[2]	25,506	131	32,831	189
9	Pre-funded default fund contributions	3,342	1,521	3,741	1,754
10	Unfunded default fund contributions				
11	Exposures to non-QCCPs (total)	244	320	479	678
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	214	214	436	436
13	*(i) OTC derivatives*				
14	*(ii) Exchange-traded derivatives*	*204*	*204*	*433*	*433*
15	*(iii) Securities financing transactions*	*10*	*10*	*2*	*2*
16	*(iv) Netting sets where cross-product netting has been approved*				
17	Segregated initial margin				
18	Non-segregated initial margin[2]	7	7	9	9
19	Pre-funded default fund contributions	19	48	20	49
20	Unfunded default fund contributions[3]	4	51	15	184

1 Qualifying central counterparties (QCCPs) are entities licensed by regulators to operate as CCPs and meet the requirements outlined in FINMA Circular 2017/7 "Credit risks – banks". 2 Exposures associated with initial margin, where the exposures are measured under the IMM or the VaR approach, have been included within the exposures for trades (refer to line 2 for QCCPs and line 12 for non-QCCPs). The exposures for non-segregated initial margin (refer to line 8 for QCCPs and line 18 for non-QCCPs), i.e., not bankruptcy-remote in accordance with FINMA Circular 2017/7, reflect the replacement costs under SA-CCR multiplied by an alpha factor of 1.4. The RWA reflect the exposure multiplied by the applied risk weight of derivatives. Under SA-CCR, collateral posted to a segregated, bankruptcy-remote account does not increase the value of replacement costs. 3 Excludes unfunded default fund contributions that are not subject to RWA calculations in line with regulatory guidance.

Securitizations

Introduction

Semi-annual | This section provides details of traditional and synthetic securitization exposures in the banking and trading books based on the Basel III securitization framework.

In a traditional securitization a pool of loans (or other debt obligations) is typically transferred to structured entities that have been established to own the pool and to issue tranched securities to third-party investors referencing this pool of loans. In a synthetic securitization legal ownership of securitized pools of assets is typically retained, but associated credit risk is transferred to structured entities, typically through guarantees, credit derivatives or credit-linked notes. In both traditional and synthetic securitizations risk is dependent on the seniority of the retained interest and the performance of the underlying asset pool.

Regulatory capital treatment of securitization structures

For banking book securitizations, the regulatory capital requirements are calculated using the following hierarchy of approaches: the securitization internal ratings-based approach, the securitization external ratings-based approach or the securitization standardized approach. Otherwise, a 1,250% risk weight is applied as a fallback. External ratings used in regulatory capital calculations for securitization risk exposures in the banking book are obtained from Fitch, Moody's, S&P or DBRS.

For trading book securitizations, the regulatory capital requirements are calculated using a ratings-based approach, the supervisory formula approach or the weighted-average risk-weight approach. ▲

Securitization exposures in the banking and trading books

Semi-annual | The SEC1 and SEC2 tables show the balance sheet carrying values of securitization exposures in the banking and trading books as of 30 June 2024 and 31 December 2023, respectively. For synthetic securitizations, the amounts disclosed reflect the net exposure at default on retained positions. The securitization activity is further broken down by role (originator, sponsor or investor) and by securitization type (traditional or synthetic). The SEC3 and SEC4 tables provide the regulatory capital requirements associated with the banking book securitization exposures differentiated by our role in the securitization.

Development of securitization exposures in the first half of 2024

Compared with 31 December 2023, securitization exposures in the banking book decreased by USD 19.5bn to USD 37.2bn, mainly due to the unwinding of securitized products in Non-core and Legacy and the reduction of securitization hedges.

SEC1: Securitization exposures in the banking book

USD m	Bank acts as originator			Bank acts as sponsor			Bank acts as investor			Total
	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	
30.6.24										
Asset classes										
1 Retail (total)	185	801	986				1,296		1,296	2,282
2 *of which: residential mortgage*		543	543				450		450	993
3 *of which: credit card receivables*							67		67	67
4 *of which: other retail exposures*[1]	185	258	443				779		779	1,222
5 Wholesale (total)	150	27,369	27,519	326		326	7,070		7,070	34,915
6 *of which: loans to corporates or SME*		16,756	16,756				682		682	17,438
7 *of which: commercial mortgage*		10,549	10,549				573		573	11,123
8 *of which: lease and receivables*							828		828	828
9 *of which: other wholesale*	150	64	214	326		326	4,986		4,986	5,526
10 Re-securitization	12		12				3		3	15
11 Total securitization / re-securitization (including retail and wholesale)	347	28,170	28,517	326		326	8,369		8,369	37,212
31.12.23										
Asset classes										
1 Retail (total)	306	549	855	29		29	7,558		7,558	8,442
2 *of which: residential mortgage*		501	501				1,887		1,887	2,388
3 *of which: credit card receivables*				29		29	808		808	837
4 *of which: other retail exposures*[1]	306	48	354				4,863		4,863	5,217
5 Wholesale (total)	667	37,215	37,882	361		361	9,837		9,837	48,080
6 *of which: loans to corporates or SME*		25,492	25,492				1,736		1,736	27,228
7 *of which: commercial mortgage*		11,565	11,565				1,056		1,056	12,621
8 *of which: lease and receivables*							2,921		2,921	2,921
9 *of which: other wholesale*	667	158	825	361		361	4,124		4,124	5,310
10 Re-securitization	11		11				146		146	157
11 Total securitization / re-securitization (including retail and wholesale)	984	37,764	38,748	390		390	17,541		17,541	56,679

1 Includes unsecured consumer loans, solar leases and automobile loans.

SEC2: Securitization exposures in the trading book

USD m	Bank acts as originator			Bank acts as sponsor			Bank acts as investor			Total
	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	
30.6.24										
Asset classes										
1 Retail (total)							47	13	60	60
2 *of which: residential mortgage*							44	13	57	57
4 *of which: other retail exposures*							3		3	3
5 Wholesale (total)	14		14				21	36	57	71
6 *of which: loans to corporates or SME*										
7 *of which: commercial mortgage*	14		14				17	36	53	67
9 *of which: other wholesale*								3	4	4
10 Re-securitization							7	8	15	15
11 Total securitization / re-securitization (including retail and wholesale)	14		14				75	57	132	146
31.12.23										
Asset classes										
1 Retail (total)				6		6	27	16	43	50
2 *of which: residential mortgage*				6		6	23	16	39	46
4 *of which: other retail exposures*							4		4	4
5 Wholesale (total)	27	4	31				54	85	139	170
6 *of which: loans to corporates or SME*							1	0	1	1
7 *of which: commercial mortgage*	27		27				53	85	138	165
9 *of which: other wholesale*		4	4							4
10 Re-securitization		9	9				6		6	16
11 Total securitization / re-securitization (including retail and wholesale)	27	13	41	6		6	88	101	188	235

SEC3: Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

	USD m	Total exposure values	Exposure values (by RW bands)					Exposure values (by regulatory approach)				Total RWA	RWA (by regulatory approach)				Total capital charge after cap	Capital charge after cap			
	30.6.24		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA	1250%		SEC-IRBA	SEC-ERBA	SEC-SA	1250%		SEC-IRBA	SEC-ERBA	SEC-SA	1250%
	Asset classes																				
1	Total exposures	29,394	28,737	394	37	196	30	28,870	360	134	30	6,400	5,203	691	129	377	503	416	50	7	30
2	Traditional securitization	673	279	176	37	152	30	150	360	134	30	1,264	67	691	129	377	92	5	50	7	30
3	*of which: securitization*	*661*	*279*	*176*	*26*	*151*	*30*	*150*	*360*	*122*	*30*	*1,248*	*67*	*691*	*113*	*377*	*91*	*5*	*50*	*5*	*30*
4	*of which: retail underlying*	*185*	*75*	*28*	*3*	*48*	*30*		*33*	*122*	*30*	*567*		*77*	*113*	*377*	*37*		*1*	*5*	*30*
5	*of which: wholesale*	*476*	*203*	*147*	*23*	*103*		*150*	*326*			*681*	*67*	*615*			*55*	*5*	*49*		
6	*of which: re-securitization*	*12*			*11*	*1*				*12*		*16*			*16*		*1*			*1*	
7	*of which: senior*	*9*			*9*					*9*		*9*			*9*		*1*			*1*	
8	*of which: non-senior*	*3*			*2*	*1*				*3*		*6*			*6*		*1*			*1*	
9	Synthetic securitization	28,720	28,458	218		44		28,720				5,136	5,136				411	411			
10	*of which: securitization*	*28,720*	*28,458*	*218*		*44*		*28,720*				*5,136*	*5,136*				*411*	*411*			
11	*of which: retail underlying*	*801*	*799*			*1*		*801*				*146*	*146*				*12*	*12*			
12	*of which: wholesale*	*27,920*	*27,659*	*218*		*42*		*27,920*				*4,990*	*4,990*				*399*	*399*			
13	*of which: re-securitization*																				
14	*of which: senior*																				
15	*of which: non-senior*																				

	31.12.23	Total exposure values	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	Total RWA	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	Total capital charge after cap	SEC-IRBA	SEC-ERBA	SEC-SA	1250%
	Asset classes																				
1	Total exposures	39,138	37,849	775	247	219	49	38,464	411	214	49	8,565	6,980	806	151	628	667	558	52	8	49
2	Traditional securitization	1,374	378	698	88	161	49	700	411	214	49	1,822	237	806	151	628	128	19	52	8	49
3	*of which: securitization*	*1,363*	*378*	*698*	*78*	*160*	*49*	*700*	*411*	*203*	*49*	*1,807*	*237*	*806*	*136*	*628*	*126*	*19*	*52*	*6*	*49*
4	*of which: retail underlying*	*335*	*141*	*66*	*45*	*33*	*49*		*83*	*203*	*49*	*954*		*190*	*136*	*628*	*58*		*3*	*6*	*49*
5	*of which: wholesale*	*1,028*	*237*	*632*	*33*	*127*		*700*	*328*			*853*	*237*	*616*	*0*		*68*	*19*	*49*		
6	*of which: re-securitization*	*11*			*10*	*1*				*11*		*15*			*15*		*2*			*2*	
7	*of which: senior*	*8*			*8*					*8*		*8*			*8*		*1*			*1*	
8	*of which: non-senior*	*3*			*2*	*1*				*3*		*7*			*7*		*1*			*1*	
9	Synthetic securitization	37,764	37,471	77	159	58		37,764				6,743	6,743				539	539			
10	*of which: securitization*	*37,764*	*37,471*	*77*	*159*	*58*		*37,764*				*6,743*	*6,743*				*539*	*539*			
11	*of which: retail underlying*	*549*	*548*			*1*		*549*				*103*	*103*				*8*	*8*			
12	*of which: wholesale*	*37,215*	*36,923*	*77*	*159*	*57*		*37,215*				*6,640*	*6,640*				*531*	*531*			
13	*of which: re-securitization*																				
14	*of which: senior*																				
15	*of which: non-senior*																				

SEC4: Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as investor

USD m	Total exposure values	Exposure values (by RW bands)					Exposure values (by regulatory approach)				Total RWA	RWA (by regulatory approach)				Total capital charge after cap	Capital charge after cap			
30.6.24		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA	1250%		SEC-IRBA	SEC-ERBA	SEC-SA	1250%		SEC-IRBA	SEC-ERBA	SEC-SA	1250%
Asset classes																				
1 Total exposures	8,499	6,440	1,504	183	354	18		1,052	7,429	18	3,729		333	3,175	221	183		27	138	18
2 Traditional securitization	8,499	6,440	1,504	183	354	18		1,052	7,429	18	3,729		333	3,175	221	183		27	138	18
3 of which: securitization	8,496	6,440	1,504	183	354	15		1,052	7,429	15	3,690		333	3,175	182	179		27	138	15
4 of which: retail underlying	1,397	414	949	25	8			43	1,353		428		24	404	1	26		2	24	
5 of which: wholesale	7,099	6,027	555	158	345	14		1,008	6,076	14	3,262		309	2,772	181	153		25	114	14
6 of which: re-securitization	3					3				3	40				40	3				3
7 of which: senior	3					3				3	40				40	3				3
8 of which: non-senior																				
9 Synthetic securitization																				
10 of which: securitization																				
11 of which: retail underlying																				
12 of which: wholesale																				
13 of which: re-securitization																				
14 of which: senior																				
15 of which: non-senior																				

31.12.23	Total exposure values	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	Total RWA	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	Total capital charge after cap	SEC-IRBA	SEC-ERBA	SEC-SA	1250%
Asset classes																				
1 Total exposures	17,541	13,571	2,610	840	498	21	126	725	16,669	21	5,994	19	275	5,438	263	359	2	21	314	21
2 Traditional securitization	17,541	13,571	2,610	840	498	21	126	725	16,669	21	5,994	19	275	5,438	263	359	2	21	314	21
3 of which: securitization	17,395	13,571	2,610	698	498	17	126	725	16,527	17	5,803	19	275	5,296	214	344	2	21	303	17
4 of which: retail underlying	7,557	5,483	1,734	269	71			82	7,475		1,808		52	1,756		133		4	129	
5 of which: wholesale	9,838	8,088	876	429	427	17	126	643	9,052	17	3,995	19	223	3,540	213	211	2	17	174	17
6 of which: re-securitization	146			142		4			142	4	191			142	49	15			11	4
7 of which: senior	146			142		4			142	4	191			142	49	15			11	4
8 of which: non-senior																				
9 Synthetic securitization																				
10 of which: securitization																				
11 of which: retail underlying																				
12 of which: wholesale																				
13 of which: re-securitization																				
14 of which: senior																				
15 of which: non-senior																				

Market risk

Overview

Semi-annual | The amount of capital required to underpin market risk in the regulatory trading book is calculated using a variety of methods approved by the Swiss Financial Market Supervisory Authority (FINMA). The components contributing to market risk risk-weighted assets (RWA) are value-at-risk (VaR), stressed value-at-risk (SVaR), an add-on for risks that are potentially not fully modeled in VaR (risks not in VaR, or RniV), the incremental risk charge (the IRC) and the securitization framework for securitization positions in the trading book. ▲

Securitization positions in the trading book

Semi-annual | The MR1 table below shows the components of RWA under the standardized approach for market risk. In line with regulatory requirements, the standardized approach for market risk is used for the specific risk on securitization exposures.

Securitization exposures in the trading book is the only relevant disclosure component of market risk under the standardized approach. Compared with 31 December 2023, securitization exposures subject to market risk RWA were broadly unchanged.

› **Refer to the "Securitizations" section of this report for more information about the securitization exposures in the trading book**

MR1: Market risk under standardized approach

		RWA	
USD m		30.6.24	31.12.23
	Outright products		
1	Interest rate risk (general and specific)		
2	Equity risk (general and specific)		
3	Foreign exchange risk		
4	Commodity risk		
	Options		
5	Simplified approach		
6	Delta-plus method		
7	Scenario approach		
8	**Securitization**	468	509
9	**Total**	**468**	**509**

▲

Market risk risk-weighted assets

Market risk risk-weighted assets development in the second quarter of 2024

Quarterly | The three main components that contribute to market risk RWA are regulatory VaR, SVaR and the IRC. The VaR and SVaR components include the RWA charge for RniV.

The MR2 table below provides a breakdown of the movement in market risk RWA in the second quarter of 2024 under an internal model approach across those components, pursuant to the movement categories defined by the Basel Committee on Banking Supervision.

Market risk RWA decreased by USD 1.8bn to USD 22.1bn in the second quarter of 2024, driven by a decrease in asset size and other movements that reflected updates from the monthly RniV assessments.

The FINMA VaR multiplier derived from backtesting exceptions for market risk RWA was unchanged compared with the prior quarter, at 3.0, for both the UBS Group excluding certain legacy Credit Suisse components and the aforementioned legacy Credit Suisse components.

› **Refer to "Definitions of market risk RWA movement table components for MR2" in the "Market risk" section of the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for definitions of market risk RWA movement table components**

MR2: RWA flow statements of market risk exposures under an IMA[1,2]

USD m		VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1	**RWA as of 31.12.23**	**6,537**	**10,563**	**3,789**			**20,889**
1a	*Regulatory adjustment*	*(4,026)*	*(5,850)*	*(198)*			*(10,074)*
1b	RWA at previous quarter-end (end of day)	2,510	4,714	3,591			10,814
2	*Movement in risk levels*	*(1,175)*	*(1,937)*	*(740)*			*(3,852)*
3	*Model updates / changes*	*473*	*678*	*19*			*1,170*
4	*Methodology and policy*	*0*	*0*	*0*			*0*
5	*Acquisitions and disposals*	*0*	*0*	*0*			*0*
6	*Foreign exchange movements*	*0*	*0*	*0*			*0*
7	*Other*	*(119)*	*(309)*	*0*			*(428)*
8a	RWA at the end of the reporting period (end of day)	1,689	3,146	2,870			7,704
8b	*Regulatory adjustment*	*6,755*	*8,750*	*695*			*16,199*
8c	**RWA as of 31.3.24**	**8,444**	**11,895**	**3,564**			**23,904**
1	**RWA as of 31.3.24**	8,444	11,896	3,564			23,904
1a	*Regulatory adjustment*	*(6,755)*	*(8,750)*	*(695)*			*(16,199)*
1b	RWA at previous quarter-end (end of day)	1,689	3,146	2,870			7,704
2	*Movement in risk levels*	*1,088*	*1,370*	*37*			*2,495*
3	*Model updates / changes*	*(96)*	*(166)*	*86*			*(176)*
4	*Methodology and policy*	*0*	*0*	*0*			*0*
5	*Acquisitions and disposals*	*0*	*0*	*0*			*0*
6	*Foreign exchange movements*	*0*	*0*	*0*			*0*
7	*Other*	*(79)*	*(48)*	*0*			*(127)*
8a	RWA at the end of the reporting period (end of day)	2,601	4,302	2,993			9,897
8b	*Regulatory adjustment*	*4,568*	*7,312*	*295*			*12,175*
8c	**RWA as of 30.6.24**	7,169	11,614	3,289			22,072

1 Components that describe movements in RWA are presented in italics. 2 The changes in RWA amounts over the reporting period for each of the key drivers are based on reasonable estimates of the relevant figures and the approach used might differ for UBS Group excluding certain legacy Credit Suisse components and legacy Credit Suisse components.

Regulatory calculation of market risk

Semi-annual | The MR3 table below shows the minimum, maximum, average and period-end regulatory VaR, SVaR and IRC. The comprehensive risk charge has not been applicable since 2019, which was the last time UBS had eligible correlation trading positions.

During the first half of 2024, for the UBS Group excluding certain legacy Credit Suisse components, regulatory VaR, SVaR and IRC were on average broadly unchanged.

For the legacy Credit Suisse components, regulatory VaR and SVaR decreased on average, mainly driven by continued strategic migration of positions to UBS and reductions within Non-core and Legacy.

MR3: IMA values for trading portfolios

		UBS Group excluding certain legacy Credit Suisse components		Legacy Credit Suisse components	
		For the six-month period ended 30.6.24	For the six-month period ended 31.12.23	For the six-month period ended 30.6.24	For the six-month period ended 31.12.23
USD m					
	VaR (10-day 99%)				
1	Maximum value	123	126	28	44
2	Average value	83	88	19	34
3	Minimum value	25	0	11	23
4	Period end	83	30	13	24
	Stressed VaR (10-day 99%)				
5	Maximum value	157	162	49	64
6	Average value	122	118	26	48
7	Minimum value	80	62	14	35
8	Period end	132	72	17	48
	Incremental risk charge (99.9%)				
9	Maximum value	334	265	98	110
10	Average value	199	212	70	99
11	Minimum value	134	173	56	87
12	Period end	182	191	58	96

▲

MR4: Comparison of VaR estimates with gains / losses

Semi-annual | 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 compute backtesting VaR using a 99% confidence level and 1-day holding period. Since 99% VaR at UBS is defined as a risk measure that operates on the lower tail of the profit-or-loss distribution, 99% backtesting VaR is a negative number. Backtesting revenues exclude non-trading revenues, such as valuation reserves, fees and commissions, and revenues from intraday trading, to provide for a like-for-like comparison. A backtesting exception occurs when backtesting revenues are lower than the previous day's backtesting VaR.

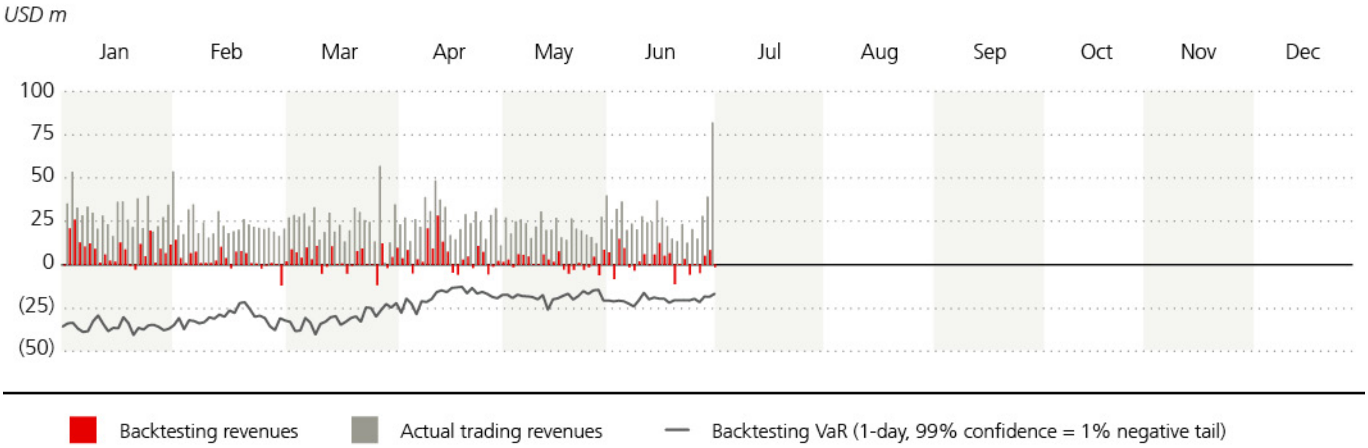
Statistically, given the 99% confidence level, two or three backtesting exceptions a year can be expected. More than four exceptions could indicate that the VaR model is not performing appropriately, as could too few exceptions over a long period. However, as noted under "VaR limitations" in the "Risk management and control" section of the UBS Group Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, a sudden increase (or decrease) in market volatility relative to the lookback window could lead to a higher (or lower) number of exceptions. Therefore, backtesting exceptions are investigated, as are exceptionally positive backtesting revenues, with the results reported to senior business management, the Group Chief Risk Officer and the Group Chief Market Risk Officer. Internal and external auditors and relevant regulators are also informed of backtesting exceptions.

The "Development of regulatory backtesting revenues and actual trading revenues against backtesting VaR" charts below show the development of backtesting VaR against the backtesting revenues and actual trading revenues for the first half of 2024.

The actual trading revenues include backtesting and intraday revenues.

For the UBS Group excluding certain legacy Credit Suisse components, there were no new VaR negative backtesting exceptions in the first half of 2024, and the total number of negative backtesting exceptions within the most recent 250-business-day window remained at zero. As these backtesting exceptions remained below five, the FINMA VaR multiplier used to compute regulatory and stressed VaR RWA was unchanged at 3.0 throughout the first half of 2024.

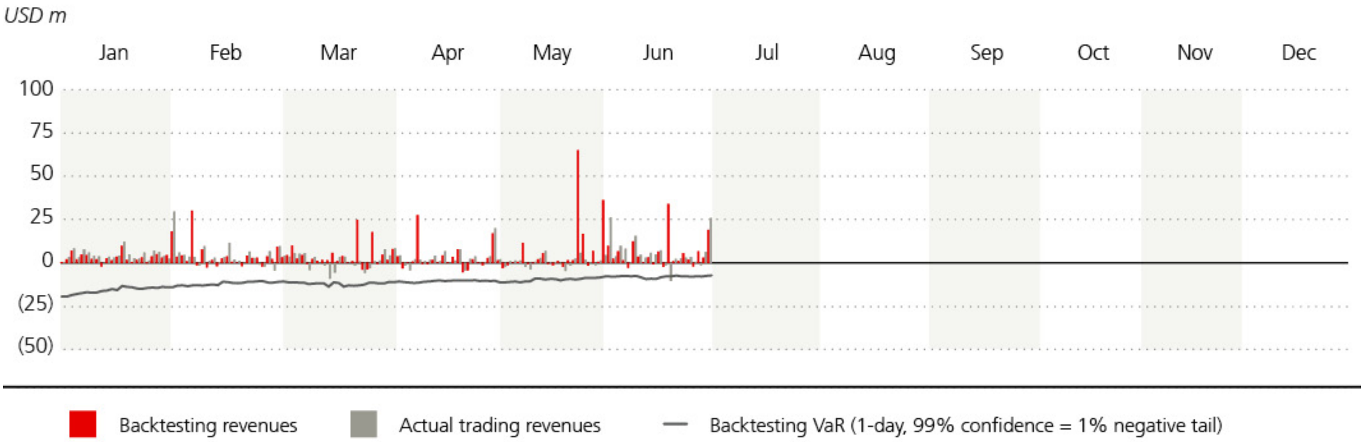
UBS Group AG consolidated excluding certain legacy Credit Suisse components: development of regulatory backtesting revenues[1] and actual trading revenues[2] against backtesting VaR[3] (1-day, 99% confidence)



1 Excludes non-trading revenues, such as valuation reserves, commissions and fees, and revenues from intraday trading. 2 Includes backtesting revenues and revenues from intraday trading. 3 Based on Basel III regulatory VaR, excludes CVA positions and their eligible hedges that are subject to the standalone CVA charge.

For the legacy Credit Suisse components, there were no new negative backtesting exceptions in the first half of 2024, and the total number of negative backtesting exceptions within the most recent 250-business-day window decreased to one from three by the end of the first half of 2024. As these backtesting exceptions remained below five, the FINMA VaR multiplier used to compute regulatory and stressed VaR RWA was unchanged at 3.0 throughout the first half of 2024.

Legacy Credit Suisse components: development of regulatory backtesting revenues[1] and actual trading revenues[2] against backtesting VaR[3] (1-day, 99% confidence)



1 Excludes non-trading revenues, such as valuation reserves, commissions and fees, and revenues from intraday trading. 2 Includes backtesting revenues and revenues from intraday trading. 3 Based on Basel III regulatory VaR, excludes CVA positions and their eligible hedges that are subject to the standalone CVA charge.

▲

Going and gone concern requirements and eligible capital

Quarterly | The table below provides details of the Swiss systemically relevant bank (SRB) going and gone concern capital requirements as required by the Swiss Financial Market Supervisory Authority (FINMA).

› **Refer to the “Capital management” section of the UBS Group second quarter 2024 report, available under ”Quarterly reporting” at *ubs.com/investors*, for more information about capital management**

Swiss SRB going and gone concern requirements and information

As of 30.6.24	RWA		LRD	
USD m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	14.78[1]	75,587	5.00[1]	78,210
Common equity tier 1 capital	10.48	53,598	3.50[2]	54,747
of which: minimum capital	*4.50*	*23,012*	*1.50*	*23,463*
of which: buffer capital	*5.50*	*28,126*	*2.00*	*31,284*
of which: countercyclical buffer	*0.48*	*2,461*		
Maximum additional tier 1 capital	4.30	21,989	1.50	23,463
of which: additional tier 1 capital	*3.50*	*17,898*	*1.50*	*23,463*
of which: additional tier 1 buffer capital	*0.80*	*4,091*		
Eligible going concern capital				
Total going concern capital	17.95	91,804	5.87	91,804
Common equity tier 1 capital	14.88	76,104	4.87	76,104
Total loss-absorbing additional tier 1 capital[3]	3.07	15,700	1.00	15,700
of which: high-trigger loss-absorbing additional tier 1 capital	*2.83*	*14,475*	*0.93*	*14,475*
of which: low-trigger loss-absorbing additional tier 1 capital	*0.24*	*1,225*	*0.08*	*1,225*
Required gone concern capital				
Total gone concern loss-absorbing capacity[4,5,6]	10.73[7]	54,845	3.75[7]	58,658
of which: base requirement including add-ons for market share and LRD	*10.73*	*54,845*	*3.75*	*58,658*
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	20.71	105,886	6.77	105,886
Total tier 2 capital	0.10	536	0.03	536
of which: non-Basel III-compliant tier 2 capital	*0.10*	*536*	*0.03*	*536*
TLAC-eligible senior unsecured debt	20.60	105,350	6.74	105,350
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.51	130,432	8.75	136,868
Eligible total loss-absorbing capacity	38.66	197,690	12.64	197,690
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		511,376		
Leverage ratio denominator				1,564,201

1 Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD) 2 Our minimum 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, a 0.25% market share add-on requirement based on our Swiss credit business 3 Includes outstanding low-trigger loss-absorbing additional tier 1 capital instruments, which are available under the Swiss systemically relevant bank framework to meet the going concern requirements until their first call date. As of their first call date, these instruments are eligible to meet the gone concern requirements. 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 From 1 January 2023, the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs) has been replaced with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements). 6 As of July 2024, 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 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.

Semi-annual | The CCyB1 table below provides details of the risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer (the CCyB) requirement applicable to private-sector exposures in UBS Group AG consolidated. In the first half of 2024, the CCyB for Belgium was set to 0.5%, effective from 1 April 2024, the CCyB for South Korea was set to 1.0%, effective from 1 May 2024, and the CCyB for the Netherlands was increased to 2.0% from 1.0%, effective from 31 May 2024. These updates increased our bank-specific CCyB requirement to 16 basis points as of 30 June 2024.

› **Refer to the "Risk management and control" section of the UBS Group Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about the methodology of geographical allocation used**

CCyB1: Geographical distribution of credit exposures used in the countercyclical capital buffer

USD m, except where indicated	30.6.24			
Geographical breakdown	Countercyclical capital buffer rate, %	Risk-weighted assets used in the computation of the countercyclical capital buffer[1]	Bank-specific countercyclical capital buffer rate, %	Countercyclical amount
Hong Kong SAR	1.00	2,203		
Luxembourg	0.50	7,116		
United Kingdom	2.00	13,521		
Sweden	2.00	886		
Australia	1.00	2,891		
Germany	0.75	5,479		
France	1.00	4,110		
Netherlands	2.00	2,049		
Belgium	0.50	713		
Korea	1.00	1,393		
Sum		40,360		
Total		319,149	0.16	798

1 Included private-sector exposures in the countries that are Basel Committee on Banking Supervision (BCBS)-member jurisdictions, under the following categories: "Credit risk," "Counterparty credit risk," "Equity positions in the banking book," "Settlement risk," "Securitization exposures in the banking book" and "Amounts below thresholds for deduction," as well as the corresponding trading book charges included under "Market Risk."

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Explanation of the differences between the IFRS Accounting Standards and regulatory scopes of consolidation

Semi-annual | As of 30 June 2024, UBS Asset Management Life Ltd (total assets on a standalone basis as of 30 June 2024: USD 17,071m; total equity on a standalone basis as of 30 June 2024: USD 30m) represented the most significant entity that was included in the IFRS Accounting Standards scope of consolidation but not in the regulatory scope of consolidation. This life insurance entity accounts for most of the difference between the "Balance sheet in accordance with IFRS Accounting Standards scope of consolidation" and the "Balance sheet in accordance with regulatory scope of consolidation" columns in the CC2 table. The difference is mainly related to financial assets at fair value not held for trading and other financial liabilities designated at fair value. Further differences are mainly related to other entities that are not active in the banking industry or the financial sector and therefore are not consolidated under the regulatory scope of consolidation.

In the banking book, certain equity investments are not consolidated under either the IFRS Accounting Standards or under the regulatory scopes. As of 30 June 2024, these investments mainly consisted of infrastructure holdings and joint operations (e.g., settlement and clearing institutions, and stock and financial futures exchanges) and included our participation in SIX Group. These investments are risk weighted based on applicable threshold rules.

› **Refer to our legal entity structure, available under "Holding company and significant regulated subsidiaries and sub-groups" at *ubs.com/investors*, for more information about the legal structure of the UBS Group and to "Note 1 Summary of material accounting policies" in the "Consolidated financial statements" section of the UBS Group Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about the IFRS Accounting Standards scope of consolidation**

› **Refer to the "Linkage between financial statements and regulatory exposures" section of the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more information about differences between the IFRS Accounting Standards and regulatory scopes of consolidation**

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Semi-annual | The CC2 table below provides a reconciliation of the balance sheet under IFRS Accounting Standards to the balance sheet according to the regulatory scope of consolidation as defined by the Basel Committee on Banking Supervision (the BCBS) and FINMA. Lines in the balance sheet under the regulatory scope of consolidation are expanded and referenced where relevant to display all components that are used in the "CC1: Composition of regulatory capital" table.

CC2: Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation

As of 30.6.24	Balance sheet in accordance with IFRS Accounting Standards scope of consolidation	Effect of deconsolidated, proportionally consolidated or additional consolidated entities for regulatory consolidation	Balance sheet in accordance with regulatory scope of consolidation	References[1]
USD m				
Assets				
Cash and balances at central banks	248,336	0	248,335	
Amounts due from banks	21,959	(502)	21,457	
Receivables from securities financing transactions measured at amortized cost	82,028	(21)	82,007	
Cash collateral receivables on derivative instruments	43,637	(175)	43,461	
Loans and advances to customers	599,105	69	599,174	
Other financial assets measured at amortized cost	60,431	47	60,478	
Total financial assets measured at amortized cost	1,055,494	(582)	1,054,912	
Financial assets at fair value held for trading	162,025	3	162,028	
of which: assets pledged as collateral that may be sold or repledged by counterparties	*43,452*		*43,452*	
Derivative financial instruments	139,597	2	139,600	
Brokerage receivables	25,273		25,273	
Financial assets at fair value not held for trading	123,266	(17,640)	105,626	
Total financial assets measured at fair value through profit or loss	450,161	(17,635)	432,526	
Financial assets measured at fair value through other comprehensive income	2,167	(45)	2,122	
Investments in associates	2,236	162	2,398	
of which: goodwill	*24*		*24*	*4*
Property, equipment and software	16,440	(207)	16,233	
Goodwill and intangible assets	7,313	(81)	7,232	
of which: goodwill	*6,021*		*6,021*	*4*
of which: intangible assets	*1,292*	*(56)*	*1,237*	*5*
Deferred tax assets	10,651	(13)	10,638	
of which: deferred tax assets recognized for tax loss carry-forwards and unused tax credits carried forward	*2,993*	*(8)*	*2,985*	*6*
of which: deferred tax assets on temporary differences	*7,658*	*(5)*	*7,653*	*10*
Other non-financial assets	16,514	(553)	15,961	
of which: net defined benefit pension and other post-employment assets	*1,065*		*1,065*	*8*
Total assets	1,560,976	(18,955)	1,542,021	

CC2: Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation (continued)

As of 30.6.24	Balance sheet in accordance with IFRS Accounting Standards scope of consolidation	Effect of deconsolidated, proportionally consolidated or additional consolidated entities for regulatory consolidation	Balance sheet in accordance with regulatory scope of consolidation	References[1]
USD m				
Liabilities				
Amounts due to banks	26,750	54	26,804	
Payables from securities financing transactions measured at amortized cost	14,872		14,872	
Cash collateral payables on derivative instruments	32,843		32,843	
Customer deposits	756,830	172	757,002	
Debt issued measured at amortized cost	229,223	(820)	228,403	
of which: amount eligible for high-trigger loss-absorbing additional tier 1 capital	*12,400*		*12,400*	*9*
of which: amount eligible for low-trigger loss-absorbing additional tier 1 capital	*1,225*		*1,225*	*9*
Other financial liabilities measured at amortized cost	21,383	17	21,400	
Total financial liabilities measured at amortized cost	1,081,902	(577)	1,081,325	
Financial liabilities at fair value held for trading	33,493		33,493	
Derivative financial instruments	149,069	164	149,233	
Brokerage payables designated at fair value	46,198		46,198	
Debt issued designated at fair value	113,209	(619)	112,590	
Other financial liabilities designated at fair value	31,875	(17,414)	14,462	
Total financial liabilities measured at fair value through profit or loss	373,844	(17,869)	355,975	
Provisions and contingent liabilities	9,293	(590)	8,703	
Other non-financial liabilities	11,720	(7)	11,712	
of which: amount eligible for high-trigger loss-absorbing capital (Deferred Contingent Capital Plan (DCCP))[2]	*1,403*		*1,403*	*9*
of which: deferred tax liabilities related to goodwill	*310*		*310*	*4*
of which: deferred tax liabilities related to other intangible assets	*158*		*158*	*5*
Total liabilities	1,476,758	(19,042)	1,457,716	
Equity				
Share capital	346		346	1
Share premium	11,742	(1)	11,741	1
Treasury shares	(5,498)		(5,498)	3
Retained earnings	76,176	(5)	76,172	2
Other comprehensive income recognized directly in equity, net of tax	917	11	928	3
of which: unrealized gains / (losses) from cash flow hedges	*(3,373)*		*(3,373)*	*7*
Equity attributable to shareholders	83,683	5	83,689	
Equity attributable to non-controlling interests	535	82	617	
Total equity	84,218	88	84,306	
Total liabilities and equity	1,560,976	(18,955)	1,542,021	

1 References link the lines of this table to the respective reference numbers provided in the "References" column in the "CC1: Composition of regulatory capital" table in this section. 2 The IFRS Accounting Standards carrying amount of total DCCP liabilities was USD 1,701m as of 30 June 2024. Refer to the "Compensation" section of the UBS Group Annual Report 2023, available under "Annual reporting" at ubs.com/investors, for more information about the DCCP.

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Semi-annual | The CC1 table below provides the composition of capital in the format prescribed by the BCBS and FINMA, and is based on BCBS Basel III rules, unless stated otherwise. Reference is made to items reconciling to the balance sheet under the regulatory scope of consolidation as disclosed in the "CC2: Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation" table in this section.

› **Refer to the documents titled "Capital and total loss-absorbing capacity instruments of UBS Group AG consolidated, UBS AG consolidated and standalone – Key features" and "UBS Group AG consolidated capital instruments and TLAC-eligible senior unsecured debt," available under "Bondholder information" at *ubs.com/investors,* for an overview of the main features of our regulatory capital instruments, as well as the full terms and conditions**

CC1: Composition of regulatory capital

As of 30.6.24		Amounts	References[1]
USD m, except where indicated			
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	12,088	1
2	Retained earnings	76,172	2
3	Accumulated other comprehensive income (and other reserves)	(4,571)	3
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	**Common Equity Tier 1 capital before regulatory adjustments**	83,689	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudent valuation adjustments	(231)	
8	Goodwill (net of related tax liability)	(5,730)	4
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	(776)	5
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)[2]	(2,997)	6
11	Cash flow hedge reserve	3,373	7
12	Shortfall of provisions to expected losses	(638)	
13	Securitization gain on sale		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	983	
15	Defined benefit pension fund net assets	(951)	8
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	(2,117)[3]	9
17	Reciprocal cross-holdings in common equity		
17a	Qualified holdings where a significant influence is exercised with other owners (CET1 instruments)		
17b	Immaterial investments (CET1 items)		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		10
22	Amount exceeding the 15% threshold		
23	*Of which: significant investments in the common stock of financials*		
24	*Of which: mortgage servicing rights*		
25	*Of which: deferred tax assets arising from temporary differences*		
26	Expected losses on equity investment under the PD / LGD approach		
26a	Further adjustments to financial statements in accordance with a recognized international accounting standard		
26b	Other adjustments	1,499[4,5]	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	**Total regulatory adjustments to Common Equity Tier 1**	(7,585)	
29	**Common Equity Tier 1 capital (CET1)**	76,104	

CC1: Composition of regulatory capital (continued)

As of 30.6.24		Amounts	References[1]
USD m, except where indicated			
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	15,700	
31	*Of which: classified as equity under applicable accounting standards*		
32	*Of which: classified as liabilities under applicable accounting standards*	*15,700*	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
36	**Additional Tier 1 capital before regulatory adjustments**	15,700	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own additional Tier 1 instruments[6]		
38	Reciprocal cross-holdings in additional Tier 1 instruments		
38a	Qualified holdings where a significant influence is exercised with other owners (AT1 instruments)		
38b	Immaterial investments (AT1 instruments)		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation		
41	Other adjustments		
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions		
42a	Regulatory adjustments applied to CET1 capital due to insufficient additional Tier 1 to cover deductions		
43	**Total regulatory adjustments to additional Tier 1 capital**		
44	**Additional Tier 1 capital (AT1)**	15,700	9
45	**Tier 1 capital (T1 = CET1 + AT1)**	91,804	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0[7]	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
50	Provisions		
51	**Tier 2 capital before regulatory adjustments**	0	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities		
53a	Qualified holdings where a significant influence is exercised with other owners (T2 instruments and other TLAC instruments)		
53b	Immaterial investments (T2 instruments and other TLAC instruments)		
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	Other adjustments		
56a	Excess of the adjustments, which are allocated to the AT1 capital		
57	**Total regulatory adjustments to Tier 2 capital**		
58	**Tier 2 capital (T2)**	0	
59	**Total regulatory capital (TC = T1 + T2)**	91,804	
60	**Total risk-weighted assets**	511,376	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	14.88	
62	Tier 1 (as a percentage of risk-weighted assets)	17.95	
63	Total capital (as a percentage of risk-weighted assets)	17.95	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)[8]	3.66	
65	*Of which: capital conservation buffer requirement*	*2.50*	
66	*Of which: bank-specific countercyclical buffer requirement*	*0.16*	
67	*Of which: higher loss absorbency requirement*	*1.00*	
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	9.95	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	3,524	
73	Significant investments in the common stock of financial entities	3,182	
74	Mortgage servicing rights (net of related tax liability)	274	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	6,662	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)		
77	Cap on inclusion of provisions in Tier 2 under standardized approach		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		

1 References link the lines of this table to the respective reference numbers provided in the "References" column in the "CC2: Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation" table in this section. 2 IFRS Accounting Standards netting for deferred tax assets and liabilities is reversed for items deducted from CET1 capital. 3 Includes USD 850m capital reserves for potential share repurchases. 4 Includes USD 917m in a compensation-related charge for regulatory capital purposes. 5 Includes USD 3,664m related to transitional CET1 capital purchase price allocation adjustments. Refer to the "Key metrics" section of this report for more information. 6 Under IFRS Accounting Standards, debt issued and subsequently repurchased is treated as extinguished. 7 Consists of 45% of the gross unrealized gains on debt instruments measured at fair value through other comprehensive income, which are measured at the lower of cost or market value for regulatory capital purposes. 8 BCBS requirements are exceeded by our Swiss SRB requirements. Refer to the "Capital, liquidity and funding, and balance sheet" section of the UBS Group Annual Report 2023, available under "Annual reporting" at ubs.com/investors, for more information about the Swiss SRB requirements.

Total loss-absorbing capacity

Resolution group – composition of total loss-absorbing capacity

Semi-annual | The TLAC1 table below is based on Basel Committee on Banking Supervision rules and only applicable to UBS Group AG as the ultimate parent entity of the defined UBS resolution group, to which, in case of resolution, resolution tools (e.g., a bail-in) are expected to be applied.

In the first half of 2024, our eligible additional tier 1 (AT1) instruments increased by USD 1.8bn, mainly driven by three issuances of AT1 capital instruments equivalent to a total of USD 1.9bn, partly offset by negative impacts from interest rate risk hedge, foreign currency translation and other effects.

Non-regulatory capital instruments decreased by USD 1.2bn, mainly reflecting the call of USD 4.0bn equivalent of TLAC-eligible senior unsecured debt instruments, USD 2.5bn equivalent of TLAC-eligible senior unsecured debt instruments that ceased to be eligible as gone concern capital as they entered the final year before maturity, as well as negative impacts from interest rate risk hedge, foreign currency translation and other effects. These decreases were partly offset by new issuances of USD 7.8bn equivalent of TLAC-eligible senior unsecured debt instruments.

TLAC1: TLAC composition for G-SIBs (at resolution group level)

		30.6.24	31.12.23[1]
USD m, except where indicated			
	Regulatory capital elements of TLAC and adjustments		
1	**Common Equity Tier 1 capital (CET1)**	76,104	78,002
2	Additional Tier 1 capital (AT1) before TLAC adjustments	15,700	13,892
3	AT1 ineligible as TLAC as issued out of subsidiaries to third parties		
4	Other adjustments		
5	**Total AT1 instruments eligible under the TLAC framework**	15,700	13,892
6	Tier 2 capital (T2) before TLAC adjustments	0	1
7	Amortized portion of T2 instruments where remaining maturity > 1 year		
8	T2 capital ineligible as TLAC as issued out of subsidiaries to third parties		
9	Other adjustments		
10	**Total T2 instruments eligible under the TLAC framework**	0	1
11	**TLAC arising from regulatory capital**	91,804	91,895
	Non-regulatory capital elements of TLAC		
12	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities		
13	External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	105,350	106,567
14	*of which: amount eligible as TLAC after application of the caps*		
15	External TLAC instruments issued by funding vehicles prior to 1 January 2022	536	538
16	Eligible ex ante commitments to recapitalize a G-SIB in resolution		
17	**TLAC arising from non-regulatory capital instruments before adjustments**	105,886	107,106
	Non-regulatory capital elements of TLAC: adjustments		
18	TLAC before deductions	197,690	199,001
19	Deductions of exposures between multiple-point-of-entry (MPE) resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)		
20	Deduction of investments in own other TLAC liabilities[2]		
21	Other adjustments to TLAC		
22	**TLAC after deductions**	197,690	199,001
	Risk-weighted assets and leverage exposure measure for TLAC purposes		
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	511,376	546,505
24	Leverage exposure measure	1,564,201	1,695,403
	TLAC ratios and buffers		
25	TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	38.66	36.41
26	TLAC (as a percentage of leverage exposure)	12.64	11.74
27	CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	9.95	8.81
28	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3.66	3.64
29	*of which: capital conservation buffer requirement*	*2.50*	*2.50*
30	*of which: bank-specific countercyclical buffer requirement*	*0.16*	*0.14*
31	*of which: higher loss absorbency requirement*	*1.00*	*1.00*

1 Comparative-period information has been revised. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information. 2 Under IFRS Accounting Standards, debt issued and subsequently repurchased is treated as extinguished.

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Resolution entity – creditor ranking at legal entity level

Semi-annual | The TLAC3 table below provides an overview of the creditor ranking structure of the resolution entity, UBS Group AG, on a standalone basis.

UBS Group AG issues loss-absorbing AT1 capital instruments and TLAC-eligible senior unsecured debt.

UBS Group AG grants Deferred Contingent Capital Plan (DCCP) awards to UBS Group employees, which qualify as Basel III AT1 capital on a UBS Group consolidated basis and totaled USD 2,076m as of 30 June 2024 (31 December 2023: USD 1,935m). The related liabilities of UBS Group AG on a standalone basis of USD 1,392m (31 December 2023: USD 1,412m) are not included in the table below, as these do not give rise to any current claims until the awards are legally vested.

As of 30 June 2024, the TLAC available on a UBS Group AG consolidated basis amounted to USD 197,690m (31 December 2023: USD 199,001m).

- **Refer to "Holding company and significant regulated subsidiaries and sub-groups" at *ubs.com/investors* for more information about UBS Group AG standalone for the six-month period ended 30 June 2024**
- **Refer to "Bondholder information" at *ubs.com/investors* for more information**
- **Refer to the "TLAC1: TLAC composition for G-SIBs (at resolution group level)" table in this section for more information about TLAC for UBS Group AG consolidated**

TLAC3: Creditor ranking at legal entity level for the resolution entity, UBS Group AG

As of 30.6.24		Creditor ranking			Total
USD m		1	2	3	
1	Description of creditor ranking	Common shares (most junior)[2]	Additional Tier 1	Bail-in debt and pari passu liabilities (most senior)	
2	Total capital and liabilities net of credit risk mitigation[1]	65,512	14,608	121,821	201,941
3	Subset of row 2 that are excluded liabilities				
4	Total capital and liabilities less excluded liabilities (row 2 minus row 3)	65,512	14,608[3,4,5]	121,821[6,7]	201,941
5	Subset of row 4 that are potentially eligible as TLAC	65,512	14,294	114,951[8]	194,756
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years			22,257[9]	22,257
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years			39,223	39,223
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years			39,758	39,758
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities			13,712	13,712
10	Subset of row 5 that is perpetual securities	65,512	14,294		79,805

1 No credit risk mitigation is applied to capital and liabilities for UBS Group AG standalone. 2 Common shares including the associated reserves are equal to the equity of UBS Group AG standalone attributable to shareholders. 3 Includes interest expense accrued on AT1 capital instruments, which is not eligible as TLAC. 4 An AT1 instrument in the amount of USD 2.5bn was redeemed and AT1 instruments in a total amount of USD 1.8bn were issued during the six months ended 30 June 2024. 5 Includes two AT1 instruments in the total amount of USD 1bn, the call of which was announced on 10 July 2024 (call dates 27 August 2024 and 4 September 2024). 6 Includes interest expense accrued on bail-in debt, interest-bearing liabilities that consist of loans from UBS AG and UBS Switzerland AG, negative replacement values, and tax and other liabilities that are not excluded liabilities under Swiss law and that rank pari passu to bail-in debt. 7 Bail-in debt of USD 4.8bn was redeemed and bail-in debt of USD 7.7bn was issued during the six months ended 30 June 2024. 8 Bail-in debt of USD 2.6bn has a residual maturity of less than one year and is not potentially eligible as TLAC. 9 Includes bail-in debt in the amount of USD 1.6bn, the call of which was announced on 2 July 2024 (redemption date 17 July 2024) and USD 1.8bn, the call of which was announced on 16 July 2024 (redemption date 5 August 2024).

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Leverage ratio

Basel III leverage ratio

Quarterly | The Basel Committee on Banking Supervision (the BCBS) leverage ratio, as summarized in the "KM1: Key metrics" table in section 2 of this report, is calculated by dividing the period-end tier 1 capital by the period-end leverage ratio denominator (the LRD).

The LRD consists of on-balance sheet assets and off-balance sheet items based on IFRS Accounting Standards. Derivative exposures are adjusted for a number of items, including replacement values and eligible cash variation margin netting, the current exposure method add-on for potential future exposure and net notional amounts for written credit derivatives. The LRD also includes an additional charge for counterparty credit risk related to securities financing transactions (SFTs).

The table below shows the difference between IFRS Accounting Standards total assets as per the consolidation scope under IFRS Accounting Standards and the BCBS total on-balance sheet exposures. Those exposures are the starting point for calculating the BCBS LRD, as shown in the LR2 table in this section. The difference is due to the application of the regulatory scope of consolidation for the purpose of the BCBS calculation. In addition, carrying amounts for derivative financial instruments and SFTs are deducted from IFRS Accounting Standards total assets. They are measured differently under BCBS leverage ratio rules and are therefore added back in separate exposure line items in the LR2 table.

Difference between the Swiss systemically relevant bank and BCBS leverage ratio

The LRD is the same under Swiss systemically relevant bank (SRB) and BCBS rules. However, there is a difference in the capital numerator between the two frameworks. Under BCBS rules only common equity tier 1 and additional tier 1 capital are included in the numerator. Under Swiss SRB rules UBS is required to meet going and gone concern leverage ratio requirements. Therefore, depending on the requirement, the numerator includes tier 1 capital instruments, tier 2 capital instruments and / or total loss-absorbing capacity-eligible senior unsecured debt.

Reconciliation of IFRS Accounting Standards total assets to BCBS Basel III total on-balance sheet exposures excluding derivatives and securities financing transactions

USD m	30.6.24	31.3.24	31.12.23
On-balance sheet exposures			
IFRS Accounting Standards total assets	1,560,976	1,606,798[1]	1,716,924[1]
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(19,514)	(18,932)	(19,086)
Adjustment for investments in banking, financial, insurance or commercial entities that are outside the scope of consolidation for accounting purposes but consolidated for regulatory purposes	2,979	2,842	3,235
Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure			
Less carrying amount of derivative financial instruments in IFRS Accounting Standards total assets	(180,241)	(200,221)	(218,540)
Less carrying amount of securities financing transactions in IFRS Accounting Standards total assets	(158,371)	(154,776)	(154,017)
Adjustments to accounting values		322[1]	645[1]
On-balance sheet items excluding derivatives and securities financing transactions, but including collateral	1,205,829	1,236,032	1,329,162
Asset amounts deducted in determining BCBS Basel III tier 1 capital	(11,092)	(11,184)	(11,460)
Transitional CET1 capital purchase price allocation adjustments	3,574	3,872	4,211
Total on-balance sheet exposures (excluding derivatives and securities financing transactions)	1,198,311	1,228,720	1,321,913

1 Comparative-period information for IFRS Accounting Standards total assets has been revised subsequent to the publication of the UBS Group first quarter 2024 report. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information. Due to materiality considerations, we have kept the leverage ratio denominator unchanged and reversed the impact in the "Adjustments to accounting values" line.

Quarterly | During the second quarter of 2024, the LRD decreased by USD 35.4bn to USD 1,564.2bn. The decrease was primarily driven by asset size and other movements of USD 33.4bn, as well as currency effects of USD 2.1bn.

On-balance sheet exposures (excluding derivatives and securities financing transactions) decreased by USD 30.4bn, mainly due to asset size and other movements of USD 29.3bn and currency effects of USD 1.1bn. The asset size movement was mainly driven by a decrease in cash and central bank balances driven by the repayment of the remaining funding drawn under the Swiss National Bank Emergency Liquidity Assistance facility and lower lending balances. Furthermore, there were also decreases in trading portfolio assets in Non-core and Legacy, driven by our actions to actively unwind the portfolio, in addition to the natural roll-off. These decreases were partly offset by higher trading portfolio assets, driven by higher inventory held to hedge client positions in the Investment Bank and purchases of high-quality liquid securities in Group Treasury.

Derivative exposures decreased by USD 3.8bn, mainly due to asset size and other movements of USD 3.3bn and currency effects of USD 0.5bn. The asset size movement was mainly driven by the continued reductions in Non-core and Legacy, as well as market-driven movements.

Securities financing transactions increased by USD 1.9bn, mainly due to asset size and other movements of USD 2.5bn, partly offset by currency effects of USD 0.5bn. The asset size movement was primarily driven by higher levels of client activity.

Off-balance sheet items decreased by USD 3.2bn, mainly due to asset size and other movements of USD 3.2bn, primarily driven by lower irrevocable loan commitments.

› **Refer to "Leverage ratio denominator" in the "Risk, capital, liquidity and funding, and balance sheet" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information**

LR1: BCBS Basel III leverage ratio summary comparison

	USD m	30.6.24	31.3.24	31.12.23
1	Total consolidated assets as per published financial statements	1,560,976	1,606,798[1]	1,716,924[1]
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation[2]	(30,606)	(30,116)	(30,545)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure			
4	Adjustments for derivative financial instruments	(55,043)	(71,237)	(90,417)
5	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	10,022	11,694	11,422
6	Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	72,299	75,471	79,927
7	Other adjustments	6,554	7,036[1]	8,091[1]
7a	*of which: Transitional CET1 capital purchase price allocation adjustments*	*3,574*	*3,872*	*4,211*
7b	*of which: consolidated entities under the regulatory scope of consolidation*	*2,979*	*2,842*	*3,235*
8	**Leverage ratio exposure (leverage ratio denominator)**	1,564,201	1,599,646	1,695,403

1 Comparative-period information for IFRS Accounting Standards total assets has been revised subsequent to the publication of the UBS Group first quarter 2024 report. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information. Due to materiality considerations, we have kept the leverage ratio denominator unchanged and reversed the impact in the "Other adjustments" line. 2 Includes assets that are deducted from tier 1 capital.

LR2: BCBS Basel III leverage ratio common disclosure

	USD m, except where indicated	30.6.24	31.3.24	31.12.23
	On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,205,829	1,236,032	1,329,162
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(11,092)	(11,184)	(11,460)
2a	*Transitional CET1 capital purchase price allocation adjustments*	*3,574*	*3,872*	*4,211*
3	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	1,198,311	1,228,720	1,321,913
	Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	62,129	64,463	62,634
5	Add-on amounts for PFE associated with all derivatives transactions	105,893	106,572	107,548
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework			
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(25,856)	(27,724)	(31,746)
8	(Exempted QCCP leg of client-cleared trade exposures)	(19,894)	(16,874)	(13,092)
9	Adjusted effective notional amount of all written credit derivatives[1]	87,782	94,456	132,275
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)[2]	(84,855)	(91,909)	(129,495)
11	**Total derivative exposures**	125,198	128,984	128,123
	Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	248,285	255,498	259,336
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(89,914)	(100,722)	(105,319)
14	CCR exposure for SFT assets	10,022	11,694	11,422
15	Agent transaction exposures			
16	**Total securities financing transaction exposures**	168,393	166,470	165,439
	Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	283,840	290,690	311,745
18	(Adjustments for conversion to credit equivalent amounts)	(211,541)	(215,219)	(231,818)
19	**Total off-balance sheet items**	72,299	75,471	79,927
	Total exposures (leverage ratio denominator)	1,564,201	1,599,646	1,695,403
	Capital and total exposures (leverage ratio denominator)			
20	Tier 1 capital	91,804	92,983[3]	91,894[3]
21	**Total exposures (leverage ratio denominator)**	1,564,201	1,599,646	1,695,403
	Leverage ratio			
22	**Basel III leverage ratio (%)**	5.9	5.8[3]	5.4[3]

1 Includes protection sold, including agency transactions. 2 Protection sold can be offset with protection bought on the same underlying reference entity, provided that the conditions according to the Basel III leverage ratio framework and disclosure requirements are met. 3 Comparative-period information for IFRS Accounting Standards total assets has been revised subsequent to the publication of the UBS Group first quarter 2024 report. Refer to "Note 2 Accounting for the acquisition of the Credit Suisse Group" in the "Consolidated financial statements" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at ubs.com/investors, for more information. Tier 1 capital information was restated for comparative periods. Due to materiality considerations, we have kept the leverage ratio denominator unchanged.

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Liquidity and funding

Liquidity coverage ratio

Quarterly | We monitor the liquidity coverage ratio (the LCR) in all significant currencies in order to manage any currency mismatch between high-quality liquid assets (HQLA) and the net expected cash outflows in times of stress. ▲

Pillar 3 disclosure requirement	Second quarter 2024 report section	Disclosure	Second quarter 2024 report page number
Concentration of funding sources	Balance sheet and off-balance sheet	Liabilities, by product and currency	54

High-quality liquid assets

Quarterly | HQLA must be easily and immediately convertible into cash at little or no loss of value, especially during a period of stress. HQLA are assets that are of low risk and are unencumbered. Other characteristics of HQLA are ease and certainty of valuation, low correlation with risky assets, listing of the assets on a developed and recognized exchange, existence of an active and sizable market for the assets, and low volatility. Our HQLA predominantly consist of assets that qualify as Level 1 in the LCR framework, including cash, central bank reserves and government bonds. In the second quarter of 2024, our HQLA decreased by USD 44.4bn to USD 378.2bn, mainly due to the repayment of the remaining funding drawn under the Swiss National Bank Emergency Liquidity Assistance (ELA) facility and an increase in trading assets.

High-quality liquid assets (HQLA)

	Average 2Q24[1]			Average 1Q24[1]		
USD bn, except where indicated	Level 1 weighted liquidity value[2]	Level 2 weighted liquidity value[2]	Total weighted liquidity value[2]	Level 1 weighted liquidity value[2]	Level 2 weighted liquidity value[2]	Total weighted liquidity value[2]
Cash balances[3]	276.6		276.6	311.7		311.7
Securities (on- and off-balance sheet)	74.0	27.6	101.7	83.9	27.0	110.9
Total HQLA[4]	350.6	27.6	378.2	395.6	27.0	422.6

1 Calculated based on an average of 61 data points in the second quarter of 2024 and 61 data points in the first quarter of 2024. 2 Calculated after the application of haircuts and, where applicable, caps on Level 2 assets. 3 Includes cash and balances with central banks and other eligible balances as prescribed by FINMA. 4 Calculated in accordance with FINMA requirements.

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Liquidity coverage ratio development during the second quarter of 2024

Quarterly | The quarterly average LCR of the UBS Group decreased 8.2 percentage points to 212.0%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the quarterly average LCR was primarily driven by a decrease in HQLA of USD 44.4bn to USD 378.2bn, mainly due to the repayment of the remaining funding drawn under the Swiss National Bank ELA facility and an increase in trading assets. The average net cash outflows decreased by USD 13.7bn to USD 178.5bn, reflecting lower outflows from deposits and loan commitments and higher net inflows from securities financing transactions.

LIQ1: Liquidity coverage ratio (LCR)

		Average 2Q24[1]		Average 1Q24[1]	
USD bn, except where indicated		Unweighted value	Weighted value[2]	Unweighted value	Weighted value[2]
High-quality liquid assets (HQLA)					
1	Total HQLA	383.7	378.2	427.7	422.6
Cash outflows					
2	Retail deposits and deposits from small business customers	345.1	40.0	353.7	40.8
3	*of which: stable deposits*	*30.0*	*1.1*	*31.7*	*1.1*
4	*of which: less stable deposits*	*315.1*	*38.9*	*322.0*	*39.7*
5	Unsecured wholesale funding	277.2	137.6	288.2	143.5
6	*of which: operational deposits (all counterparties)*	*67.3*	*16.7*	*71.2*	*17.7*
7	*of which: non-operational deposits (all counterparties)*	*193.8*	*104.8*	*199.8*	*108.7*
8	*of which: unsecured debt*	*16.1*	*16.1*	*17.2*	*17.2*
9	Secured wholesale funding		81.2		79.6
10	Additional requirements:	191.8	47.3	213.9	49.4
11	*of which: outflows related to derivatives and other transactions*	*93.7*	*25.8*	*102.3*	*25.4*
12	*of which: outflows related to loss of funding on debt products[3]*	*0.2*	*0.2*	*0.3*	*0.3*
13	*of which: committed credit and liquidity facilities*	*97.9*	*21.3*	*111.3*	*23.7*
14	Other contractual funding obligations	24.8	24.1	24.5	23.7
15	Other contingent funding obligations	395.2	12.2	391.1	11.7
16	**Total cash outflows**		342.4		348.7
Cash inflows					
17	Secured lending	260.7	96.0	248.2	89.6
18	Inflows from fully performing exposures	83.8	38.4	84.6	38.3
19	Other cash inflows	29.5	29.5	28.7	28.7
20	**Total cash inflows**	374.1	163.9	361.6	156.6

		Average 2Q24[1]	Average 1Q24[1]
USD bn, except where indicated		Total adjusted value[4]	Total adjusted value[4]
Liquidity coverage ratio (LCR)			
21	Total HQLA	378.2	422.6
22	Net cash outflows	178.5	192.1
23	**LCR (%)**	212.0	220.2

1 Calculated based on an average of 61 data points in the second quarter of 2024 and 61 data points in the first quarter of 2024. 2 Calculated after the application of haircuts, inflow and outflow rates. 3 Includes outflows related to loss of funding on asset-backed securities, covered bonds, other structured financing instruments, asset-backed commercial papers, structured entities (conduits), securities investment vehicles and other such financing facilities. 4 Calculated after the application of haircuts, inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows.

Net stable funding ratio

Net stable funding ratio development during the second quarter of 2024

Semi-annual | As of 30 June 2024, the net stable funding ratio of the UBS Group increased 1.6 percentage points to 128.0%, remaining above the prudential requirement communicated by FINMA.

Available stable funding decreased by USD 4.8bn to USD 882.3bn, mainly driven by lower customer deposits, partly offset by higher debt issued measured at amortized cost. Required stable funding decreased by USD 12.5bn to USD 689.0bn, predominantly reflecting lower lending assets and derivative balances, partly offset by higher trading assets and securities financing transactions.

LIQ2: Net stable funding ratio (NSFR)

		30.6.24					31.3.24				
		Unweighted value by residual maturity					Unweighted value by residual maturity				
	USD bn	No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted Value	No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted Value
	Available stable funding (ASF) item										
1	Capital:	81.6			13.7	95.3	82.3			13.5	95.8
2	*Regulatory Capital*	*81.6*			*13.2*	*94.8*	*82.3*			*12.9*	*95.2*
3	*Other Capital Instruments*				*0.5*	*0.5*				*0.5*	*0.5*
4	Retail deposits and deposits from small business customers:		385.5	15.6	16.2	378.8		387.3	17.6	16.7	382.7
5	*Stable deposits*		*31.2*	*0.1*	*0.0*	*29.8*		*31.6*	*0.2*	*0.0*	*30.2*
6	*Less stable deposits*		*354.3*	*15.5*	*16.2*	*349.0*		*355.8*	*17.5*	*16.7*	*352.6*
7	Wholesale Funding:		480.1	68.5	229.2	401.1		509.6	51.9	236.4	401.6
8	*Operational Deposits*		*70.7*			*35.3*		*70.2*			*35.1*
9	*Other wholesale funding*		*409.4*	*68.5*	*229.2*	*365.8*		*439.4*	*51.9*	*236.4*	*366.5*
10	Liabilities with matching interdependent assets		3.9					3.9			
11	Other liabilities:	38.8	139.8		4.5	7.1	37.2	147.6		1.3	*7.0*
12	*NSFR derivative liabilities*				*2.9*[1]						
13	*All other liabilities and equity not included in the above categories*	38.8	139.8		1.6	7.1	37.2	147.6		1.3	7.0
14	**Total ASF**					882.3					887.0
	Required stable funding (RSF) item										
15	Total NSFR high-quality liquid assets (HQLA)					40.4					38.2
16	Deposits held at other financial institutions for operational purposes		14.9			7.7		14.7			7.6
17	Performing loans and securities:	45.7	294.4	58.8	454.4	517.9	43.2	291.2	55.3	472.0	526.9
18	*Performing loans to financial institutions secured by Level 1 HQLA or Level 2a HQLA*		*74.2*	*0.1*	*0.3*	*11.7*		*76.9*	*0.2*	*0.2*	*9.8*
19	*Performing loans to financial institutions secured by Level 2b HQLA or non-HQLA and unsecured performing loans to financial institutions*		*74.3*	*11.3*	*42.0*	*62.1*		*75.5*	*6.7*	*56.1*	*74.0*
20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	*1.0*	*121.1*	*25.9*	*150.3*	*188.8*	*1.0*	*114.5*	*25.2*	*147.4*	*185.6*
21	*With a risk weight of less than or equal to 35% under Basel II standardized approach for credit risk*	*1.0*	*17.3*	*0.3*	*4.0*	*4.4*	*1.0*	*10.2*	*0.2*	*4.0*	*4.4*
22	*Performing residential mortgages, of which:*		*22.2*	*18.3*	*241.8*	*197.1*		*21.1*	*20.4*	*245.5*	*199.1*
23	*With a risk weight of less than or equal to 35% under Basel II standardized approach for credit risk*		*12.9*	*9.8*	*228.0*	*176.1*		*10.9*	*12.5*	*228.1*	*174.9*
24	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	*44.7*	*2.7*	*3.3*	*20.0*	*58.2*	*42.2*	*3.2*	*2.8*	*22.8*	*58.5*
25	Assets with matching interdependent liabilities	3.9					3.9				
26	Other assets:	44.5	58.3	0.3	132.5	117.7	45.1	64.8	0.5	135.6	123.2
27	*Physical traded commodities, including gold*	*1.8*				*1.5*	*2.4*				*2.0*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				*38.9*[1]	*33.1*				*40.9*[1]	*34.8*
29	*NSFR derivative assets*									*3.7*[1]	*3.7*
30	*NSFR derivative liabilities before deduction of variation margin posted*				*73.3*[1]	*14.7*				*69.6*[1]	*13.9*
31	*All other assets not included in the above categories*	*42.7*	*58.3*	*0.3*	*20.3*	*68.5*	*42.7*	*64.8*	*0.5*	*21.3*	*68.8*
32	Off-balance sheet items		20.9	7.9	89.0	5.4		21.3	8.7	95.2	5.7
33	**Total RSF**					689.0					701.6
34	**Net stable funding ratio (%)**					128.0					126.4

1 The ≥ 1 year maturity bucket includes balances for which differentiation by maturity is not required.

Requirements for global systemically important banks and related indicators

Semi-annual | The Financial Stability Board (the FSB) has determined that UBS is a global systemically important bank (a G-SIB), using an indicator-based methodology adopted by the Basel Committee on Banking Supervision (the BCBS). Banks that qualify as G-SIBs are required to disclose 13 high-level indicators annually for assessing the systemic importance of G-SIBs as defined by the BCBS. These indicators are used for the G-SIB score calculation and cover five categories: size, cross-jurisdictional activity, interconnectedness, substitutability / financial institution infrastructure, and complexity.

In November 2023, the FSB, in consultation with the BCBS and national authorities, published the 2023 list of G-SIBs, and Credit Suisse had moved below the threshold for G-SIB designation, no longer being considered a G-SIB.

Based on the published indicators, G-SIBs are subject to additional common equity tier 1 (CET1) capital buffer requirements in a range from 1.0% to 3.5%. In November 2023, the FSB confirmed that, based on the year-end 2022 indicators, the additional CET1 capital buffer requirement for the UBS Group will increase to 1.5%, from 1.0%, as of 1 January 2025. This increase follows the acquisition of the Credit Suisse Group in June 2023. As our Swiss systemically relevant bank Basel III capital requirements remain above the BCBS requirements, including the increased G-SIB buffer, we are not affected by these additional G-SIB requirements.

The BCBS introduced a leverage ratio buffer for G-SIBs as a part of the finalization of the Basel III framework announced in December 2017. The leverage ratio buffer is set at 50% of risk-weighted higher-loss absorbency requirements. Implementation of the final Basel III framework in Switzerland is expected to enter into force on 1 January 2025. We do not expect these changes to increase our additional CET1 capital buffer requirement.

Our G-SIB indicators as of 31 December 2023 were published in July 2024 under "Pillar 3 disclosures" at *ubs.com/investors*. ▲

Significant regulated subsidiaries and sub-groups

Introduction

Scope of disclosures in this section

The sections below include capital and other regulatory information as of 30 June 2024 for UBS AG consolidated, UBS AG standalone, UBS Switzerland AG standalone, UBS Europe SE consolidated, UBS Americas Holding LLC consolidated, Credit Suisse (Schweiz) AG consolidated, Credit Suisse (Schweiz) AG standalone and Credit Suisse International standalone. Capital information in the following sections is based on Pillar 1 capital requirements. Entities may be subject to significant additional Pillar 2 requirements, which represent additional amounts of capital considered necessary and are agreed with regulators based on the risk profile of the respective entity.

UBS Americas Holding LLC consolidated

Federal Reserve Board releases stress-test results

In June 2024, the Federal Reserve Board released the results of its 2024 Dodd–Frank Act Stress Test (DFAST). UBS's US intermediate holding company, UBS Americas Holding LLC, exceeded the minimum capital requirements under the severely adverse scenario.

UBS AG consolidated

Merger of UBS AG and Credit Suisse AG

On 31 May 2024, the merger of UBS AG and Credit Suisse AG was completed, with UBS AG becoming the sole Swiss parent entity, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse AG, and becoming the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse AG. UBS has accounted for the acquisition as a business combination under common control accounting principles. As part of this method of accounting, the assets and liabilities of Credit Suisse AG have been converted from US generally accepted accounting principles to IFRS Accounting Standards. Prior periods have not been restated.

The merger of UBS AG and Credit Suisse AG resulted in a USD 190.0bn increase in risk-weighted assets (RWA) and a USD 41.4bn increase in common equity tier 1 (CET1) capital as of the date of the merger. Both the liquidity coverage ratio (the LCR) and the net stable funding ratio (the NSFR) of UBS AG consolidated increased in the second quarter of 2024, including the impact of the merger of UBS AG and Credit Suisse AG.

› **Refer to "Integration of Credit Suisse" in the "Recent developments" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about the integration of Credit Suisse**

› **Refer to "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG" in the "Consolidated financial statements" section of the UBS AG second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about the accounting for the merger of UBS AG and Credit Suisse AG**

› **Refer to "Comparison between UBS AG consolidated and UBS Group AG consolidated" in the "Consolidated financial statements" section of the UBS AG second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for a comparison of selected financial information between UBS AG consolidated and UBS Group AG consolidated**

Key metrics for the second quarter of 2024

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules and IFRS Accounting Standards.

During the second quarter of 2024, tier 1 capital increased by USD 40.1bn to USD 98.1bn. CET1 capital increased by USD 39.1bn to USD 83.0bn, primarily due to the merger of UBS AG and Credit Suisse AG, which resulted in an increase of USD 41.4bn as of the date of the merger, and an increase in eligible deferred tax assets recognized for temporary differences of USD 1.6bn. These increases were partly offset by dividend accruals of USD 3.1bn, a current tax expense of USD 0.3bn and an operating loss before tax of USD 0.2bn. Additional tier 1 (AT1) capital issued by the Group and on lent to UBS AG increased by USD 0.9bn to USD 15.1bn, mainly reflecting two AT1 instruments totaling USD 0.6bn recognized by UBS AG upon the merger of UBS AG and Credit Suisse AG, and the issuance of one AT1 capital instrument of an equivalent of USD 0.4bn.

During the second quarter of 2024, RWA increased by USD 181.2bn to USD 510.0bn, predominantly due to the merger of UBS AG and Credit Suisse AG, which resulted in a USD 190.0bn increase in RWA. Excluding that merger, RWA decreased by USD 8.8bn, reflecting decreases of USD 5.9bn resulting from asset size and other movements, driven by decreases in credit and counterparty credit risk RWA and to a lesser extent by market risk RWA, and USD 2.9bn resulting from model updates and methodology changes.

During the second quarter of 2024, the leverage ratio denominator (the LRD) increased by USD 485.4bn to USD 1,564.0bn, predominantly due to the merger of UBS AG and Credit Suisse AG, which resulted in a USD 516.4bn increase in the LRD. Excluding that merger, the LRD decreased by USD 30.9bn, driven by USD 29.2bn resulting from asset size and other movements, as well as USD 1.8bn from currency effects. The asset size and other movements were mainly due to a decrease in cash and central bank balances driven by the repayment of the remaining funding drawn under the Swiss National Bank Emergency Liquidity Assistance facility, as well as lower derivatives and off-balance sheet exposures, partly offset by higher securities financing transaction exposures.

Correspondingly, the CET1 capital ratio of UBS AG consolidated increased to 16.3% from 13.3%, reflecting the increase in CET1 capital, partly offset by the increase in RWA. The Basel III leverage ratio increased to 6.3% from 5.4%, reflecting higher tier 1 capital, partly offset by the increase in the LRD.

The quarterly average LCR of UBS AG consolidated increased 2.7 percentage points to 194.1%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the quarterly average LCR was primarily driven by an increase in high-quality liquid assets (HQLA) of USD 29.3bn to USD 280.3bn. This increase was substantially related to the contribution of Credit Suisse HQLA after the merger of UBS AG and Credit Suisse AG. The increase in HQLA was partly offset by a USD 12.3bn increase in net cash outflows to USD 143.6bn, predominantly attributable to Credit Suisse's net cash outflows related to customer deposits, loan commitments and derivatives. These outflows were partly offset by inflows from loans in Credit Suisse, as well as lower outflows from deposits and higher net inflows from securities financing transactions of UBS AG consolidated excluding Credit Suisse.

As of 30 June 2024, the NSFR increased 6.1 percentage points to 127.7%. Available stable funding increased by USD 293.5bn to USD 882.8bn, predominantly driven by the contribution of Credit Suisse after the merger, mainly reflecting deposit balances, debt securities issued and regulatory capital, as well as higher debt securities issued of UBS AG excluding the contribution of Credit Suisse. Required stable funding increased by USD 206.7bn to USD 691.5bn, predominantly driven by the contribution of Credit Suisse after the merger, mainly reflecting lending assets.

KM1: Key metrics

USD m, except where indicated

		30.6.24	31.3.24	31.12.23	30.9.23	30.6.23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	83,001	43,863	44,130	43,378	43,300
2	Tier 1	98,133	58,067	56,628	55,037	55,017
3	Total capital	98,133	58,067	56,629	55,038	55,017
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	509,953	328,732	333,979	321,134	323,406
4a	Minimum capital requirement[1]	40,796	26,299	26,718	25,691	25,873
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	16.28	13.34	13.21	13.51	13.39
6	Tier 1 ratio (%)	19.24	17.66	16.96	17.14	17.01
7	Total capital ratio (%)	19.24	17.66	16.96	17.14	17.01
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	0.16	0.14	0.13	0.13	0.10
9a	Additional countercyclical buffer for Swiss mortgage loans (%)	0.33	0.30	0.32	0.30	0.29
10	Bank G-SIB and / or D-SIB additional requirements (%)[2]					
11	Total of bank CET1 specific buffer requirements (%)[3]	2.66	2.64	2.63	2.63	2.60
12	CET1 available after meeting the bank's minimum capital requirements (%)[4]	11.24	8.84	8.71	9.01	8.89
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	1,564,001	1,078,591	1,104,408	1,042,106	1,048,313
14	Basel III leverage ratio (%)	6.27	5.38	5.13	5.28	5.25
Liquidity coverage ratio (LCR)[5]						
15	Total high-quality liquid assets (HQLA)	280,303	251,041	254,516	230,909	224,849
16	Total net cash outflow	143,576	131,296	134,300	130,956	131,535
16a	*of which: cash outflows*	*298,083*	*268,701*	*256,881*	*254,122*	*258,700*
16b	*of which: cash inflows*	*154,507*	*137,405*	*122,582*	*123,166*	*127,165*
17	LCR (%)	194.12	191.38	189.71	176.56	170.94
Net stable funding ratio (NSFR)						
18	Total available stable funding	882,760	589,263	602,565	568,509	564,491
19	Total required stable funding	691,477	484,727	503,782	467,130	477,615
20	NSFR (%)	127.66	121.57	119.61	121.70	118.19

1 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 2 Swiss SRB going and gone concern requirements and information for UBS AG consolidated are provided below in this section. 3 Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 4 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS tier 2 capital requirement met with CET1 capital. 5 Calculated after the application of haircuts, inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 61 data points in the second quarter of 2024, of which 40 data points were before the merger (i.e., from 2 April 2024 until 30 May 2024), and 21 data points were after the merger (i.e., from 31 May 2024 until 30 June 2024) and 61 data points in the first quarter of 2024. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information.

Swiss systemically relevant bank going and gone concern requirements and information

Quarterly | The tables below provide details of the Swiss systemically relevant bank RWA- and LRD-based going and gone concern requirements and information as required by FINMA; details regarding eligible gone concern instruments are also provided below.

Outstanding high- and low-trigger loss-absorbing tier 2 capital instruments, non-Basel III-compliant tier 2 capital instruments, and total loss-absorbing capacity-eligible unsecured debt instruments are eligible to meet gone concern requirements until one year before maturity.

More information about the going and gone concern requirements and information is provided in the "Total loss-absorbing capacity" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors.*

Swiss SRB going and gone concern requirements and information

As of 30.6.24	RWA		LRD	
USD m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	15.13[1]	77,152	5.11[1]	79,928
Common equity tier 1 capital	10.83	55,224	3.61[2]	56,468
of which: minimum capital	*4.50*	*22,948*	*1.50*	*23,460*
of which: buffer capital	*5.50*	*28,047*	*2.00*	*31,280*
of which: countercyclical buffer	*0.49*	*2,500*		
Maximum additional tier 1 capital	4.30	21,928	1.50	23,460
of which: additional tier 1 capital	*3.50*	*17,848*	*1.50*	*23,460*
of which: additional tier 1 buffer capital	*0.80*	*4,080*		
Eligible going concern capital				
Total going concern capital	19.24	98,133	6.27	98,133
Common equity tier 1 capital	16.28	83,001	5.31	83,001
Total loss-absorbing additional tier 1 capital	2.97	15,132	0.97	15,132
of which: high-trigger loss-absorbing additional tier 1 capital	*2.73*	*13,907*	*0.89*	*13,907*
of which: low-trigger loss-absorbing additional tier 1 capital[3]	*0.24*	*1,225*	*0.08*	*1,225*
Required gone concern capital				
Total gone concern loss-absorbing capacity[4,5,6]	10.73[7]	54,692	3.75[7]	58,650
of which: base requirement including add-ons for market share and LRD	*10.73*	*54,692*	*3.75*	*58,650*
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	19.38	98,833	6.32	98,833
Total tier 2 capital	0.11	536	0.03	536
of which: non-Basel III-compliant tier 2 capital	*0.11*	*536*	*0.03*	*536*
TLAC-eligible unsecured debt	19.28	98,297	6.28	98,297
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.85	131,844	8.86	138,578
Eligible total loss-absorbing capacity	38.62	196,966	12.59	196,966
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		509,953		
Leverage ratio denominator				1,564,001

1 Includes applicable add-ons of 1.78% for risk-weighted assets (RWA) and 0.61% for leverage ratio denominator (LRD), of which 34 basis points for RWA and 11 basis points for LRD reflect the FINMA Pillar 2 capital add-on of USD 1,728m related to the supply chain finance funds matter at Credit Suisse. 2 Our minimum CET1 leverage ratio requirement of 3.61% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.25% LRD add-on requirement, a 0.25% market share add-on requirement based on our Swiss credit business and a 0.11% Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. 3 Existing outstanding low-trigger additional tier 1 capital instruments qualify as going concern capital at the UBS AG consolidated level, as agreed with FINMA, until their first call date. As of their first call date, these instruments are eligible to meet the gone concern requirements. 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 From 1 January 2023, the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs) has been replaced with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements). 6 As of July 2024, FINMA has the authority to impose a surcharge of up to 25% of the total going concern capital requirements 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.

Swiss SRB going and gone concern information

USD m, except where indicated	30.6.24	31.3.24	31.12.23
Eligible going concern capital			
Total going concern capital	98,133	58,067	56,628
Total tier 1 capital	98,133	58,067	56,628
Common equity tier 1 capital	83,001	43,863	44,130
Total loss-absorbing additional tier 1 capital	15,132	14,204	12,498
of which: high-trigger loss-absorbing additional tier 1 capital	*13,907*	*12,988*	*11,286*
of which: low-trigger loss-absorbing additional tier 1 capital	*1,225*	*1,216*	*1,212*
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	98,833	54,773	54,458
Total tier 2 capital	536	537	538
of which: non-Basel III-compliant tier 2 capital	*536*	*537*	*538*
TLAC-eligible unsecured debt	98,297	54,236	53,920
Total loss-absorbing capacity			
Total loss-absorbing capacity	196,966	112,840	111,086
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	509,953	328,732	333,979
Leverage ratio denominator	1,564,001	1,078,591	1,104,408
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	19.2	17.7	17.0
of which: common equity tier 1 capital ratio	*16.3*	*13.3*	*13.2*
Gone concern loss-absorbing capacity ratio	19.4	16.7	16.3
Total loss-absorbing capacity ratio	38.6	34.3	33.3
Leverage ratios (%)			
Going concern leverage ratio	6.3	5.4	5.1
of which: common equity tier 1 leverage ratio	*5.3*	*4.1*	*4.0*
Gone concern leverage ratio	6.3	5.1	4.9
Total loss-absorbing capacity leverage ratio	12.6	10.5	10.1

UBS AG standalone

Merger of UBS AG and Credit Suisse AG

On 31 May 2024, the merger of UBS AG and Credit Suisse AG was completed, with UBS AG becoming the sole Swiss parent entity, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse AG, and becoming the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse AG. UBS has accounted for the acquisition as a business combination under common control accounting principles. As part of this method of accounting, the assets and liabilities of Credit Suisse AG have been converted from US generally accepted accounting principles to IFRS Accounting Standards. Prior periods have not been restated.

In the second quarter of 2024, UBS AG (standalone) common equity tier 1 (CET1) capital increased by USD 30.4bn, primarily due to a USD 29.8bn increase as a result of the merger of UBS AG and Credit Suisse AG as of the date of the merger. That impact of the merger included a USD 6.9bn reduction in CET1 capital related to the removal of a regulatory concession that had been granted to Credit Suisse AG standalone prior to the merger which allowed for the measurement of investments in subsidiaries under the portfolio valuation method instead of under the individual valuation method.

The merger of UBS AG and Credit Suisse AG resulted in a USD 202.0bn increase in phase-in risk-weighted assets (RWA) (fully applied: USD 222.6bn), including a USD 17.9bn RWA reduction related to the aforementioned regulatory concession on investments in subsidiaries (fully applied: USD 20.6bn). Intra-Group transactions with subsidiaries of the former Credit Suisse AG are subject to higher risk weights based on the standardized approach as of 30 June 2024, which contributed to a USD 7.2bn increase in RWA. Prior to the merger, UBS AG had applied the standardized approach for intra-Group transactions with its subsidiaries, and Credit Suisse AG had applied generally lower risk weights using the advanced internal ratings-based approach.

Both the liquidity coverage ratio (the LCR) and the net stable funding ratio (the NSFR) of UBS AG standalone increased in the second quarter of 2024, including the impact of the merger of UBS AG and Credit Suisse AG, maintaining these ratios well above the regulatory requirements.

› **Refer to "Integration of Credit Suisse" in the "Recent developments" section of the UBS Group second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about the integration of Credit Suisse**

› **Refer to "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG" in the "Consolidated financial statements" section of the UBS AG second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about the accounting for the merger of UBS AG and Credit Suisse AG**

Key metrics for the second quarter of 2024

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules and IFRS Accounting Standards.

During the second quarter of 2024, tier 1 capital increased by USD 31.3bn to USD 97.5bn. CET1 capital increased by USD 30.4bn to USD 82.3bn, mainly due to the merger of UBS AG and Credit Suisse AG, which resulted in an increase of USD 29.8bn as of the date of the merger, and an operating profit before tax of USD 3.4bn, partly offset by additional accruals for capital returns to UBS Group AG of USD 3.1bn. Additional tier 1 (AT1) capital issued by the Group and on lent to UBS AG increased by USD 0.9bn to USD 15.1bn, mainly reflecting two AT1 instruments in the total amount of USD 0.6bn recognized by UBS AG as a result of the merger of UBS AG and Credit Suisse AG, and the issuance of one AT1 capital instrument of an equivalent of USD 0.4bn.

Phase-in RWA increased by USD 197.7bn to USD 554.5bn during the second quarter of 2024, predominantly due to the merger of UBS AG and Credit Suisse AG, which resulted in a USD 202.0bn increase in RWA. Excluding that merger, RWA decreased by USD 4.3bn, mainly driven by lower participation RWA and to a lesser extent by lower market risk RWA, partly offset by higher credit and counterparty credit risk RWA.

During the second quarter of 2024, the leverage ratio denominator (the LRD) increased by USD 280.5bn to USD 921.8bn, predominantly due to the merger of UBS AG and Credit Suisse AG, which resulted in a USD 300.5bn increase in the LRD. Excluding the impact of the merger, the LRD decreased by USD 20.0bn, driven by USD 16.8bn resulting from asset size and other movements, as well as USD 3.3bn from currency effects. The asset size and other movements were mainly due to a decrease in cash and central bank balances driven by the repayment of the remaining funding drawn under the Swiss National Bank Emergency Liquidity Assistance facility, and lower securities financing transaction exposures, partly offset by higher derivatives and off-balance sheet exposures.

Correspondingly, the phase-in CET1 capital ratio of UBS AG standalone increased to 14.8% from 14.6%, reflecting the increase in CET1 capital, partly offset by the increase in phase-in RWA. The firm's Basel III leverage ratio increased to 10.6% from 10.3%, reflecting the increase in tier 1 capital, partly offset by the aforementioned increase in the LRD.

The quarterly average LCR of UBS AG standalone increased 0.9 percentage points to 269.5%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the average LCR was primarily driven by an increase in high-quality liquid assets (HQLA) of USD 13.3bn to USD 137.0bn. This increase was substantially related to the contribution of Credit Suisse AG's HQLA after the merger of UBS AG and Credit Suisse AG. This increase in HQLA was partly offset by a USD 4.3bn increase in net cash outflows to USD 50.5bn, predominantly due to Credit Suisse AG's net cash outflows related to customer deposits and loan commitments, as well as higher debt issued at fair value in UBS AG standalone excluding Credit Suisse AG. These outflows were partly offset by inflows from loans in Credit Suisse AG, as well as lower outflows from deposits and higher net inflows from securities financing transactions of UBS AG standalone excluding Credit Suisse AG.

As of 30 June 2024, the NSFR increased 7.2 percentage points to 102.5%. Available stable funding increased by USD 173.4bn to USD 448.0bn, predominantly driven by the contribution of Credit Suisse after the merger, mainly reflecting deposit balances, debt securities issued and regulatory capital, as well as higher debt securities issued of UBS AG excluding the contribution of Credit Suisse. Required stable funding increased by USD 149.0bn to USD 437.3bn, predominantly driven by the contribution of Credit Suisse after the merger, mainly reflecting lending assets and investments in subsidiaries and associates.

KM1: Key metrics

USD m, except where indicated

		30.6.24	31.3.24	31.12.23	30.9.23	30.6.23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	82,329	51,971	52,553	53,107	53,904
2	Tier 1	97,461	66,175	65,051	64,767	65,622
3	Total capital	97,461	66,175	65,052	64,767	65,622
Risk-weighted assets (amounts)[1]						
4	Total risk-weighted assets (RWA)	554,478	356,821	354,083	347,514	343,374
4a	Minimum capital requirement[2]	44,358	28,546	28,327	27,801	27,470
Risk-based capital ratios as a percentage of RWA[1]						
5	CET1 ratio (%)	14.85	14.56	14.84	15.28	15.70
6	Tier 1 ratio (%)	17.58	18.55	18.37	18.64	19.11
7	Total capital ratio (%)	17.58	18.55	18.37	18.64	19.11
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	0.18	0.12	0.12	0.11	0.09
9a	Additional countercyclical buffer for Swiss mortgage loans (%)	0.00	0.00	0.00	0.00	0.00
10	Bank G-SIB and / or D-SIB additional requirements (%)[3]					
11	Total of bank CET1 specific buffer requirements (%)[4]	2.68	2.62	2.62	2.61	2.59
12	CET1 available after meeting the bank's minimum capital requirements (%)[5]	9.58	10.06	10.34	10.64	11.11
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	921,796	641,315	643,939	608,933	606,158
14	Basel III leverage ratio (%)	10.57	10.32	10.10	10.64	10.83
Liquidity coverage ratio (LCR)[6]						
15	Total high-quality liquid assets (HQLA)	137,003	123,742	129,961	109,248	97,726
16	Total net cash outflow	50,458	46,115	50,376	48,781	47,083
16a	*of which: cash outflows*	*197,846*	*174,814*	*163,836*	*160,990*	*160,163*
16b	*of which: cash inflows*	*147,387*	*128,700*	*113,460*	*112,210*	*113,080*
17	LCR (%)	269.55	268.69	260.16	225.93	207.98
Net stable funding ratio (NSFR)[7]						
18	Total available stable funding	448,005	274,568	279,758	263,737	253,927
19	Total required stable funding	437,275	288,322	304,938	279,160	283,937
20	NSFR (%)	102.45	95.23	91.74	94.48	89.43

1 Based on phase-in rules for RWA. Refer to "Swiss systemically relevant bank going and gone concern requirements and information" below for more information. 2 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 3 Swiss SRB going and gone concern requirements and information for UBS AG standalone are provided below in this section. 4 Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 5 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS tier 2 capital requirement met with CET1 capital. 6 Calculated after the application of haircuts, inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 61 data points in the second quarter of 2024, of which 40 data points were before the merger (i.e., from 2 April 2024 until 30 May 2024), and 21 data points were after the merger (i.e., from 31 May 2024 until 30 June 2024) and 61 data points in the first quarter of 2024. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information. 7 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.

Swiss systemically relevant bank going and gone concern requirements and information

Quarterly | The tables below provide details of the Swiss SRB RWA- and LRD-based going and gone concern requirements and information as required by FINMA; details regarding eligible gone concern instruments are also provided below.

UBS AG standalone is subject to a gone concern capital requirement based on the sum of: (i) the nominal value of the gone concern instruments issued by UBS entities and held by the parent firm; (ii) 75% of the capital requirements resulting from third-party exposure on a standalone basis; and (iii) a buffer requirement equal to 30% of the Group's gone concern capital requirement on UBS AG's consolidated exposure. As of 1 January 2024, the buffer requirement has been fully phased in. The gone concern capital coverage ratio reflects how much gone concern capital is available to meet the gone concern requirement. Outstanding high- and low-trigger loss-absorbing tier 2 capital instruments, non-Basel III-compliant tier 2 capital instruments, and total loss-absorbing capacity-eligible unsecured debt instruments are eligible to meet gone concern requirements until one year before maturity.

More information about the going and gone concern requirements is provided in the "UBS AG Standalone" section of the 31 December 2023 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors.*

Swiss SRB going and gone concern requirements and information

As of 30.6.24	RWA, phase-in		RWA, fully applied as of 1.1.28		LRD	
USD m, except where indicated	in %		in %		in %	
Required going concern capital						
Total going concern capital	14.79[1]	82,011	14.76[1]	89,978	5.19[1]	47,818
Common equity tier 1 capital	10.49	58,168	10.46	63,769	3.69	33,991
of which: minimum capital	*4.50*	*24,952*	*4.50*	*27,428*	*1.50*	*13,827*
of which: buffer capital	*5.50*	*30,496*	*5.50*	*33,523*	*2.00*	*18,436*
of which: countercyclical buffer	*0.18*	*992*	*0.18*	*1,090*		
Maximum additional tier 1 capital	4.30	23,843	4.30	26,209	1.50	13,827
of which: additional tier 1 capital	*3.50*	*19,407*	*3.50*	*21,333*	*1.50*	*13,827*
of which: additional tier 1 buffer capital	*0.80*	*4,436*	*0.80*	*4,876*		
Eligible going concern capital						
Total going concern capital	17.58	97,461	15.99	97,461	10.57	97,461
Common equity tier 1 capital	14.85	82,329	13.51	82,329	8.93	82,329
Total loss-absorbing additional tier 1 capital	2.73	15,132	2.48	15,132	1.64	15,132
of which: high-trigger loss-absorbing additional tier 1 capital	*2.51*	*13,907*	*2.28*	*13,907*	*1.51*	*13,907*
of which: low-trigger loss-absorbing additional tier 1 capital	*0.22*	*1,225*	*0.20*	*1,225*	*0.13*	*1,225*
Risk-weighted assets / leverage ratio denominator						
Risk-weighted assets		554,478		609,509		
Leverage ratio denominator						921,796

Required gone concern capital[2]		Higher of RWA- or LRD-based
Total gone concern loss-absorbing capacity		77,531
Eligible gone concern capital		
Total gone concern loss-absorbing capacity		98,828
Gone concern capital coverage ratio	127.47	

1 Includes applicable add-ons of 1.75% for risk-weighted assets (RWA, phase-in), 1,72% for risk-weighted assets (RWA, fully applied) and 0.69% for leverage ratio denominator (LRD), of which 31 basis points for RWA phase-in, 28 basis points for RWA fully applied and 19 basis points for LRD reflect the FINMA Pillar 2 capital add-on of USD 1,728m related to the supply chain finance funds matter at Credit Suisse. 2 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.

Swiss SRB going and gone concern information

USD m, except where indicated	30.6.24	31.3.24	31.12.23
Eligible going concern capital			
Total going concern capital	97,461	66,175	65,051
Total tier 1 capital	97,461	66,175	65,051
Common equity tier 1 capital	82,329	51,971	52,553
Total loss-absorbing additional tier 1 capital	15,132	14,204	12,498
of which: high-trigger loss-absorbing additional tier 1 capital	*13,907*	*12,988*	*11,286*
of which: low-trigger loss-absorbing additional tier 1 capital	*1,225*	*1,216*	*1,212*
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	98,828	54,768	54,452
Total tier 2 capital	531	532	533
of which: non-Basel III-compliant tier 2 capital	*531*	*532*	*533*
TLAC-eligible unsecured debt	98,297	54,236	53,920
Total loss-absorbing capacity			
Total loss-absorbing capacity	196,288	120,943	119,504
Denominators for going and gone concern ratios			
Risk-weighted assets, phase-in	554,478	356,821	354,083
of which: investments in Switzerland-domiciled subsidiaries[1]	*82,197*	*41,763*	*43,448*
of which: investments in foreign-domiciled subsidiaries[1]	*191,532*	*129,171*	*121,374*
Risk-weighted assets, fully applied as of 1.1.28	609,509	392,745	399,369
of which: investments in Switzerland-domiciled subsidiaries[1]	*89,344*	*45,395*	*48,276*
of which: investments in foreign-domiciled subsidiaries[1]	*239,415*	*161,463*	*161,832*
Leverage ratio denominator	921,796	641,315	643,939
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio, phase-in	17.6	18.5	18.4
of which: common equity tier 1 capital ratio, phase-in	*14.8*	*14.6*	*14.8*
Going concern capital ratio, fully applied as of 1.1.28	16.0	16.8	16.3
of which: common equity tier 1 capital ratio, fully applied as of 1.1.28	*13.5*	*13.2*	*13.2*
Leverage ratios (%)			
Going concern leverage ratio	10.6	10.3	10.1
of which: common equity tier 1 leverage ratio	*8.9*	*8.1*	*8.2*
Capital coverage ratio (%)			
Gone concern capital coverage ratio	127.5	105.9	112.5

1 Net exposures for direct and indirect investments including holding of regulatory capital instruments in Switzerland-domiciled subsidiaries and for direct and indirect investments including holding of regulatory capital instruments in foreign-domiciled subsidiaries are risk-weighted at 230% and 320%, respectively, for the current year. Risk weights will gradually increase by 5 percentage points per year for Switzerland-domiciled investments and 20 percentage points per year for foreign-domiciled investments until the fully applied risk weights of 250% and 400%, respectively, are applied.

UBS Switzerland AG standalone

Key metrics for the second quarter of 2024

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules and IFRS Accounting Standards.

During the second quarter of 2024, common equity tier 1 capital was broadly unchanged at CHF 12.6bn, mainly driven by operating profit, offset by additional dividend accruals.

Total risk-weighted assets (RWA) decreased by CHF 1.0bn to CHF 110.3bn, mainly due to lower credit risk RWA.

The leverage ratio denominator (the LRD) decreased by CHF 0.5bn to CHF 337.1bn, mainly due to a decrease in lending balances and credit commitments.

The quarterly average liquidity coverage ratio of UBS Switzerland AG increased 3.4 percentage points to 145.9%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). Average high-quality liquid assets increased by CHF 0.7bn to CHF 78.1bn, due to proceeds from covered bonds issued and securities financing transactions, partly offset by the dividend payment in April 2024. Average net cash outflows decreased by CHF 0.8bn to CHF 53.6bn, mainly driven by lower outflows from intercompany deposits.

As of 30 June 2024, the net stable funding ratio increased 1.5 percentage points to 136.1%, remaining above the prudential requirement communicated by FINMA. Required stable funding decreased by CHF 1.5bn to CHF 165.3bn, predominantly driven by the lower weighting effect from changes in the residual tenors of lending assets. Available stable funding remained largely stable at CHF 225.0bn, with higher debt securities issued and securities financing transactions substantially offset by the lower weighting effect from changes in the residual tenors of customer deposits and regulatory capital.

KM1: Key metrics

CHF m, except where indicated		30.6.24	31.3.24	31.12.23	30.9.23	30.6.23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	12,601	12,630	12,515	12,449	12,354
2	Tier 1	17,601	17,630	17,515	17,838	17,735
3	Total capital	17,601	17,630	17,515	17,838	17,735
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	110,294	111,292	107,097	108,009	107,203
4a	Minimum capital requirement[1]	8,824	8,903	8,568	8,641	8,576
4b	Total risk-weighted assets (pre-floor)	100,623	102,993	99,936	100,646	98,566
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	11.43	11.35	11.69	11.53	11.52
6	Tier 1 ratio (%)	15.96	15.84	16.35	16.52	16.54
7	Total capital ratio (%)	15.96	15.84	16.35	16.52	16.54
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	0.07	0.05	0.04	0.05	0.04
9a	Additional countercyclical buffer for Swiss mortgage loans (%)	0.81	0.81	0.84	0.82	0.79
10	Bank G-SIB and / or D-SIB additional requirements (%)[2]					
11	Total of bank CET1 specific buffer requirements (%)[3]	2.57	2.55	2.54	2.55	2.54
12	CET1 available after meeting the bank's minimum capital requirements (%)[4]	6.93	6.85	7.19	7.03	7.02
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	337,149	337,653	330,515	332,850	330,318
14	Basel III leverage ratio (%)	5.22	5.22	5.30	5.36	5.37
Liquidity coverage ratio (LCR)[5]						
15	Total high-quality liquid assets (HQLA)	78,141	77,489	76,288	75,125	77,594
16	Total net cash outflow	53,601	54,396	53,564	52,825	54,497
16a	*of which: cash outflows*	*74,884*	*75,050*	*73,049*	*71,989*	*74,687*
16b	*of which: cash inflows*	*21,283*	*20,654*	*19,485*	*19,164*	*20,190*
17	LCR (%)	145.89	142.47	142.46	142.23	142.41
Net stable funding ratio (NSFR)[6]						
18	Total available stable funding	224,953	224,591	222,709	221,883	219,728
19	Total required stable funding	165,291	166,818	166,100	165,543	163,021
20	NSFR (%)	136.10	134.63	134.08	134.03	134.79

1 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 2 Swiss SRB going and gone concern requirements and information for UBS Switzerland AG are provided below. 3 Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 4 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS tier 2 capital requirement met with CET1 capital. 5 Calculated after the application of haircuts, inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 61 data points in the second quarter of 2024 and 61 data points in the first quarter of 2024. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information. 6 UBS Switzerland AG is required to maintain a minimum NSFR of at least 100% on an ongoing basis, as set out in Art. 17h para. 1 of the Liquidity Ordinance. A portion of the excess funding is used to fulfill the NSFR requirement of UBS AG standalone.

Swiss systemically relevant bank going and gone concern requirements and information

Quarterly | The tables below provide details of the Swiss systemically relevant bank (SRB) RWA- and LRD-based going and gone concern requirements and information as required by FINMA; details regarding eligible gone concern instruments are also provided below.

UBS Switzerland AG is considered an SRB under Swiss banking law and is subject to capital regulations on a standalone basis. As of 30 June 2024, the going concern capital and leverage ratio requirements for UBS Switzerland AG standalone were 15.18% (including a countercyclical buffer of 0.88%) and 5.00%, respectively.

The Swiss SRB framework and going concern requirements applicable to UBS Switzerland AG standalone are the same as those applicable to UBS Group AG consolidated. The gone concern requirement corresponds to 62% of the Group's going concern requirements, excluding the countercyclical buffer requirements.

The gone concern requirements were 8.87% for the RWA-based requirement and 3.10% for the LRD-based requirement.

› **Refer to "Capital and capital ratios of our significant regulated subsidiaries" in the "Capital, liquidity and funding, and balance sheet" section of the UBS Group Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about the joint liability of UBS AG and UBS Switzerland AG**

Swiss SRB going and gone concern requirements and information

As of 30.6.24	RWA		LRD	
CHF m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	15.18[1]	16,738	5.00[1]	16,857
Common equity tier 1 capital	10.88	11,995	3.50	11,800
of which: minimum capital	*4.50*	*4,963*	*1.50*	*5,057*
of which: buffer capital	*5.50*	*6,066*	*2.00*	*6,743*
of which: countercyclical buffer	*0.88*	*966*		
Maximum additional tier 1 capital	4.30	4,743	1.50	5,057
of which: additional tier 1 capital	*3.50*	*3,860*	*1.50*	*5,057*
of which: additional tier 1 buffer capital	*0.80*	*882*		
Eligible going concern capital				
Total going concern capital	15.96	17,601	5.22	17,601
Common equity tier 1 capital	11.43	12,601	3.74	12,601
Total loss-absorbing additional tier 1 capital	4.53	5,000	1.48	5,000
of which: high-trigger loss-absorbing additional tier 1 capital	*4.53*	*5,000*	*1.48*	*5,000*
Required gone concern capital[2]				
Total gone concern loss-absorbing capacity	8.87[3]	9,779	3.10[3]	10,452
of which: base requirement including add-ons for market share and LRD	*8.87*	*9,779*	*3.10*	*10,452*
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	10.19	11,238	3.33	11,238
TLAC-eligible unsecured debt	10.19	11,238	3.33	11,238
Total loss-absorbing capacity				
Required total loss-absorbing capacity	24.04	26,516	8.10	27,309
Eligible total loss-absorbing capacity	26.15	28,840	8.55	28,840
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		110,294		
Leverage ratio denominator				337,149

1 Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD). 2 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. 3 Includes applicable add-ons of 0.89% for RWA and 0.31% for LRD.

Swiss SRB going and gone concern information

CHF m, except where indicated	30.6.24	31.3.24	31.12.23
Eligible going concern capital			
Total going concern capital	17,601	17,630	17,515
Total tier 1 capital	17,601	17,630	17,515
Common equity tier 1 capital	12,601	12,630	12,515
Total loss-absorbing additional tier 1 capital	5,000	5,000	5,000
of which: high-trigger loss-absorbing additional tier 1 capital	*5,000*	*5,000*	*5,000*
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	11,238	11,243	11,176
TLAC-eligible unsecured debt	11,238	11,243	11,176
Total loss-absorbing capacity			
Total loss-absorbing capacity	28,840	28,872	28,691
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	110,294	111,292	107,097
Leverage ratio denominator	337,149	337,653	330,515
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	16.0	15.8	16.4
of which: common equity tier 1 capital ratio	*11.4*	*11.3*	*11.7*
Gone concern loss-absorbing capacity ratio	10.2	10.1	10.4
Total loss-absorbing capacity ratio	26.1	25.9	26.8
Leverage ratios (%)			
Going concern leverage ratio	5.2	5.2	5.3
of which: common equity tier 1 leverage ratio	*3.7*	*3.7*	*3.8*
Gone concern leverage ratio	3.3	3.3	3.4
Total loss-absorbing capacity leverage ratio	8.6	8.6	8.7

Capital instruments

Quarterly |

Capital instruments of UBS Switzerland AG – key features

Presented according to issuance date.

		Share capital	Additional tier 1 capital						
1	Issuer	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	–	–						
3	Governing law(s) of the instrument	Swiss	Swiss						
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	n/a	n/a						
	Regulatory treatment								
4	Transitional Basel III rules[1]	CET1 – going concern capital	Additional tier 1 capital						
5	Post-transitional Basel III rules[2]	CET1 – going concern capital	Additional tier 1 capital						
6	Eligible at solo / group / group and solo	UBS Switzerland AG consolidated and standalone	UBS Switzerland AG consolidated and standalone						
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Loan[3]						
8	Amount recognized in regulatory capital (currency in million, as of most recent reporting date)[1]	CHF 10.0	CHF 1,000	CHF 825	CHF 475	CHF 500	CHF 700	CHF 675	CHF 825
9	Par value of instrument (currency in million)	CHF 10.0	CHF 1,000	CHF 825	CHF 475	CHF 500	CHF 700	CHF 675	CHF 825
10	Accounting classification[4]	Equity attributable to UBS Switzerland AG shareholders	Due to banks held at amortized cost						
11	Original date of issuance	–	18 December 2017	12 December 2018	11 December 2019	29 October 2020	11 March 2021	2 June 2021	2 June 2021
12	Perpetual or dated	–	Perpetual						
13	Original maturity date	–	–						
14	Issuer call subject to prior supervisory approval	–	Yes						

Capital instruments of UBS Switzerland AG – key features (continued)

Presented according to issuance date.

		Share capital	Additional tier 1 capital						
15	Optional call date, contingent call dates and redemption amount	–	First optional repayment date: 18 December 2022[5]	First optional repayment date: 12 December 2023[5]	First optional repayment date: 11 December 2024	First optional repayment date: 29 October 2025	First optional repayment date: 11 March 2026	First optional repayment date: 2 June 2026	First optional repayment date: 2 June 2028
			Repayable at any time after the first optional repayment date. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon.					Repayable on the first optional repayment date or on any of every second interest payment date thereafter. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon.	Repayable on the first optional repayment date or on any interest payment date thereafter. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon.
16	Subsequent call dates, if applicable	–	Early repayment possible due to a tax or regulatory event. Repayment due to a tax event subject to FINMA approval. Repayment amount: principal amount, together with accrued and unpaid interest.						

Capital instruments of UBS Switzerland AG – key features (continued)

Presented according to issuance date.

		Share capital	Additional tier 1 capital						
	Coupons								
17	Fixed or floating dividend / coupon	–	Floating						
18	Coupon rate and any related index	–	3-month SARON Compound + 250 bps per annum quarterly	3-month SARON Compound + 489 bps per annum quarterly	3-month SARON Compound + 433 bps per annum quarterly	3-month SARON Compound + 397 bps per annum quarterly	3-month SARON Compound + 337 bps per annum quarterly	3-month SARON Compound + 307 bps per annum quarterly	3-month SARON Compound + 308 bps per annum quarterly
19	Existence of a dividend stopper	–	No						
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary						
21	Existence of step-up or other incentive to redeem	–	No						
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative						
23	Convertible or non-convertible	–	Non-convertible						
24	If convertible, conversion trigger(s)	–	–						
25	If convertible, fully or partially	–	–						
26	If convertible, conversion rate	–	–						
27	If convertible, mandatory or optional conversion	–	–						
28	If convertible, specify instrument type convertible into	–	–						
29	If convertible, specify issuer of instrument it converts into	–	–						
30	Write-down feature	–	Yes						
31	If write-down, write-down trigger(s)	–	Trigger: CET1 ratio is less than 7% FINMA determines a write-down necessary to ensure UBS Switzerland AG's viability; or UBS Switzerland AG receives a commitment of governmental support that FINMA determines necessary to ensure UBS Switzerland AG's viability. Subject to applicable conditions.						
32	If write-down, fully or partially	–	Fully						
33	If write-down, permanent or temporary	–	Permanent						
34	If temporary write-down, description of write-up mechanism	–	–						
34a	Type of subordination	Statutory	Contractual						
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Unless otherwise stated in the articles of association, once debts are paid back, the assets of the liquidated company are divided between the shareholders pro rata based on their contributions and considering the preferences attached to certain categories of shares (Art. 745, Swiss Code of Obligations)	Subject to any obligations that are mandatorily preferred by law, each obligation of UBS Switzerland AG that is unsubordinated or is subordinated and not ranked junior (such as all classes of share capital) or at par (such as tier 1 instruments)						
36	Non-compliant transitioned features	–	–						
37	If yes, specify non-compliant features	–	–						

1 Based on Swiss SRB (including transitional arrangement) requirements. 2 Based on Swiss SRB requirements applicable as of 1 January 2020. 3 Loans granted by UBS AG, Zurich Branch. 4 As applied in UBS Switzerland AG's financial statements under Swiss GAAP. 5 The entity decided not to trigger the call option. There is no expected date for the repayment.

UBS Europe SE consolidated

Key metrics for the second quarter of 2024

Quarterly | The table below provides information about the regulatory capital components, capital ratios, leverage ratio and liquidity of UBS Europe SE consolidated based on Basel Committee on Banking Supervision Pillar 1 requirements and in accordance with EU regulatory rules and IFRS Accounting Standards.

During the second quarter of 2024, available capital increased by EUR 0.1bn, driven by the recognition of the audited financial results, which led to an increase in retained earnings and prudential filters, and risk-weighted assets decreased by EUR 0.2bn to EUR 12.4bn, mainly driven by a decrease in Lombard loans. Leverage ratio exposure increased by EUR 1.8bn to EUR 50.6bn, mainly reflecting the increase in securities financing transactions in line with the balance sheet movement.

The average liquidity coverage ratio remained stable and well above the regulatory requirements of 100% at 148.3%, with a EUR 1.0bn decrease in high-quality liquid assets and a EUR 0.7bn decrease in total net cash outflows. The net stable funding ratio increased 7.0 percentage points to 129.6%. Available stable funding increased by EUR 1.5bn as a result of an increase in intercompany funding. Required stable funding increased by EUR 0.5bn, mainly due to client-driven Investment Bank activities in the Asian markets.

KM1: Key metrics[1]

EUR m, except where indicated

		30.6.24	31.3.24[2]	31.12.23	30.9.23[2]	30.6.23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	2,740	2,619	2,625	2,651	2,438
2	Tier 1	3,340	3,219	3,225	3,251	3,038
3	Total capital	3,340	3,219	3,225	3,251	3,038
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	12,440	12,645	12,382	12,247	11,118
4a	Minimum capital requirement[3]	995	1,012	991	980	889
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	22.0	20.7	21.2	21.7	21.9
6	Tier 1 ratio (%)	26.8	25.5	26.1	26.6	27.3
7	Total capital ratio (%)	26.8	25.5	26.1	26.6	27.3
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	0.7	0.6	0.6	0.5	0.5
10	Bank G-SIB and / or D-SIB additional requirements (%)					
11	Total of bank CET1 specific buffer requirements (%)	3.2	3.1	3.1	3.0	3.0
12	CET1 available after meeting the bank's minimum capital requirements (%)[4]	17.6	16.2	16.7	17.2	17.5
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	50,630	48,797	45,079	47,314	49,351
14	Basel III leverage ratio (%)[5]	6.6	6.6	7.2	6.9	6.2
Liquidity coverage ratio (LCR)[6]						
15	Total high-quality liquid assets (HQLA)	17,269	18,284	18,944	19,364	20,026
16	Total net cash outflow	11,658	12,406	12,794	13,120	13,210
17	LCR (%)	148.3	147.9	148.7	148.3	152.4
Net stable funding ratio (NSFR)						
18	Total available stable funding	15,058	13,596	13,942	14,357	13,148
19	Total required stable funding	11,622	11,087	10,606	10,856	9,072
20	NSFR (%)	129.6	122.6	131.5	132.2	144.9

1 Based on applicable EU regulatory rules. 2 Comparative figures have been restated to align with the regulatory reports as submitted to the European Central Bank. 3 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 4 Represents the CET1 ratio that is available for meeting buffer requirements. Calculated as the CET1 ratio minus 4.5% and after considering, where applicable, CET1 capital that has been used to meet tier 1 and / or total capital ratio requirements under Pillar 1. 5 On the basis of tier 1 capital. 6 Figures are calculated on a 12-month average.

UBS Americas Holding LLC consolidated

Reparenting of Credit Suisse Holdings (USA), Inc. to UBS Americas Holding LLC

On 7 June 2024, Credit Suisse Holdings (USA), Inc. was reparented to UBS Americas Holding LLC, which became the sole intermediate holding company of UBS in the USA, succeeding by operation of US law to all assets and liabilities of Credit Suisse Holdings (USA), Inc., and becoming the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse Holdings (USA), Inc. Prior periods have not been restated. UBS has accounted for the acquisition as a business combination under common control accounting principles. As a result of that reparenting, common equity tier 1 (CET1) capital and risk-weighted assets (RWA) increased by USD 7.5bn and USD 7.3bn respectively for UBS Americas Holding LLC as of 30 June 2024.

Key metrics for the second quarter of 2024

Quarterly | The table below is based on Basel Committee on Banking Supervision Pillar 1 requirements and in accordance with US Basel III rules.

Effective 1 October 2023, and through 30 September 2024, UBS Americas Holding LLC is subject to a stress capital buffer (an SCB) of 9.1%, in addition to the minimum capital requirements. The SCB was determined by the Federal Reserve Board following the completion of the 2023 Comprehensive Capital Analysis and Review (the CCAR) based on Dodd–Frank Act Stress Test (DFAST) results and planned future dividends. The SCB, which replaces the static capital conservation buffer of 2.5%, is subject to change on an annual basis or as otherwise determined by the Federal Reserve Board.

During the second quarter of 2024, CET1 capital increased by USD 8.9bn to USD 23.0bn, driven by the reparenting of Credit Suisse Holdings (USA), Inc. to UBS Americas Holding LLC in June 2024. RWA increased by USD 8.4bn to USD 84.3bn, driven by the aforementioned USD 7.3bn increase resulting from the consolidation of Credit Suisse Holdings (USA), Inc. assets, in addition to increases in deferred tax assets and loans. These increases were partly offset by decreases in derivatives and market risk. Leverage ratio exposure, calculated on an average basis, increased by USD 22.0bn to USD 205.7bn, primarily due to the consolidation of assets of Credit Suisse Holdings (USA), Inc. Pursuant to local regulatory guidance, leverage ratio exposure was calculated as if the merger had taken place on 1 April 2024.

The average liquidity coverage ratio decreased 2.2 percentage points to 147.7%, driven by an increase in net cash outflows, partly offset by an increase in high-quality liquid assets (HQLA) from the addition of Credit Suisse Holdings (USA), Inc., following the reparenting in June 2024. The average net stable funding ratio increased 1.7 percentage points to 135.4%. This was due to a USD 0.7bn decrease in required stable funding, which was primarily driven by a decrease in non-HQLA securities held, and by a USD 0.5bn increase in available stable funding, primarily due to an increase in regulatory capital from Credit Suisse Holdings (USA), Inc. offset by a reduction in deposits.

KM1: Key metrics

USD m, except where indicated		30.6.24[1]	31.3.24	31.12.23	30.9.23	30.6.23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	23,036	14,136	14,081	10,348	10,275
2	Tier 1	25,846	16,975	16,919	15,433	15,361
3	Total capital	26,103	17,174	17,120	15,647	15,581
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	84,289	75,897	73,096	72,002	70,135
4a	Minimum capital requirement[2]	6,743	6,072	5,848	5,760	5,611
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	27.3	18.6	19.3	14.4	14.7
6	Tier 1 ratio (%)	30.7	22.4	23.1	21.4	21.9
7	Total capital ratio (%)	31.0	22.6	23.4	21.7	22.2
Additional CET1 buffer requirements as a percentage of RWA						
8	BCBS capital conservation buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
8a	US stress capital buffer requirement (%)	9.1	9.1	9.1	4.8	4.8
9	Countercyclical buffer requirement (%)					
10	Bank G-SIB and / or D-SIB additional requirements (%)					
11	BCBS total of bank CET1 specific buffer requirements (%)	2.5	2.5	2.5	2.5	2.5
11a	US total bank specific capital buffer requirements (%)	9.1	9.1	9.1	4.8	4.8
12	CET1 available after meeting the bank's minimum capital requirements (%)[3]	22.8	14.1	14.8	9.9	10.2
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure[4]	205,699	183,701	184,015	185,049	186,340
14	Basel III leverage ratio (%)[5]	12.6	9.2	9.2	8.3	8.2
14a	Total Basel III supplementary leverage ratio exposure measure[4]	232,968	209,750	208,242	206,753	207,357
14b	Basel III supplementary leverage ratio (%)[5]	11.1	8.1	8.1	7.5	7.4
Liquidity coverage ratio (LCR)[6]						
15	Total high-quality liquid assets (HQLA)	29,749	28,410	27,952	28,839	29,203
16	Total net cash outflow[7]	20,135	18,947	18,931	18,512	19,464
17	LCR (%)	147.7	149.9	147.7	155.8	150.0
Net stable funding ratio (NSFR)[6]						
18	Total available stable funding	107,825	107,370	107,872	108,281[8]	108,583[8]
19	Total required stable funding[7]	79,651	80,303	81,650	82,164[8]	83,341[8]
20	NSFR (%)	135.4	133.7	132.1	131.8[8]	130.3[8]

1 Regulatory information for 30 June 2024 is inclusive of Credit Suisse Holdings (USA), Inc. following the reparenting of this entity under UBS Americas Holding LLC on 7 June 2024. Prior periods have not been restated. 2 Calculated as 8% of total RWA, based on total minimum capital requirements, excluding CET1 buffer requirements. 3 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS additional tier 1 and tier 2 capital requirements met with CET1 capital. 4 Leverage exposure for 30 June 2024 has been calculated as if the reparenting of Credit Suisse Holdings (USA), Inc. occurred on the first day of the calendar quarter. 5 On the basis of tier 1 capital. 6 Figures are calculated on a simple daily average of the quarter which included the business activity of Credit Suisse Holdings (USA), Inc. beginning on 7 June 2024. 7 Reflected at 85% of the full amount in accordance with the Federal Reserve tailoring rule. 8 Comparative information for 30 September 2023 and 30 June 2023 has been restated for revisions to available stable funding and required stable funding.

Material sub-group entity – creditor ranking at legal entity level

Semi-annual | The TLAC2 table below provides an overview of the creditor ranking structure of UBS Americas Holding LLC on a standalone basis.

As of 30 June 2024, UBS Americas Holding LLC had a total loss-absorbing capacity (TLAC) of USD 33.6bn after regulatory capital deductions and adjustments. This amount included tier 1 capital of USD 25.8bn and USD 7.8bn of internal long-term debt that is eligible as internal TLAC issued to UBS AG, a wholly owned subsidiary of the UBS Group AG resolution entity.

TLAC2: Material sub-group entity – creditor ranking at legal entity level

As of 30.6.24		Creditor ranking				Total
USD m		1	2	3	4	
1	Is the resolution entity the creditor / investor?	No	No	No	No	
2	Description of creditor ranking	Common Equity (most junior)[1]	Preferred Shares (additional tier 1)	Subordinated debt	Unsecured loans and other pari passu liabilities (most senior)	
3	Total capital and liabilities net of credit risk mitigation	29,578	2,900		45,333	77,811
4	Subset of row 3 that are excluded liabilities				919	919
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	29,578	2,900		44,414	76,892
6	Subset of row 5 that are eligible as TLAC	29,578	2,900		7,800	40,278
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years					
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years				3,050	3,050
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years				4,750	4,750
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities					
11	Subset of row 6 that is perpetual securities	29,578	2,900			32,478

1 Equity attributable to shareholders, which includes share premium and reserves.

Credit Suisse (Schweiz) AG consolidated

Key metrics for the second quarter of 2024

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules.

During the second quarter of 2024, the common equity tier 1 (CET1) capital of Credit Suisse (Schweiz) AG consolidated remained unchanged at CHF 11.0bn. Tier 1 capital remained unchanged at CHF 14.1bn.

Risk-weighted assets (RWA) decreased by CHF 5.5bn to CHF 76.7bn during the second quarter of 2024, primarily driven by a decrease in credit risk RWA.

The leverage ratio denominator (the LRD) decreased by CHF 9.9bn to CHF 236.2bn, mainly driven by lower lending balances.

Correspondingly, the CET1 capital ratio of Credit Suisse (Schweiz) AG consolidated increased to 14.4% from 13.4%, reflecting the decrease in RWA. The Basel III leverage ratio increased to 6.0% from 5.7%, reflecting the decrease in the LRD.

In the second quarter of 2024, the quarterly average liquidity coverage ratio (the LCR) of Credit Suisse (Schweiz) AG consolidated decreased 0.5 percentage points to 150.8%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the quarterly average LCR was primarily driven by a CHF 1.9bn decrease in high-quality liquid assets to CHF 55.0bn, mainly due to the repayment of the remaining funding drawn under the Swiss National Bank Emergency Liquidity Assistance facility and lower customer deposits, partly offset by more cash available from intercompany funding from UBS AG and lower loans to customers. Net cash outflows decreased by CHF 1.2bn to CHF 36.5bn, mainly due to lower outflows from securities financing transactions and higher cash inflows from loans and intercompany transactions.

As of 30 June 2024, the net stable funding ratio (the NSFR) of Credit Suisse (Schweiz) AG consolidated increased 17.2 percentage points to 131.4%, remaining above the prudential requirement communicated by FINMA. The movement in the NSFR was predominantly driven by an increase of CHF 15.4bn in available stable funding to CHF 148.9bn, mainly reflecting an increase in intercompany funding. Additionally, required stable funding decreased by CHF 3.6bn to CHF 113.3bn, mainly attributable to a reduction of loans to customers.

KM1: Key metrics

CHF m, except where indicated		30.6.24	31.3.24	31.12.23	30.9.23	30.6.23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)[1]	11,025	11,016	11,051	13,015	12,958
2	Tier 1[1]	14,125	14,116	14,151	16,115	16,058
3	Total capital[1]	14,125	14,137	14,166	16,115	16,058
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	76,688	82,172	83,254	87,838	88,130
4a	Minimum capital requirement[2]	6,135	6,574	6,660	7,027	7,050
4b	Total risk-weighted assets (pre-floor)	69,744	73,161	75,028	79,310	80,689
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)[1]	14.38	13.41	13.27	14.82	14.70
6	Tier 1 ratio (%)[1]	18.42	17.18	17.00	18.35	18.22
7	Total capital ratio (%)[1]	18.42	17.20	17.02	18.35	18.22
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	0.11	0.11	0.10	0.10	0.08
9a	Additional countercyclical buffer for Swiss mortgage loans (%)	0.68	0.65	0.65	0.65	0.67
10	Bank G-SIB and / or D-SIB additional requirements (%)[3,4]					
11	Total of bank CET1 specific buffer requirements (%)[5]	2.61	2.61	2.60	2.60	2.58
12	CET1 available after meeting the bank's minimum capital requirements (%)[4,6]	9.88	8.91	8.77	10.32	10.20
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	236,215	246,156	253,818	257,419	256,015
14	Basel III leverage ratio (%)[1]	5.98	5.73	5.58	6.26	6.27
Liquidity coverage ratio (LCR)[7]						
15	Total high-quality liquid assets (HQLA)	54,988	56,934	52,095	49,915	42,881
16	Total net cash outflow	36,462	37,638	34,425	35,846	30,582
16a	*of which: cash outflows*	*45,921*	*46,364*	*42,963*	*44,655*	*40,278*
16b	*of which: cash inflows*	*9,460*	*8,725*	*8,538*	*8,809*	*9,696*
17	LCR (%)	150.81	151.27	151.33	139.25	140.22
Net stable funding ratio (NSFR)						
18	Total available stable funding	148,935	133,542	128,538	133,255	135,120
19	Total required stable funding	113,327	116,908	118,715	122,269	123,928
20	NSFR (%)	131.42	114.23	108.27	108.98	109.03

1 Credit Suisse had a transitional relief of recognizing CECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks" until 30 June 2024. No transitional relief was applied to CET1 and tier 1 capital in the second quarter of 2024 (CHF 2m in the first quarter of 2024 and CHF 3m in the fourth quarter of 2023). No transitional relief was applied for the other periods presented. 2 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 3 Swiss SRB going and gone concern requirements and information for Credit Suisse (Schweiz) AG consolidated are provided below in this section. 4 Credit Suisse (Schweiz) AG consolidated has aligned its minimum capital requirements to the UBS approach of applying the G-SIB buffer at the Group level only. 5 Excludes non-BCBS countercyclical capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 6 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS additional tier 1 and tier 2 capital requirements met with CET1 capital. 7 Calculated after the application of haircuts, inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 61 data points in the second quarter of 2024 and 62 data points in the first quarter of 2024. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information.

Swiss systemically relevant bank going and gone concern requirements and information

Quarterly | The tables below provide details of the Swiss systemically relevant bank (SRB) RWA- and LRD-based going and gone concern requirements and information as required by FINMA; details regarding eligible gone concern instruments are also provided below.

Credit Suisse (Schweiz) AG consolidated is considered an SRB under Swiss banking law and is subject to capital regulations on a consolidated basis. As of 30 June 2024, the going concern capital and leverage ratio requirements for Credit Suisse (Schweiz) AG consolidated were 15.09% (including a countercyclical buffer of 0.79%) and 5.00%, respectively.

The Swiss SRB framework and going concern requirements applicable to Credit Suisse (Schweiz) AG consolidated are the same as those applicable to UBS Group AG consolidated. The gone concern requirement corresponds to 62% of the UBS Group AG consolidated going concern requirements, excluding countercyclical buffer requirements.

The gone concern requirements were 8.87% for the RWA-based requirement and 3.10% for the LRD-based requirement.

Swiss SRB going and gone concern requirements and information

As of 30.6.24	RWA		LRD	
CHF m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	15.09[1]	11,572	5.00[1]	11,811
Common equity tier 1 capital	10.79	8,275	3.50	8,268
of which: minimum capital	*4.50*	*3,451*	*1.50*	*3,543*
of which: buffer capital	*5.50*	*4,218*	*2.00*	*4,724*
of which: countercyclical buffer	*0.79*	*606*		
Maximum additional tier 1 capital	4.30	3,298	1.50	3,543
of which: additional tier 1 capital	*3.50*	*2,684*	*1.50*	*3,543*
of which: additional tier 1 buffer capital	*0.80*	*614*		
Eligible going concern capital				
Total going concern capital	18.42	14,125	5.98	14,125
Common equity tier 1 capital	14.38	11,025	4.67	11,025
Total loss-absorbing additional tier 1 capital	4.04	3,100	1.31	3,100
of which: high-trigger loss-absorbing additional tier 1 capital	*4.04*	*3,100*	*1.31*	*3,100*
Required gone concern capital[2]				
Total gone concern loss-absorbing capacity	8.87	6,799	3.10	7,323
of which: base requirement including add-ons for market share and LRD	*0.89*	*685*	*0.31*	*732*
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	11.51	8,825	3.74	8,825
TLAC-eligible unsecured debt	11.51	8,825	3.74	8,825
Total loss-absorbing capacity				
Required total loss-absorbing capacity	23.96	18,372	8.10	19,133
Eligible total loss-absorbing capacity	29.93	22,950	9.72	22,950
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		76,688		
Leverage ratio denominator				236,215

1 Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.5% for leverage ratio denominator (LRD). 2 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.

Swiss SRB going and gone concern information

CHF m, except where indicated	30.6.24	31.3.24	31.12.23
Eligible going concern capital			
Total going concern capital	14,125	14,116	14,151
Total tier 1 capital	14,125	14,116	14,151
Common equity tier 1 capital	11,025	11,016	11,051
Total loss-absorbing additional tier 1 capital	3,100	3,100	3,100
of which: high-trigger loss-absorbing additional tier 1 capital	*3,100*	*3,100*	*3,100*
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	8,825	8,846	9,040
TLAC-eligible unsecured debt	8,825	8,825	9,025
Total loss-absorbing capacity			
Total loss-absorbing capacity	22,950	22,962	23,191
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	76,688	82,172	83,254
Leverage ratio denominator	236,215	246,156	253,818
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	18.4	17.2	17.0
of which: common equity tier 1 capital ratio	*14.4*	*13.4*	*13.3*
Gone concern loss-absorbing capacity ratio	11.5	10.8	10.9
Total loss-absorbing capacity ratio	29.9	27.9	27.9
Leverage ratios (%)			
Going concern leverage ratio	6.0	5.7	5.6
of which: common equity tier 1 leverage ratio	*4.7*	*4.5*	*4.4*
Gone concern leverage ratio	3.7	3.6	3.6
Total loss-absorbing capacity leverage ratio	9.7	9.3	9.1

Credit Suisse (Schweiz) AG standalone

Key metrics for the second quarter of 2024

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules.

During the second quarter of 2024, the common equity tier 1 (CET1) capital of Credit Suisse (Schweiz) AG standalone remained unchanged at CHF 10.4bn. Tier 1 capital remained unchanged at CHF 13.5bn.

Risk-weighted assets (RWA) decreased by CHF 4.1bn to CHF 77.4bn during the second quarter of 2024, primarily driven by lower credit risk RWA.

The leverage ratio denominator (the LRD) decreased by CHF 9.3bn to CHF 234.6bn during the second quarter of 2024, mainly driven by lower lending balances.

Correspondingly, the CET1 capital ratio of Credit Suisse (Schweiz) AG standalone increased to 13.4% from 12.8%, reflecting the aforementioned decrease in RWA. The Basel III leverage ratio increased to 5.7% from 5.5%, reflecting the decrease in the LRD.

In the second quarter of 2024, the quarterly average liquidity coverage ratio (the LCR) of Credit Suisse (Schweiz) AG standalone decreased 0.4 percentage points to 149.1%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the quarterly average LCR was primarily driven by a CHF 1.9bn decrease in high-quality liquid assets to CHF 54.9bn, mainly due to the repayment of the remaining funding drawn under the Swiss National Bank Emergency Liquidity Assistance facility and lower customer deposits, partly offset by more cash available from intercompany funding from UBS AG and lower loans to customers. Net cash outflows decreased by CHF 1.2bn to CHF 36.8bn, mainly due to lower outflows from securities financing transactions and higher cash inflows from loans and intercompany transactions.

As of 30 June 2024, the net stable funding ratio (the NSFR) of Credit Suisse (Schweiz) AG standalone increased 17.1 percentage points to 131.4%, remaining above the prudential requirement communicated by FINMA. The movement in the NSFR was predominantly driven by an increase of CHF 16.1bn in available stable funding to CHF 148.0bn, mainly reflecting an increase in intercompany funding. Additionally, required stable funding decreased by CHF 2.8bn to CHF 112.7bn, mainly attributable to a reduction of loans to customers.

As of 30 June 2024, Credit Suisse (Schweiz) AG standalone held assets with a carrying value of CHF 909m that are pledged under the UBS AG legacy international covered bonds program (previously the international covered bonds program of Credit Suisse AG) and for which the related liabilities of CHF 559m as of 30 June 2024 are reported by UBS AG. The liabilities were fully collateralized through cash deposits from UBS AG to Credit Suisse (Schweiz) AG.

KM1: Key metrics

CHF m, except where indicated		30.6.24	31.3.24	31.12.23	30.9.23	30.6.23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)[1]	10,370	10,397	10,396	11,918	11,884
2	Tier 1[1]	13,470	13,497	13,496	15,018	14,984
3	Total capital[1]	13,470	13,554	13,537	15,018	14,984
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	77,359	81,504	82,611	86,893	87,414
4a	Minimum capital requirement[2]	6,189	6,520	6,609	6,951	6,993
4b	Total risk-weighted assets (pre-floor)	68,455	71,440	73,541	77,422	78,910
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)[1]	13.41	12.76	12.58	13.72	13.60
6	Tier 1 ratio (%)[1]	17.41	16.56	16.34	17.28	17.14
7	Total capital ratio (%)[1]	17.41	16.63	16.39	17.28	17.14
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	0.12	0.11	0.10	0.10	0.08
9a	Additional countercyclical buffer for Swiss mortgage loans (%)	0.67	0.65	0.66	0.66	0.68
10	Bank G-SIB and / or D-SIB additional requirements (%)[3,4]					
11	Total of bank CET1 specific buffer requirements (%)[5]	2.62	2.61	2.60	2.60	2.58
12	CET1 available after meeting the bank's minimum capital requirements (%)[4,6]	8.91	8.26	8.08	9.22	9.10
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	234,605	243,924	251,692	255,147	253,987
14	Basel III leverage ratio (%)[1]	5.74	5.53	5.36	5.89	5.90
Liquidity coverage ratio (LCR)[7]						
15	Total high-quality liquid assets (HQLA)	54,937	56,883	52,045	49,864	42,858
16	Total net cash outflow	36,840	38,032	34,850	36,226	31,007
16a	*of which: cash outflows*	*46,158*	*46,683*	*43,295*	*44,956*	*40,563*
16b	*of which: cash inflows*	*9,318*	*8,652*	*8,444*	*8,730*	*9,556*
17	LCR (%)	149.12	149.57	149.34	137.65	138.22
Net stable funding ratio (NSFR)[8]						
18	Total available stable funding	147,982	131,848	126,824	131,427	133,504
19	Total required stable funding	112,659	115,448	116,703	120,124	121,686
20	NSFR (%)	131.35	114.21	108.67	109.41	109.71

1 Credit Suisse had a transitional relief of recognizing CECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks" until 30 June 2024. No transitional relief was applied to CET1 and tier 1 capital in the second quarter of 2024 (CHF 5m in the first quarter of 2024 and CHF 8m in the fourth quarter of 2023). No transitional relief was applied for the other periods presented. 2 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 3 Swiss SRB going and gone concern requirements and information for Credit Suisse (Schweiz) AG standalone are provided below in this section. 4 Credit Suisse (Schweiz) AG standalone has aligned its minimum capital requirements to the UBS approach of applying the G-SIB buffer at the Group level only. 5 Excludes non-BCBS countercyclical capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 6 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS additional tier 1 and tier 2 capital requirements met with CET1 capital. 7 Calculated after the application of haircuts, inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 61 data points in the second quarter of 2024 and 62 data points in the first quarter of 2024. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information. 8 In accordance with Art. 17h of the Liquidity Ordinance, Credit Suisse (Schweiz) AG must always have an NSFR of at least 100% on a standalone basis.

Swiss systemically relevant bank going and gone concern requirements and information

Quarterly | The tables below provide details of the Swiss systemically relevant bank (SRB) RWA- and LRD-based going and gone concern requirements and information as required by FINMA; details regarding eligible gone concern instruments are also provided below.

Credit Suisse (Schweiz) AG standalone is considered an SRB under Swiss banking law and is subject to capital regulations on a standalone basis. As of 30 June 2024, the going concern capital and leverage ratio requirements for Credit Suisse (Schweiz) AG standalone were 15.09% (including a countercyclical buffer of 0.79%) and 5.00%, respectively.

The Swiss SRB framework and going concern requirements applicable to Credit Suisse (Schweiz) AG standalone are the same as those applicable to UBS Group AG consolidated. The gone concern requirement corresponds to 62% of the UBS Group AG consolidated going concern requirements, excluding countercyclical buffer requirements.

The gone concern requirements were 8.87% for the RWA-based requirement and 3.10% for the LRD-based requirement.

Swiss SRB going and gone concern requirements and information

As of 30.6.24	RWA		LRD	
CHF m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	15.09[1]	11,671	5.00[1]	11,730
Common equity tier 1 capital	10.79	8,344	3.50	8,211
of which: minimum capital	*4.50*	*3,481*	*1.50*	*3,519*
of which: buffer capital	*5.50*	*4,255*	*2.00*	*4,692*
of which: countercyclical buffer	*0.79*	*609*		
Maximum additional tier 1 capital	4.30	3,326	1.50	3,519
of which: additional tier 1 capital	*3.50*	*2,708*	*1.50*	*3,519*
of which: additional tier 1 buffer capital	*0.80*	*619*		
Eligible going concern capital				
Total going concern capital	17.41	13,470	5.74	13,470
Common equity tier 1 capital	13.41	10,370	4.42	10,370
Total loss-absorbing additional tier 1 capital	4.01	3,100	1.32	3,100
of which: high-trigger loss-absorbing additional tier 1 capital	*4.01*	*3,100*	*1.32*	*3,100*
Required gone concern capital[2]				
Total gone concern loss-absorbing capacity	8.87	6,859	3.10	7,273
of which: base requirement including add-ons for market share and LRD	*0.89*	*691*	*0.31*	*727*
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	11.41	8,825	3.76	8,825
TLAC-eligible unsecured debt	11.41	8,825	3.76	8,825
Total loss-absorbing capacity				
Required total loss-absorbing capacity	23.95	18,530	8.10	19,003
Eligible total loss-absorbing capacity	28.82	22,295	9.50	22,295
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		77,359		
Leverage ratio denominator				234,605

1 Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.5% for leverage ratio denominator (LRD). 2 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.

Swiss SRB going and gone concern information

CHF m, except where indicated	30.6.24	31.3.24	31.12.23
Eligible going concern capital			
Total going concern capital	13,470	13,497	13,496
Total tier 1 capital	13,470	13,497	13,496
Common equity tier 1 capital	10,370	10,397	10,396
Total loss-absorbing additional tier 1 capital	3,100	3,100	3,100
of which: high-trigger loss-absorbing additional tier 1 capital	*3,100*	*3,100*	*3,100*
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	8,825	8,882	9,066
TLAC-eligible unsecured debt	8,825	8,825	9,025
Total loss-absorbing capacity			
Total loss-absorbing capacity	22,295	22,379	22,562
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	77,359	81,504	82,611
Leverage ratio denominator	234,605	243,924	251,692
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	17.4	16.6	16.3
of which: common equity tier 1 capital ratio	*13.4*	*12.8*	*12.6*
Gone concern loss-absorbing capacity ratio	11.4	10.9	11.0
Total loss-absorbing capacity ratio	28.8	27.5	27.3
Leverage ratios (%)			
Going concern leverage ratio	5.7	5.5	5.4
of which: common equity tier 1 leverage ratio	*4.4*	*4.3*	*4.1*
Gone concern leverage ratio	3.8	3.6	3.6
Total loss-absorbing capacity leverage ratio	9.5	9.2	9.0

Credit Suisse International standalone

Key metrics for the second quarter of 2024

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Pillar 1 requirements and in accordance with UK Prudential Regulatory Authority regulations and IFRS Accounting Standards.

During the second quarter of 2024, the common equity tier 1 capital of Credit Suisse International standalone decreased by USD 0.1bn to USD 12.8bn from USD 12.9bn, primarily due to a coupon payment on additional tier 1 capital that reduced retained earnings, offset by a reduction in capital deductions. Total capital decreased by USD 0.1bn to USD 14.0bn. Risk-weighted assets decreased by USD 8.4bn to USD 19.7bn, driven by a decrease across all risk types due to a reduction in trading activity. Leverage ratio exposure decreased by USD 8.8bn to USD 58.2bn, mainly driven by a decrease in the trading inventory.

The average liquidity coverage ratio was 345.3%, compared with 340.3% in the first quarter of 2024. The increase was driven by a small decrease of USD 0.1bn in net cash outflows. High-quality liquid assets were stable at USD 14.6bn.

The net stable funding ratio (the NSFR) of Credit Suisse International standalone remained above the regulatory requirement of 100%, at 150.8%, compared with 136.7% in the first quarter of 2024. The movement in the NSFR was driven by a decrease of USD 3.5bn in required stable funding, mainly driven by a decrease in the trading inventory, net derivative assets and initial margin posted. This was offset by a decrease of USD 3.3bn in available stable funding, mainly driven by a decrease in long-term funding and capital.

KM1: Key metrics

	USD m, except where indicated	30.6.24	31.3.24	31.12.23[1]	30.9.23	30.6.23
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	12,814	12,896	12,689	13,244	14,589
2	Tier 1	14,014	14,096	13,889	14,444	15,789
3	Total capital	14,014	14,096	13,889	14,447	15,792
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	19,699	28,068	34,698	42,012	48,633
4a	Minimum capital requirement[2]	1,576	2,245	2,776	3,361	3,891
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	65.05	45.95	36.57	31.52	30.00
6	Tier 1 ratio (%)	71.14	50.22	40.03	34.38	32.47
7	Total capital ratio (%)	71.14	50.22	40.03	34.39	32.47
	Additional CET1 buffer requirements as a percentage of RWA					
8	BCBS capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	0.58	0.61	0.83	0.76	0.49
10	Bank G-SIB and / or D-SIB additional requirements (%)					
11	BCBS total of bank CET1 specific buffer requirements (%)	3.08	3.11	3.33	3.26	2.99
12	CET1 available after meeting the bank's minimum capital requirements (%)[3]	60.55	41.45	31.19	26.39	24.47
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	58,250	67,069	78,135	89,344	98,366
14	Basel III leverage ratio (%)[4]	24.06	21.02	17.78	16.17	16.05
	Liquidity coverage ratio (LCR)[5]					
15	Total high-quality liquid assets (HQLA)	14,578	14,589	15,364	15,411	20,095
16	Total net cash outflow	4,423	4,485	5,990	8,091	11,471
17	LCR (%)	345.26	340.28	280.28	220.97	197.04
	Net stable funding ratio (NSFR)					
18	Total available stable funding	23,407	26,678	30,356	34,581	39,764
19	Total required stable funding	16,461	20,010	24,166	27,375	31,086
20	NSFR (%)	150.82	136.71	125.59	126.10	128.14

1 Comparative information has been aligned with Credit Suisse International standalone's final 2023 audited financial statements. 2 Calculated as 8% of total RWA, based on total minimum capital requirements, excluding CET1 buffer requirements. 3 Represents the CET1 ratio that is available to meet buffer requirements. Calculated as the CET1 ratio minus the BCBS CET1 capital requirement and, where applicable, minus the BCBS additional tier 1 and tier 2 capital requirements met with CET1 capital. 4 On the basis of tier 1 capital. 5 Based on Pillar 1 requirements; calculated using a 12-month average.

Material sub-group entity – creditor ranking at legal entity level

Semi-annual | The TLAC2 table below provides an overview of the creditor ranking structure of Credit Suisse International on a standalone basis.

As of 30 June 2024, Credit Suisse International had a total loss-absorbing capacity (TLAC) of USD 18.6bn after regulatory capital deductions and adjustments. This amount included tier 1 capital, excluding minority interests, of USD 14.0bn and USD 4.6bn of internal long-term debt that was eligible as internal TLAC issued to UBS AG, a wholly owned subsidiary of the UBS Group AG resolution entity.

TLAC2: Material sub-group entity – creditor ranking at legal entity level

	As of 30.6.24	Creditor ranking				Total
	USD m	1	2	3	4	
1	Is the resolution entity the creditor / investor?	No	No	No	No	
2	Description of creditor ranking	Common Equity (most junior)[1]	Preferred Shares (Additional tier 1)	Subordinated debt	Unsecured loans and other pari passu liabilities (most senior)	
3	Total capital and liabilities net of credit risk mitigation	13,627	1,200		73,135	87,962
4	Subset of row 3 that are excluded liabilities				3	3
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	13,627	1,200		73,132	87,959
6	Subset of row 5 that are eligible as TLAC	13,627	1,200		4,586	19,413
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years				2,293	2,293
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years				2,293	2,293
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years					
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities					
11	Subset of row 6 that is perpetual securities	13,627	1,200			14,827

1 Equity attributable to shareholders, which includes share premium and reserves.

▲

Appendix

Abbreviations frequently used in our financial reports

A	
ABS	asset-backed securities
AG	Aktiengesellschaft
AGM	Annual General Meeting of shareholders
AI	artificial intelligence
A-IRB	advanced internal ratings-based
AIV	alternative investment vehicle
ALCO	Asset and Liability Committee
AMA	advanced measurement approach
AML	anti-money laundering
AoA	Articles of Association
APM	alternative performance measure
ARR	alternative reference rate
ARS	auction rate securities
ASF	available stable funding
AT1	additional tier 1
AuM	assets under management
B	
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
BoD	Board of Directors
C	
CAO	Capital Adequacy Ordinance
CCAR	Comprehensive Capital Analysis and Review
CCF	credit conversion factor
CCP	central counterparty
CCR	counterparty credit risk
CCRC	Corporate Culture and Responsibility Committee
CDS	credit default swap
CEA	Commodity Exchange Act
CEO	Chief Executive Officer
CET1	common equity tier 1
CFO	Chief Financial Officer
CGU	cash-generating unit
CHF	Swiss franc
CIO	Chief Investment Office
C&ORC	Compliance & Operational Risk Control
CRM	credit risk mitigation (credit risk) or comprehensive risk measure (market risk)
CST	combined stress test
CUSIP	Committee on Uniform Security Identification Procedures
CVA	credit valuation adjustment
D	
DBO	defined benefit obligation
DCCP	Deferred Contingent Capital Plan
DE&I	diversity, equity and inclusion
DFAST	Dodd–Frank Act Stress Test
DM	discount margin
DOJ	US Department of Justice
DTA	deferred tax asset
DVA	debit valuation adjustment
E	
EAD	exposure at default
EB	Executive Board
EC	European Commission
ECB	European Central Bank
ECL	expected credit loss
EGM	Extraordinary General Meeting of shareholders
EIR	effective interest rate
EL	expected loss
EMEA	Europe, Middle East and Africa
EOP	Equity Ownership Plan
EPS	earnings per share
ESG	environmental, social and governance
ESR	environmental and social risk
ETD	exchange-traded derivatives
ETF	exchange-traded fund
EU	European Union
EUR	euro
EURIBOR	Euro Interbank Offered Rate
EVE	economic value of equity
EY	Ernst & Young Ltd
F	
FA	financial advisor
FCA	UK Financial Conduct Authority
FDIC	Federal Deposit Insurance Corporation
FINMA	Swiss Financial Market Supervisory Authority
FMIA	Swiss Financial Market Infrastructure Act
FSB	Financial Stability Board
FTA	Swiss Federal Tax Administration
FVA	funding valuation adjustment
FVOCI	fair value through other comprehensive income
FVTPL	fair value through profit or loss
FX	foreign exchange
G	
GAAP	generally accepted accounting principles
GBP	pound sterling
GCRG	Group Compliance, Regulatory & Governance
GDP	gross domestic product
GEB	Group Executive Board
GHG	greenhouse gas
GIA	Group Internal Audit
GRI	Global Reporting Initiative
G-SIB	global systemically important bank
H	
HQLA	high-quality liquid assets
I	
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBOR	interbank offered rate
IFRIC	International Financial Reporting Interpretations Committee
IFRS Accounting Standards	accounting standards issued by the IASB
IRB	internal ratings-based
IRRBB	interest rate risk in the banking book
ISDA	International Swaps and Derivatives Association
ISIN	International Securities Identification Number

Abbreviations frequently used in our financial reports (continued)

K

KRT	Key Risk Taker

L

LAS	liquidity-adjusted stress
LCR	liquidity coverage ratio
LGD	loss given default
LIBOR	London Interbank Offered Rate
LLC	limited liability company
LoD	lines of defense
LRD	leverage ratio denominator
LTIP	Long-Term Incentive Plan
LTV	loan-to-value

M

M&A	mergers and acquisitions
MRT	Material Risk Taker

N

NII	net interest income
NSFR	net stable funding ratio
NYSE	New York Stock Exchange

O

OCA	own credit adjustment
OCI	other comprehensive income
OECD	Organisation for Economic Co-operation and Development
OTC	over-the-counter

P

PCI	purchased credit impaired
PD	probability of default
PIT	point in time
P&L	profit or loss
PPA	purchase price allocation

Q

QCCP	qualifying central counterparty

R

RBC	risk-based capital
RbM	risk-based monitoring
REIT	real estate investment trust
RMBS	residential mortgage-backed securities
RniV	risks not in VaR
RoCET1	return on CET1 capital
RoU	right-of-use
rTSR	relative total shareholder return
RWA	risk-weighted assets

S

SA	standardized approach or société anonyme
SA-CCR	standardized approach for counterparty credit risk
SAR	Special Administrative Region of the People’s Republic of China
SDG	Sustainable Development Goal
SEC	US Securities and Exchange Commission
SFT	securities financing transaction
SI	sustainable investing or sustainable investment
SIBOR	Singapore Interbank Offered Rate
SICR	significant increase in credit risk
SIX	SIX Swiss Exchange
SME	small and medium-sized entities
SMF	Senior Management Function
SNB	Swiss National Bank
SOR	Singapore Swap Offer Rate
SPPI	solely payments of principal and interest
SRB	systemically relevant bank
SRM	specific risk measure
SVaR	stressed value-at-risk

T

TBTF	too big to fail
TCFD	Task Force on Climate-related Financial Disclosures
TIBOR	Tokyo Interbank Offered Rate
TLAC	total loss-absorbing capacity
TTC	through the cycle

U

USD	US dollar

V

VaR	value-at-risk
VAT	value added tax

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.

Rounding | Numbers presented throughout this report may not add up precisely to the totals provided in the tables and text. Percentages and percent changes disclosed in text and tables are calculated on the basis of unrounded figures. Absolute changes between reporting periods disclosed in the text, which can be derived from numbers presented in related tables, are calculated on a rounded basis.

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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UBS Group AG
P.O. Box
CH-8098 Zurich

ubs.com