# 31 December 2025 Pillar 3 Report

## UBS Europe SE

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# Introduction and basis for preparation

## Scope of Pillar 3 disclosures

UBS Europe SE is a fully authorized credit institution registered at the commercial register in Frankfurt and supervised by the European Central Bank (ECB). This report provides the disclosure information for UBS Europe SE as at 31 December 2025.

The capital adequacy framework consists of three pillars each of which focuses on a different aspect of adequacy. Pillar 1 provides a framework for measuring minimum capital requirements for 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 aims to encourage market discipline by requiring banks to publish a range of disclosures, mainly on risk and capital.

This document is based upon the Regulation (EU) 575/2013, Regulation (EU) 648/2012 and Directive (EU) 2013/36, the associated delegated and implementing acts and the related Implementing Technical Standards (ITS), as implemented within the Federal Republic of Germany by the Bundesbank. Further, these disclosures have been prepared in accordance with the respective applicable European Banking Authority (EBA) guidelines.

For disclosures according to Section 26a German Banking Act ("Kreditwesengesetz" or "KWG") please see the respective section in our Annual Financial Statements as of 31 December 2025. For our firm's sustainability approach and activities please see the Annual Report 2025 – UBS AG for filing in the EU, section "Sustainability Statement", in particular the section "Additional UBS Europe SE considerations for sustainability and climate risk management", available at *ubs.com*.

## Capital Requirements Regulation 3 (CRR3) and Pillar 3 Disclosure Updates

Effective from 1 January 2025, Capital Requirements Regulation 3 (CRR3) introduces significant changes across the prudential framework. These updates include the implementation of the output floor, a revised approach to operational risk, and new methodologies for calculating Credit Valuation Adjustment (CVA) risk for own funds requirements.

In alignment with these regulatory developments, the European Banking Authority (EBA) has amended the Pillar 3 disclosure templates to reflect the updated requirements. These amendments include the removal of certain rows, remapping of existing data points, and the introduction of new rows in templates that present comparative figures for prior reporting periods.

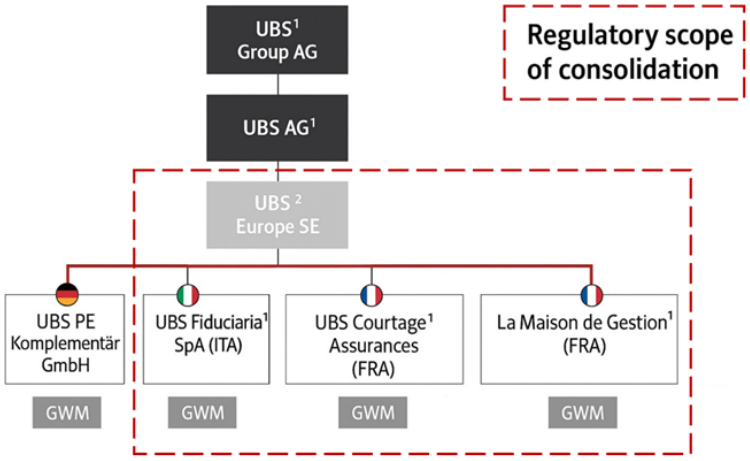
As the changes are not applied retrospectively, data points that were not previously required will not have comparative figures disclosed. However, these comparative disclosures will be progressively populated in future reporting cycles as the new framework becomes embedded.

## Regulatory consolidation

UBS Europe SE is part of the UBS Group AG consolidated group and a direct, wholly owned subsidiary of UBS AG. The scope of regulatory reporting for UBS Europe SE includes the Italian subsidiary UBS Fiduciaria SpA and French subsidiaries, UBS La Maison de Gestion SAS and UBS Courtage Assurances SAS. As the relevant limits according to Article 19 of the CRR are not exceeded, the German subsidiary UBS Private Equity Komplementär GmbH is not included in the regulatory scope of consolidation.

In Q4 2024, all business of Credit Suisse (Luxembourg) S.A., Luxembourg, and its branches in France, Ireland and Portugal were transferred to UBS Europe SE by way of cross-border merger with effect from 21 October 2024 (merger effective date). Subsequently, Credit Suisse (Italy) S.p.A. was merged into UBS ESE in January 2025. The mergers followed UBS Group AG's acquisition of Credit Suisse Group AG in June 2023 and meet the requirements of the EU's Capital Requirements Directive (2013/36/EU), which requires banks in the EU that are subsidiaries of third-country groups to establish a single EU Intermediate Parent Undertaking (IPU).

In accordance with the principle of materiality specified in Article 432 of the CRR, this report provides Pillar 3 disclosures for UBS Europe SE on the consolidated basis, including all relevant subsidiaries. In this report, "UBS Europe SE" refers to UBS Europe SE and its consolidated subsidiaries, unless stated otherwise.




1. Not located in Germany
2. Includes foreign branches – Luxembourg, Sweden, Denmark, Italy, Spain, Netherlands, Switzerland, Poland, France, Ireland and Portugal.

## Governance over Pillar 3 disclosures

The Management Board and senior management are responsible for establishing and maintaining an effective internal control structure over the disclosure of financial information, including Pillar 3 disclosures. In line with Article 431 of the CRR, UBS Europe SE has a board-approved Pillar 3 disclosure governance policy in place. This Pillar 3 Report has been approved by the Management Board of Europe SE, in line with this policy.

The UBS Europe SE Head of Regulatory Reporting formally attests that the disclosures provided in this document meet the requirements of the Part 8 of the CRR in accordance with formal UBS Europe SE policy and company's internal processes, systems and controls.

## Format of Pillar 3 disclosures

The format of disclosures is based upon the respective applicable ITS. The comparative figures represent the latest disclosed period where applicable. Disclosures classified as non-material in accordance with Article 432 of the CRR and BaFin Circular 05/2015 in this report have been indicated accordingly in the respective sections. The table on the following page provides an overview of the Pillar 3 disclosures.

| CRR Article | Pillar 3 Requirement (Part Eight CRR) | EU Table & Template Reference | Location of Pillar 3 disclosure in this supplementary disclosure document |
|---|---|---|---|
| 435 (1) | Risk management objectives and policies | EU OVA, EU LIQA, EU CRA, EU MRA, EU ORA | Risk management objectives and policies |
| 435 (2) | Governance arrangements | EU OVB | Management body |
| 436 | Scope of application | EU LIA, EU LIB, EU LI1, EU LI2, EU PV1 | Scope of application of the regulatory framework |
| 437 | Own Funds | EU CC1, EU CC2, EU CCA | Own funds and eligible liabilities |
| 437a | Own funds and eligible liabilities | EU ILAC, EU TLAC2A, EU CCA | Own funds and eligible liabilities |
| 438 | Own funds requirements and risk-weighted exposure amounts | EU OVC, EU OV1, EU CMS1 | Own funds requirements and risk-weighted exposure amounts |
| 439 | Exposures to counterparty credit risk | EU CCRA, EU CCR1, EU CCR3, EU CCR5, EU CCR6,EU CCR7, EU CCR8 | Counterparty credit risk |
| 440 | Countercyclical capital buffers | EU CCyB1, EU CCyB2 | Countercyclical capital buffer |
| 442 | Exposures to credit risk and dilution risk | EU CRB, EU CR2 | Credit risk adjustments |
| 443 | Encumbered and unencumbered assets | EU AE1, EU AE2, EU AE3, EU AE4 | Asset encumbrance |
| 444 | Use of the Standardised Approach | EU CRD, EU CR4, EU CR5 | Credit risk exposure in the standardized approach |
| 445 | Exposure to market risk | EU MR1 | Own funds requirements and risk-weighted exposure amounts |
| 445a | Credit valuation adjustment risk | EU CVAA, EU CVA1 | Credit valuation adjustment |
| 446 | Operational risk management | EU ORA, EU OR1 ,EU OR2, EU OR3 | Operational Risk |
| 447 | Key metrics | EU KM1 | Key Ratios |
| 448 | Exposures to interest rate risk on positions not held in the trading book | EU IRRBBA, EU IRRBB1 | Interest rate risk in the banking book |
| 449 | Exposures to securitisation positions | | Securitization positions |
| 450 | Remuneration policy | Refer to the remuneration report on the homepage of UBS Europe SE | ubs.com/de/en/ubs-germany/financial-reports.html |
| 451 | Leverage Ratio | EU LRA, EU LR1, EU LR2, EU LR3 | Leverage ratio |
| 451a | Liquidity requirements | EU LIQB, EU LIQ1, EU LIQ2 | Liquidity<br>Net stable funding ratio |
| 453 | Credit risk mitigation techniques | EU CRC, EU CR3 | Credit risk mitigation |

# Risk management objectives and policies

## Risk management principles

Creating shareholder value is the overarching objective of UBS Europe SE. The focus on the shareholder implies a long-term perspective. Consistently with any other corporate activity, UBS Europe SE derives the approach to risk management and control from a shareholder value creation perspective. It recognizes that taking risk is core to its business. The aim is to achieve an appropriate balance between risk and return. In order to reach this goal, UBS Europe SE has embedded the following five UBS Group Risk Management and Control Principles describing the foundation for a sound risk culture and robust risk management:

- Protection of financial strength
- Protection of reputation
- Business management accountability
- Independent controls
- Risk disclosure

Protection of UBS Europe SE's financial strength is ensured by controlling its risk exposure and avoiding potential risk concentration at individual exposure levels, at specific portfolio levels and at an aggregate firm-wide level across all risk types. Protection of UBS Europe SE's reputation is ensured through a sound risk culture characterized by a holistic and integrated view of risk, performance and reward, and through full compliance with our standards and principles, particularly our Code of Conduct and Ethics. Management of business divisions is accountable for the risk assumed throughout the firm and is responsible for continuous and active management of all risk exposures to ensure that risk and return are balanced. Control processes are implemented independently from business functions and to monitor the effectiveness of the businesses' risk management and oversee risk-taking activities. Finally, risk disclosure aims to provide senior management, investors and regulators with a holistic overview of UBS Europe SE's risk management and profile with an appropriate level of comprehensiveness and transparency.

## Risk management organization and governance structure

The members of the UBS Europe SE's Management Board are ultimately responsible for adequate risk management and establishment of an integrated and institution-wide risk culture. This includes determining the firm's risk principles, risk appetite, major portfolio limits and their allocation to the business divisions and Treasury. The Management Board implements the risk framework, oversees the bank's risk profile and approves key UBS Europe SE risk policies. The oversight and controls include all business conducted in the entity, including its branches, the risks associated with the branch business and ensuring compliance with local legal and regulatory requirements. Notwithstanding the joint responsibility of the Management Board, each member of the Management Board is responsible for establishing adequate controls and monitoring processes in their respective area of responsibility. Taking into account outsourced activities and processes, this responsibility covers all elements of risk management. This includes developing, promoting and integrating an appropriate risk culture.

The Supervisory Board is responsible to supervise and challenge the Management Board, which informs the Supervisory Board about risk relevant topics, including risk strategy and risk appetite. The Supervisory Board has established a Supervisory Board Risk Committee, which monitors and oversees the firm's risk profile and the implementation of the risk frameworks as approved by the Management Board, as well as reviewing the firm's key risk measurement methodologies.

### Three lines of defense model

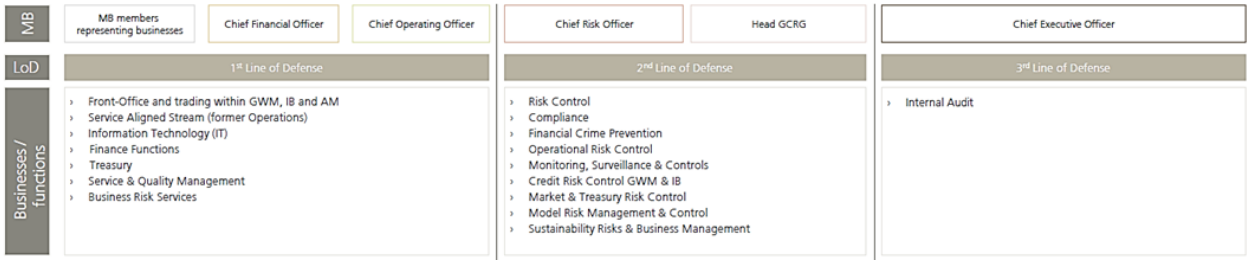
UBS Europe SE's risk management organization is embedded into the broader risk governance framework of the UBS Group and operates along three lines of defense model as outlined in the following organization chart, fulfilling the general risk management requirements according to "Mindestanforderungen an das Risikomanagement (MaRisk) AT°4" (Minimum Requirements for Risk Management).

The objective of the control functions on all three lines of defense is to support the Management Board in implementing a comprehensive and sound risk management and risk control framework across UBS Europe SE and to continuously improve it.

Additionally, UBS Europe SE appoints Mandatory Role holders (e.g. Information Security Officer, Compliance Officer, Money Laundering Reporting Officer) in line with regulatory requirements, which are described in the Governance Framework of UBS Europe SE.

Further functions not allocated to the LoD model are supporting the relevant Businesses and Functions in the three lines of defenses model (e.g. Legal, Business Management, HR, Governance).

**3 Lines of Defense (LoD) Model**




The first line of defense comprises the business teams in Front-Office and trading within Global Wealth Management (GWM) and Investment Bank (IB) reporting to the business representatives of the UBS Europe SE Management Board as well as the supporting functions reporting to the COO and CFO. The first line of defense owns its risk exposures and is accountable to maintain effective processes and systems to manage their risks, including robust and comprehensive internal controls and documented procedures, in compliance with applicable laws as well as external and internal regulations. Business has appropriate supervisory controls and review processes in place designed to identify control weaknesses and inadequate processes (as described in Group Governance Standards).

The following functions have been established to ensure a proper and sound control framework within the first line of defense:

Service Aligned Streams (former Operations): GWM Service Aligned Stream Operating Model comprises four robust regional service areas: Front Support Organization, Event Lifecycle Management, Securities Settlements and Client Services & Reporting. It provides Operational Services to each of the respective business divisions, partnering with the business to ensure that clients receive excellent service front to back. The Service Aligned Streams span pre- and post-trade support which includes supporting the client through their lifecycle with UBS, with all their financial activities and all the corresponding activities. UBS ESE Service Aligned Streams provide the relevant services together with partners out of several countries (mainly Switzerland, UK and Poland).

IB Operations ESE provide front to back operational services to support the client through their lifecycle with UBS. The services include Front Support which includes Client & Trade Support, Client Lifecycle Maintenance, Collateral & Margin Management, Event Lifecycle Management, Securities Settlement, Payments Processing and Regulatory Reporting. IB Operations ESE provides the relevant services together with partners out of several countries (hubs are in: Germany, Switzerland, UK, Poland, China, and India).

Group Technology: UBS ESE Technology within UBS ESE is a COO function with the mandate to provide Technology Services. Technology ensures IT systems and technological infrastructure stability while acting as an active driver of change and digital transformation through proactive IT service strategies, software development and management. The above function incorporated within the unit base their support on expertise and knowledge across the business value chain when offering their services. The field of tasks of Technology includes as well ensuring a smooth management of daily operational tasks, from systems up to data centers. Further the function acts as a service manager of its IT outsourcing portfolio as well as an active partner and player for all Change-the-Bank initiatives, encompassing strategic or regulatory subjects. UBS ESE Technology is a cornerstone of the strategy as an active promoter for digitization and change, exploring synergies and efficiency across the various functions and locations.

Finance: UBS ESE Finance provides professional, goal-oriented and committed support for the development and implementation of corporate strategy and the maximization of sustainable financial success. To this end, the function prepares timely reports for the local and functional management, the other divisions and external addresses. In addition, the teams are responsible for accounting in accordance with legal and regulatory requirements. The function consists of the Financial Reporting, Regulatory Reporting, Financial Operations, Business Partnering, Risk & Governance, Planning and Business Risk, Group Tax and Group Finance "Change the bank" teams.

Treasury: is responsible for balance sheet, capital, liquidity and funding (L&F) management, which includes the activities of governance, planning and financial resource advisory as well as the transactional execution mandate for the risk management of the entities Asset Liability Management portfolios, in line with the risk appetite of the bank (as approved by the Management Board).

Business Risk Services (BRS): BRS's main responsibility is to support the UBS Europe SE Management Board in managing all of the non-financial risks assumed throughout the firm and being responsible for the monitoring of the timely remediation of all non-financial risk exposures. BRS is supported by the Business Risk Organization (BRO) for GWM and the Business Risk Management (BRM) for IB, who perform control processes, including effective supervision, to appropriately manage risks and remediate identified risk control issues. BRS proactively monitors, investigates, escalates and remediates the non-financial risk events where residual risk exceeds the risk appetite.

New Business Enablement (NBE): Under the responsibility of the ESE COO, the UBS ESE NBE team covers the process execution and oversight of a streamlined and effective risk assessment for new business activities initiated or impacting UBS ESE across all divisions, with the exception of IB which is covered by the IB ESE OO. The UBS ESE NBE team partners in close collaboration with the UBS SE NBE policy owner (Head Compliance ESE). The NBE process ensures all new initiatives are assessed and approved in a timely, structured and consistent manner, and that all necessary approvals are obtained to ensure the firm's resources are optimally utilized, a commensurate return is generated and all potential risks are properly identified, evaluated and controlled. Further details are described in the appendix to the NBE Group Policy to reflect specific MaRisk requirements.

Service & Quality Management (SQM): SQM supports the UBS Europe SE Management Board in maintaining and improving comprehensive and sound Outsourcing Management, Provider Management, Data Management and Correspondent Banking Framework as well as a conform Digital Operational Resilience Act (DORA) Governance across all branches and legal entities of UBS Europe SE. The reporting line is to the COO.

Central Outsourcing Management: This function is responsible for ensuring regulatory requirements are met and implemented in the global sourcing framework including ownership of respective policies. Furthermore, Central Outsourcing Management is the first point of contact for all outsourcing questions within UBS Europe SE and provides yearly Risk and Outsourcing Reports. Also, OM is responsible for overseeing the classification of contracts and for performing reviews of risk analyses performed by the Local Responsible Officers (LROs) based on the Regulatory Outsourcing Control Check (ROCC) process pipeline. The function is supported by Third Party Risk Management (TPRM) and Provider Management.

Provider Management (PM): This function is responsible for service-, quality-, cost- and demand management for all inter-entity service providers that are supporting the consuming business divisions in UBS Europe SE. Within this mandate, PM, on behalf of GWM Operation Head Domestic & COO UBS Europe SE, hosts the monthly Service Operating Committee meeting (SOC) as underlying governance body for management, exchange and reporting.

Data Management Office (DMO): The Data Management Office supports the execution of the data strategy with the Business Divisions and Group Functions on a legal entity level, focusing on sustainable management of data risk and continuous improvement of UBS Europe SE data quality.

Correspondent Banking Management: UBS Europe SE provides Euro-clearing services for UBS Group. In this role the function is responsible for the management of the relevant intercompany relationships, the execution of the KYC reviews as well as the oversight of the business front-to-back.

Digital Operational Resilience Act (DORA) Governance: To ensure a compliant maintenance of the DORA regulation, UBS Europe SE has implemented a DORA Strategy as well as a sound DORA Governance, with a DORA Forum, led by the COO, and a DORA Lead. The maintenance and oversight of the DORA Governance is provided by the SQM team.

The Risk Control functions act as the second line of defense, providing independent oversight of financial and non-financial risks, implementation of an appropriate independent control framework, risk appetite framework, risk measurement and reporting. This includes setting risk limits and protecting against non-compliance with applicable laws and regulations. The Chief Risk Officer (CRO) together with the Head Compliance and Operational Risk Control (CORC) are responsible for providing an objective assessment on UBS Europe SE's risk-taking activities as part of the overall responsibility for the implementation and enforcement of the UBS Risk

Management and Control Principles. The CRO has the authority to approve transactions, positions, exposures, limits, risk measurements, provisions, and to further delegate these responsibilities. The CRO and Head CORC are not only independent from the business heads but also from the COO and CFO. The Risk department supporting the CRO and Head CORC comprises the following functions:

Risk Control (RC): This independent Risk Control Function supports the management regarding enterprise-wide risk topics. It supports defining the risk strategy including risk appetite statement and limit setting on enterprise level and owns the relevant documentation. The function performs the risk inventory process and ongoing monitoring of the risk situation and potential changes to the risk profile on a regular basis. Further, RC plays a key role in the entity's overarching ICAAP topics as well as being responsible for stress testing (internal and external) on enterprise level. Thus, Risk Control continuously monitors the stress exposure, capital adequacy and adherence to the aggregated risk appetite objectives of UBS Europe SE. Furthermore, RC supports the Management Board with the implementation and development of risk steering and risk controlling processes, ensuring prompt communication of any risk relevant information. RC provides essential information to the Management Board via the monthly risk report, which contains a dashboard of risk indicators and early warning levels. RC is involved in important risk decisions of the Management Board via the RCC and ALCO.

Sustainability and Climate Risk (SCR): SCR develops and implements UBS Europe SE´s risk framework, including risk appetite, for sustainability and climate risk topics. SCR monitors SCR regulations, emerging issues and reviews UBS ESE´s exposure to SCR. SCR function ensures the SCR framework is embedded in UBS ESE´s culture, management practices and control principles across the firm. Further, SCR conducts SCR specific assessments of products, transactions, client and supplier onboarding; ensures the integration of SCR into financial risk management frameworks addressing regulatory requirements, developing solutions and building capacity for new SCR tools, data and analytics; ensures the application of UBS's group data management framework for ESG data in GRC; delivers SCR risk reporting and external disclosures; and interacts with and supports regional management, business and other external stakeholders. The activities performed by Group SCR on which UBS ESE SCR function relies on are governed via an outsourcing operating level agreement as well as KPIs to monitor the service quality.

Compliance: Compliance manages and performs second line of defense activities on Compliance Risks as well as supports and advises the management regarding compliance-relevant regulations. Failure to appropriately manage Compliance Risk can impact UBS Europe SE´s ability to meet strategic objectives, may lead to litigation, poses a risk of censure or penalty, and/or put UBS Europe SE's reputation at risk. Financial penalties, reputational damage, costs associated with legal proceedings, and/or unfavorable judicial or regulatory determinations may also adversely affect our business, results of operations and/or financial condition. The Head of Compliance serves as a BaFin-registered Compliance Officer and reports regularly into the RCC, to the Head CORC and into the Management Board and the Supervisory Board.

Financial Crime Prevention (FCP): FCP manages financial crime risks and protects UBS Europe SE's reputation by ensuring financial crime controls and governance are appropriately designed, owned and applied by relevant stakeholders, and that policies and procedures reflect regulatory requirements and industry best practices. FCP advises the Management Board, business functions and other key stakeholders about risk identification, mitigation and all necessary financial crime prevention measures. In addition, FCP is the contact for local financial crime authorities, maintains an adequate transaction monitoring and reports suspicious activities. The Head FCP serves as the BaFin-registered Money Laundering Reporting Officer and reports regularly to the RCC, the Head CORC and if required directly to the Management or Supervisory Board.

Market Conformity Control (MCC): The MCC team ensures compliance with the market conformity regulation outlined in German MaRisk requiring transactions to be market conform, i.e. the traded price must be consistent with usual market conditions at the time of the trade. In general, the market conformity control process consists of daily price checks with dedicated methodologies, manual investigations, escalations (if required), monthly reporting, data maintenance, involvement in the NBE process, and audit trail documentation.

Operational Risk Control (ORC): ORC ensures that operational risks are understood, owned and managed to the UBS Europe SE's risk appetite and regulatory guidance. ORC provides independent oversight and control over the operational risks arising from UBS Europe SE's business activities.

Credit Risk Control (CRC): CRC is responsible for ensuring that credit risks are appropriately identified, measured, monitored, controlled and reported. This includes setting and monitoring of credit limits as well as reviewing and monitoring of credit requests.

Market & Treasury Risk Control (MTRC): MTRC independently controls the market and treasury risks arising in UBS Europe SE, i.e. the risk of loss resulting from adverse movements in market variables such as interest rates, credit spreads, foreign exchange rates, and equity prices, as well as the risks arising from structural balance sheet exposures, including the risk of insufficient funding or liquidity. The function acts as a second line of defense challenging the business and Treasury and is responsible for proposing and enforcing

limits and triggers for market and treasury risk, including interest rate risk and credit spread risk in the banking book (IRRBB, CSRBB) and for escalating excesses and agreeing action plans to remediate such excesses. MTRC is also responsible for proposing the liquidity and funding (L&F) risk appetite, for assessing scenarios and assumptions in internal L&F models and for contributing to the UBS ESE ILAAP as an independent reviewer. The function ensures that market and treasury risks are reported to senior management. It is also responsible for ensuring the control of market and treasury risks adheres to firm-wide practices and policies and for developing and executing control frameworks and policies, where required taking into account relevant local regulatory requirements.

Model Risk Management & Control (MRMC): MRMC is the independent model validation unit at UBS Europe SE and is responsible for initial validations and regular revalidations of models used at UBS Europe SE. By performing validations, MRMC identifies model validation issues which model owners are required to remediate. MRMC also ensures that model risk is monitored at the level of the institution according to the model risk appetite framework.

From a third line of defense perspective Internal Audit (IA) is an independent and objective function that supports both the firm in achieving its defined strategic, operational, financial and compliance objectives, and the UBS Europe SE Management Board, respective legal entity senior management, and UBS Europe SE committees in discharging their governance responsibilities. This responsibility cannot be delegated. Effective risk management, control and governance processes are the responsibility of the respective business management and risk control functions, i.e. the first two lines of defense. As the third line of defense, IA independently assesses whether risk management, control and governance processes are designed and operate sustainably and effectively. IA also evaluates the independence of the risk control functions.

### Committees and information flow on risk to the management body

In line with the Schedule of Responsibilities risk topics are reported to the Management Board. The Management Board has established the following permanent committees to ensure direct oversight over and challenge of the overall risk management process:

The Risk Control Committee (RCC): is responsible for the overall risk governance and the effectiveness of risk management and control, i.e. to assess and monitor the implementation and adherence of the risk strategy, controls and limits. The committee meets monthly, is co-chaired by the CEO and CRO and the voting members are all Management Board members of UBS Europe SE, whereby the CRO cannot be outvoted for credit decisions. Additional members with voting rights limited to compliance and financial crime risks under the remit of Compliance and Financial Crime are the Head of Compliance and the Head of Financial Crime Prevention UBS Europe SE. Permanent guest of the risk committee is Head of Internal Audit.

The Asset & Liability Committee (ALCO): is mandated by the Management Board and provides a forum for consultation and decision making for legal entity related Treasury matters, such as the optimal legal entity balance sheet, liquidity & funding and capital whilst ensuring adherence to regulatory requirements. The committee meets monthly, is chaired by the CFO and the voting members are the members of the Management Board and the Head of Regional Treasury UBS Europe SE. Permanent guests are the Head of Market & Treasury Risk Control, Head of Risk Control and Head of Regulatory Reporting. Representation from the business is covered through the respective Management Board members.

The Model Governance Committee (MGC): is the senior oversight and escalation body for all models used at UBS Europe SE. The committee meets at least quarterly or more frequently as determined by the co-chairs, including possible ad-hoc meetings. The committee is chaired by the CRO and CFO and the permanent voting members are the CRO, CFO and the Head of Model Risk Management and Control. Depending on the topic additionally required voting members are, among others, the Heads of the Risk Control functions, Head of Regulatory Reporting, Head of UBS Europe SE Treasury, Head of UBS Europe SE Investment Banking or other voting members as appointed by the chairs. Internal audit representatives are permanent attendees.

The Recovery and Resolution Planning Committee (RRPC): is the decision-making body with oversight and accountability for Recovery and Resolution Planning (RRP) matters at UBS Europe SE including the review of the annual submission of the Recovery Plan and Resolution Reports as well as periodic Resolution Planning Information and recommends RRP deliverables for sign-off to the Management Board. The committee meets at least six times per year and is co-chaired by the UBS Europe SE CRO and Head of Compliance and Operational Risk Control (CORC). Required members of the committee are: Head of CORC, CRO, CFO, Co-Head RRP, Head RRP international, Head ESE RRP, Head ESE Treasury, Head ESE GWM Event Lifecycle Management, Head ESE Risk Control, Head ESE Regulatory Reporting, Head ESE Legal and IB Operating Officer.

In addition, UBS Europe SE has established an escalation framework. The framework, owned by the UBS Europe SE COO on behalf of the Management Board, applies to all businesses and functions for any matters adversely impacting UBS Europe SE. The process ensures timely information flow of risk issues to the management body. Depending on the topic and urgency, dedicated task forces

are established on an ad-hoc basis. The Supervisory Board is informed via the Risk Committee of the Supervisory Board that is described in section "Management body".

### Outsourcing arrangements

As part of UBS Group AG, UBS Europe SE has entered into intra-group outsourcing agreements with UBS Business Solutions AG, UBS AG and UBS Switzerland AG for certain topics. The outsourcing areas of UBS Business Solutions AG mainly concern the areas of risk control, global wealth management, compliance, finance and group technology. UBS AG's main areas of expertise are Global Internal Audit and IB Business Services. UBS Switzerland AG mainly delivers Advisory & Sales, Chief Investment Office and digital client services.

UBS Business Solutions AG is the service company that was founded in 2015 as a subsidiary of UBS Group AG to safeguard critical shared services and ensure their operational continuity in the event of resolution. For example, in the area of risk control, part of the outsourcing agreement is to leverage UBS's strategic risk platforms, the capabilities to develop and maintain most of UBS Europe SE's risk models, and reporting for specific risk reports. Overall responsibility remains with UBS Europe SE.

The outsourcing agreements are subject to robust risk assessment and control processes under the UBS Group's Global Outsourcing Policy and Framework. In addition, UBS Europe SE has implemented a local policy and control framework that covers specific local standards. These include operational level agreements with certain service lines of UBS Business Solution AG and specific performance indicators of UBS Europe SE for the services provided, which are recorded and monitored by UBS Europe SE. To ensure efficient escalation, UBS Europe SE has set up an outsourcing department to coordinate the outsourcing arrangements. The latter reports directly to the COO of UBS Europe SE.

In order to ensure a common understanding and knowledge of all outsourcing and related activities for all branches and subsidiaries of UBS Europe SE on a regular (monthly) basis, the Management Board has mandated the Working Circle Outsourcing (WCO). The WCO is an information platform and decision-making preparation chaired by the Outsourcing Officer of UBS Europe SE. The WCO members are nominated as representatives of UBS Europe SE for their respective functions.

## Risk profile

UBS Europe SE is a cross-divisional entity providing services across GWM and IB.

UBS Europe SE's Global Wealth Management (GWM) provides clients with a broad range of discretionary portfolio management and advisory solutions. Additionally, UBS ESE offers wealth planning services, including succession, financial, retirement, and relocation planning, to help clients achieve their long-term goals. The offering includes custody, execution – also for Financial Intermediaries and Family Offices – and securities-based lending as well as structured lending solutions in collaboration with the IB. Moreover, UBS Europe SE acts as a strategic partner for Financial Intermediaries in Europe and Latin America, delivering advisory expertise, global infrastructure, and customized solutions to support their end-clients. Furthermore, UBS ESE offers Asset Servicing out of the Luxembourg branch which provides funds, custody, cash, and execution services out of one hand.

In the IB business, UBS Europe SE is UBS' hub for European Economic Area (EEA) pass-ported business, servicing non-exempt EEA clients and providing access to financial market infrastructure in EEA countries. Business is conducted in a broad range of IB products and services, including providing corporate and institutional clients with advice, financial solutions and capital markets access.

Group Functions (GF) combine the central shared service and monitoring functions supporting the business generating divisions and further includes the Group Finance function including Treasury and Asset Liability Management (ALM).

These business and functional activities form the basis for the UBS Europe SE Risk Profile.

The Risk Control function is amongst others responsible to organize a process to continuously identify material risks on enterprise level, the so-called Risk Inventory Process. The process includes the involvement of the first and second line of defense and the documentation of results in the Risk Profile document which is reviewed, challenged and signed-off by the Management Board. Updates as well as a confirmation of the Risk Profile by the Management Board are provided on a quarterly basis.

The Risk Profile systematically provides an overview of risks by a view on current activities as well as incorporating a forward-looking perspective. Based on the risk inventory process, the materiality of identified risks is assessed taking into account their severity and likelihood under "normal business conditions" as well as severe stress situations.

Risks, which may significantly affect the financial position (including capital), the financial performance or the liquidity position of the institution, are classified as material. UBS Europe SE assesses materiality on:

- Gross basis before consideration of any mitigating measures
- Residual basis taking into account the effectiveness of all non-capital mitigants

Both materiality assessments rely primarily on qualitative considerations due to the diversity of risk types and the particular perspective before consideration of any mitigating measures, which are often contractually embedded in the business and risk management practice. Where appropriate, quantitative measures are used to underpin the qualitative materiality assessment. In general, the risks that are considered material on a residual basis on entity level are to be capitalized in ICAAP (except for liquidity risk which is part of the ILAAP), subject to final decision by the Management Board.

### Risk identification

The entity-wide risk inventory process per December 2025 identified the following main risk categories as at least gross material for the firm

#### *Credit risk*

Credit risk is the risk of loss as a result of failure by a counterparty (including issuers) to meet its contractual obligations to UBS ESE. Credit risk comprises counterparty credit risk, lending risk, issuer risk, settlement risk, and correlation risk / wrong way risk. It arises from the credit exposure inherent in lending, trading and contingent liabilities, from accepting collateral and from other risk mitigation activities.

#### *Country risk*

Country Risk is the risk of losses resulting from sovereign default as well as other country-specific events that may lead to an impairment of UBS's exposures. It includes transfer risk, whereby a country's authorities cannot or will not allow the foreign currency to be obtained and/or paid by the counterparty, as well as systemic risk events arising from country-specific political and/or macroeconomic developments.

#### *Group risk*

Group risk describes the risk that the financial position of UBS Europe SE may be adversely affected by its relationships (financial or non-financial) with other entities in the UBS group, or by risk which may affect the financial position of the whole group including financial contagion.

#### *Market risk*

Market risk is the risk of loss resulting from adverse movements in market variables. Market variables include observable variables such as interest rates, foreign exchange rates, equity prices, credit spreads and commodity (including precious metal) prices, and variables which may be unobservable or only indirectly observable, such as volatilities and correlations. Further, UBS Europe SE is exposed to interest rate risk in the Banking Book (IRRBB) in connection with lending and deposit taking in the Global Wealth Management (GWM) business as well as from Treasury activities aimed at managing the liquidity and funding risk profile in the entity. A second source for non-trading market risk is market-wide credit and liquidity spread risk in the banking book (CSRBB) mostly originating from the HQLA portfolio, intercompany funding transactions and debt securities. IRRBB is part of market risk and described in section "Interest rate risk in the banking book".

#### *Non-Financial risks*

NFR is the risk of undue monetary loss and/or non-monetary adverse consequences to UBS, its clients or markets, resulting from:

- Compliance risk – failure to comply with laws, rules and regulations, internal policies and procedures, and the firm's code of conduct and ethics.
- Financial crime risk – failure to prevent financial crime.
- Operational risk – inadequate or failed internal processes, people, systems, or from external events.

NFR can have a variety of drivers, including external and internal (people, process and control, and systems). NFR impacts comprise regulatory risk (e.g., increased inspection scrutiny), reputational risk (e.g., loss of client confidence) and financial risk (e.g., legal settlements).

*Legal risk*

Legal risk is the risk of being held liable for a breach of applicable laws, rules, regulations as well as contractual or other legal obligations. Further, legal risks can arise from an inability or failure to enforce or protect contractual rights or non-contractual rights sufficiently to protect UBS Europe SE's interests.

*Reputational risk*

Reputational risk is the risk of unfavorable perception of the firm or decline of UBS Europe SE's reputation from the point of view of clients, industries, investors, regulators, employees or society which may lead to potential financial losses and/or market share.

*Liquidity and Funding risks*

Liquidity risk is the risk of UBS Europe SE being unable to meet business-as-usual or stress cash and/or collateral flows.

Funding risk is the risk of UBS Europe SE being unable to borrow funds to support the firm's current business and desired strategy.

UBS Europe SE distinguishes between capital/ICAAP-related funding risk and liquidity/ILAAP related funding risk.

*Business risk*

Business risk is the potential negative impact on earnings from lower than expected business volumes and / or margins to the extent not offset by a decrease in expenses.

*Strategic risk*

Strategic Risk is the idiosyncratic risk (risk to UBS) arising from the impact of strategic decisions on UBS Europe SE, which can be driven by exogenous factors such as changes in the industry environment, or by endogenous factors such as constraints or execution of strategic decisions.

*Pension risk*

Pension risk is the risk to UBS caused by its contractual or other liabilities to or with respect to a pension scheme (whether established for its employees or those of a related company or otherwise). It also means the risk that the firm will make payments or other contribution to or with respect to a pension scheme because of an implicit obligation or because the firm considers that it needs to do so for some other reason. At UBS Europe SE, pension risk primarily arises from pension plans that are provided to employees in Germany.

*Model risk*

Model risk is the risk of adverse consequences (e.g. financial loss, loss due to legal matters, operational loss, biased business decisions or reputational damage), resulting from decisions based on incorrect/ inadequate or misused model outputs and reports. Model risk may result from several sources: inputs, methodology, implementation, use.

*Sustainability and Climate Risk*

Sustainability and Climate Risk (SCR) is defined as the risk that UBS negatively impacts, or is impacted by, climate change, natural capital, human rights, and other environmental, social, governance matters. SCR may manifest as credit, market, liquidity, business and non-financial risks for UBS, resulting in potential adverse financial, liability and reputational impacts. These risks extend to the value of investments and may also affect the value of collateral (e.g., real estate). Climate risks can arise from either changing climate conditions (physical risks) or from efforts to mitigate climate change (transition risks). Nature-related risks refer to how organizations and people depend on and impact natural capital, which is defined as natural resources that combine to yield a flow of benefits to people. Another risk referred to SCR is greenwashing risk. Greenwashing refers to a practice where sustainability-related statements, declarations, actions, or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product, or financial services. This practice may be misleading to consumers, investors, or other market participants and/or cases in which investors and clients will be consciously or unconsciously misled about the sustainable characteristics of financial products and services.

*Risk concentrations*

UBS Europe SE considers intra- and inter-risk concentrations as part of the risk inventory process. Intra-risk concentrations relate to the co-movement of risk positions within a risk category. These concentrations are considered within the assessments of each risk type where relevant. Further, inter-risk concentrations relate to co-movements of risk positions across different risk categories. Material inter-risk concentrations have not been identified as part of the risk inventory process.

Generally, risk concentrations are subject to increased monitoring by the Risk Control functions and are assessed to determine whether they should be reduced or mitigated depending on the available means to do so. For further details please refer to section "Risk Monitoring".

*Risk performance*

The table below shows UBS Europe SE's overall risk position as of year-end 2025 measured by the economic view risk exposure for all residually material risks. Residual material risk types not explicitly listed in the table are implicitly included in other risk types and are adequately covered with internal capital. Liquidity risk is covered through the ILAAP.

**Overview of economic view risk exposure for UBS Europe SE**

| *EUR m* | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Credit Risk | 421 | 406 |
| Market and Pension Risk | 169 | 209 |
| Non-Financial Risk | 580 | 619 |
| Funding Risk | 92 | 110 |
| Business Risk | 299 | 173 |
| **Aggregated Risk Exposure** | **1,561** | **1,518** |

UBS Europe SE is aware of the existence of inter-risk diversification effects, but chooses a conservative approach by disregarding these effects when aggregating the individual risk amounts across risk types. A management buffer for the economic view is established in order to ensure the continuity of the business model even in times of stress. The management buffer is confirmed and calibrated at least annually. As of 31.12.2025 UBS Europe SE's total excess capital amounted to EUR 1,291million.

Key ratios for the normative perspective are reported in the sections "Key ratios" and "Own funds and eligible liabilities".

Liquidity risk and funding risk are governed and managed as part of the L&F risk management framework and UBS Europe SE's ILAAP. The Liquidity Coverage Ratio (LCR) and Net Stable Funding ratio (NSFR) are calculated and reported in accordance with the regulatory requirements. The LCR assesses whether UBS Europe SE has sufficient HQLA to survive a significant stress scenario over a period of 30 days. The NSFR requires banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities.

Both, UBS Europe SE´s LCR and NSFR exceeded 100% per reporting throughout 2025. Key liquidity and funding ratios are reported in the sections "Liquidity" and "Net stable funding ratio".

All individual risks as well as UBS Europe SE's overall risk and capital position are properly managed, mitigated and monitored as outlined in the following chapters.

## Risk strategy and risk appetite

UBS Europe SE's Risk Strategy consists of the Risk Governance (see section "Risk management organization and governance structure") and Risk Appetite Statement (RAS). The Management Board is responsible for the development of the Risk Strategy and regular updates. The yearly update of the risk appetite is based on the Risk Profile in order to reflect the most current risk profile of the entity. In case, there are any changes of relevance to the content of Risk Strategy (e.g. changing risk profile or limits) during the year, the document is updated on ad-hoc basis and approved by the Management Board. Thereafter, the Risk Strategy is brought to the attention of and discussed with the Supervisory Board, at least on an annual basis or ad-hoc in case of major changes.

UBS Europe SE's Risk Appetite Statement is designed to ensure that risk-taking is in line with the entity's strategic priorities, values, business activities, capital and liquidity plans, as well as its pillars, principles and behaviors. This is achieved by:

- Embedding a sound risk culture in the entity, that is supported by appropriate risk governance, risk management and control principles, a comprehensive code of conduct and ethics, and a set of organization regulations.
- Establishing explicit risk appetite objectives to relate risk exposure to the risk capacity.

In the Risk Appetite Statement, the Management Board expresses the risks it is willing to take with the business activities by formulating qualitative and quantitative risk appetite statements. In pursuit of its aspiration to provide sustainable capital-efficient services and solutions to its clients, UBS Europe SE is exposed to certain risks that cannot be directly quantified in terms of potential losses. These risks are managed through ongoing focus and investment in governance processes, risk management, technology, training and controls. With the qualitative risk statements the desired risk culture is formulated for the risk categories where a qualitative formulation is meaningful, supported by policies and control frameworks. The quantitative risk statements are designed to ensure the entity's resilience against the impact of potential severe adverse economic or geopolitical events by imposing numerical limits and indicators on stressed and non-stressed metrics, which show existing or potential direct impact on capital or liquidity.

The objectives aim to ensure that the company maintains sufficient capital, liquidity and funding such that it can continue to meet both internal and regulatory requirements and operate as a going concern following severe adverse economic or geopolitical events. The framework is comprehensive in aggregating all material risks across the entity. Further details on the relevant risk types monitoring are outlined in section "Risk Monitoring".

### Risk measurement, monitoring and management for ICAAP

UBS Europe SE has a well-established framework for the ICAAP comprising the key elements: risk identification, risk strategy and appetite, the current and future risk quantification in the normative and economic view as well as additional stress testing activities. The ICAAP framework is complemented by the ILAAP framework outlined in chapter "Risk Measurement, Monitoring and Management for "ILAAP". The governance is consistent between the ICAAP and ILAAP framework with clearly defined roles and responsibilities. The following chapters describe in more detail the scope and nature of the applied risk management objectives and policies for the ICAAP.

#### *Risk quantification and stress testing*

Within the ICAAP UBS Europe SE ensures that all material risks that need to be capitalized according to the Risk Profile (see section "Risk Profile") are adequately quantified within the economic and normative perspective. The two approaches are complementary and mutually inform each other to ensure that all relevant information and risks stemming from business activities of all divisions and branches of UBS Europe SE are appropriately covered.

The economic perspective emphasizes the objective to capture the economic situation that is explicitly not based on accounting or regulatory provisions but taking into account fair value considerations for current assets, liabilities and risks. UBS Europe SE's capital adequacy under the economic perspective is assessed by contrasting the internal capital with the aggregated risk exposure to calculate the excess capital (see section "Risk Performance"). The internal capital is of sound quality and determined in a prudent and conservative manner within the 1Y horizon. This is achieved by using the regulatory own funds as anchor point and ensuring that prudential adjustments are made. In addition, consistent with the economic capital adequacy concept and to ensure prudence, any planned capital transactions that are considered likely to take place within the planning horizon and would reduce internal capital are deducted within the calculation of internal capital. Any planned capital transactions that would increase internal capital are conservatively not recognized until they are completed.

The aggregated risk exposure is defined as stress losses derived from internal economic capital models per risk type with a confidence level of 99.9% and over a 1Y horizon. UBS Europe SE has developed the following economic capital models for the different risk types:

**Overview of quantification methods for the economic perspective**

| | |
|---|---|
| Credit Risk | Merton-style structural Credit Risk model with PD of a counterparty or an issuer as a default threshold and simulation of stressed collateral values for Lombard positions |
| Market Risk (standalone) | Value at Risk model with P&L distribution under simulated set of risk factors |
| Pension Risk (standalone) | Impact on the present value of pension funds liabilities under simulated discount rates |
| Non-Financial Risk | Advanced Measurement Approach (AMA) relying on frequency and severity loss distributions fit |
| Funding Risk | Incremental impact of debt reissuance and valuation adjustments at simulated credit spread and the cost of deposit withdrawals |
| Business Risk | Income and expenses distribution under simulated set of risk factors |

The individual economic view risks are aggregated to an overall risk exposure amount.

The objective of the normative perspective is the assessment of the institution's ability to fulfil all its capital-related regulatory and supervisory requirements on an ongoing basis over the medium term. The normative view is quantified with the capital plan (development of own funds and pillar 1 capital requirements) over a 3-year horizon derived from the strategic business plan. Approaches for pillar 1 capital requirements are described in section "Own funds requirements and risk-weighted exposure amounts" . The sustainability of the capital plan is challenged by specific adverse stress test scenarios over the same time horizon. Stress testing is used to estimate the loss that could result from extreme yet plausible macroeconomic and geopolitical stress events, enabling identification, better understanding and management of potential vulnerabilities and risk concentrations. The chosen scenarios include prolonged periods of adverse developments that imply a significant capital depletion considering all material risks affecting own funds and risk-weighted assets (RWA) over the planning period. The relevant scenarios are chosen and approved by the Management Board at least annually and confirmed quarterly. The scenarios are designed and selected based on UBS Europe SE's risk profile and cover the key vulnerabilities of the firm on a variety of adverse but realistic developments.

Furthermore, as part of its overall Stress Testing Framework, UBS Europe SE performs additional stress testing activities including comprehensive sensitivity, portfolio, and scenario analyses as well as reverse stress testing. Sensitivity analyses measure the impact of a specific single risk factor or simple multi-risk factors, affecting capital or liquidity. Portfolio specific stress tests analyze the risks of specific portfolios associated with a single or multiple risk factor shocks. Further, scenario analyses assess the resilience of the UBS Europe SE to a given scenario that comprises a set of risk factors. Reverse stress testing starts from a defined stress outcome and works backwards to identify the economic or financial scenarios that could result in such an outcome. As such, reverse stress testing is intended to complement forward looking stress tests by assuming "what if" outcomes that extend beyond the range normally considered, and thereby potentially challenge assumptions regarding severity and plausibility. The aim of the additional stress testing activities is to identify systematic as well as idiosyncratic vulnerabilities and assess impacts of extremely severe and improbable events. The results of the additional stress testing activities are further used to inform or trigger the adaption of the ICAAP calculation in case any implausibility is identified.

*Risk monitoring*

The risk appetite as described in section "Risk Strategy and Risk Appetite" is translated into comprehensive risk appetite objectives as well as limits and other indicators and operating instructions in form of policies and guidelines. Limits set a defined risk/concentration appetite, and are a hard boundary, within which Europe SE must operate. Additional indicators serve to identify any negative trends which would instigate an assessment and potential response by management to mitigate the Europe SE's exposure to the emerging risk. Recovery Risk Indicators take into account the existing metrics applied within the firm-wide liquidity, capital and risk management frameworks. All indicators are designed for the early identification of potential severe crisis situations that can result in a significant negative impact on the Europe SE's capital and / or liquidity situation.

The status of key risk limits is reported on a frequency appropriate for each individual metric, and utilization against portfolio limits is formally reported to the RCC monthly. The risk appetite objectives and limits are reviewed at least annually by the Management Board or the appropriate authority and adjusted where necessary to be consistent with business plans and confirmed risk appetite. Generally, the taking of risks that are not covered by an approved limit or are beyond risk appetite is not permitted, unless otherwise pre-approved by Risk Control functions (e.g. on the grounds of materiality).

The Business (i.e. Front Office) is required to escalate any limit or risk appetite breaches. All excesses must be reported in accordance with the Instructions to Risk Authorities. Reckless or flagrant disregard for risk limits or risk appetite may result in disciplinary action, including dismissal.

The UBS Europe SE CRO must be advised of all written warnings issued and of any dismissals as the result of risk limit and appetite breaches and policy violations.

In addition, UBS Europe SE monitors and reports risk concentrations across various dimensions including single name/counterparty, industry/sector, country and region.

*Risk management*

The risks are managed within the business and monitored by the control functions according to the risk appetite. Besides continuous monitoring, limit framework and escalation the following sections describes the risk mitigation techniques for the most relevant risk types.

*Credit risk*

Credit risk is actively mitigated in a number of ways depending on the type of risk: collateralization of Lombard, mortgages and derivatives, sub-participation of IB banking book loans, volume limitation, continuous monitoring and comprehensive limit framework.

Credit Risk arises primarily from UBS Europe SE's GWM Lombard and mortgages lending and in form of counterparty credit risk as a result of IB trading with counterparties covering over the counter (OTC) derivative transactions, exchange-traded derivatives (ETD) and securities financing transactions (SFT). All Investment Bank lending commitments out of the banking book, which are entered into by UBS Europe SE (or its legal predecessors), are fully sub-participated to UBS AG once drawn under the terms of a Master Sub Participation Agreement.

UBS Europe SE's Credit Risk Appetite is defined via counterparty-specific and portfolio limits and triggers.

Credit risk in the Wealth Management business activities is dominated by the clients' Lombard and to a much lesser extent mortgage business. Collateralization is an inseparable element of this credit business outlined as follows:

- UBS Europe SE's Lombard activities are subject to strict collateralization rules requiring pledged available collateral for which haircuts to the market values are applied. The haircuts depend on liquidity, intra-portfolio concentration and stability/ volatility of the collateral. Single concentration risk of clients' exposure is closely monitored on a daily basis.
- UBS Europe SE's mortgage lending is linked (via mortgage deed) to individual real estate properties for which clients receive dedicated loans. UBS Europe SE reduces risks by applying a set of comprehensive criteria (underwriting standards) that have to be fulfilled by clients in order to be eligible for a loan including debt service capacity.
- Additional credit risk arises from nostro and intra-bank accounts used for facilitating clients' services including the settlement of client transactions. Third party banks act as sub-custodians or as clearers for the assets of clients. The associated settlement risk is mitigated by various methods including payment netting, continuous net cash settlement, and covered settlement like account-account settlement or Delivery Versus Payment (DVP).

Credit risk from the Investment Bank business activities is largely driven by derivatives and SFT business. Mitigants such as collateralization or margining are a structural element of many Investment Bank credit activities such as securities financing trades (repos), and OTC derivatives. Settlement risk is mitigated by strict control framework, limits, netting as part of bilateral and multilateral agreements (e.g. CLS). Counterparty derivative risk exposure from Investment Bank is subject to UBS Europe SE's limit framework which sets counterparty-specific and portfolio limits based on risk appetite, counterparty creditworthiness and the scope of business. The management of counterparty credit risk is further described in section "Counterparty credit risk".

A variety of methodologies and measurements are applied for credit risk measurement. Exposures as well as Stress Loss metrics on Counterparty- as well as Portfolio level are reported regularly to Credit Officers and Senior Management. In addition, Credit Risk is comprehensively covered in enterprise-wide stress test frameworks, e.g. ICAAP.

In order to ensure high quality of primary risk activities with end clients, UBS Europe SE pursues the following approach: volume limitation, collateralization (as described above), stress testing, escalation, and reporting. The underlying exposure is tracked and reported on a monthly basis to the UBS Europe SE MB via the Monthly Risk Report so as to safeguard limit and other indicators adherence. Thus, the status of key risk limits for credit risk is reported on a frequency appropriate for each individual metric, and utilization against portfolio limits is formally reported to the Risk Control Committee (RCC) regularly.

*Market risk*

Market risks in UBS Europe SE arise from both trading and non-trading business activities.

Trading market risks arise mainly in connection with market making for securities and derivatives within the Investment Bank. In addition, credit and funding valuation adjustments (CVA and FVA) on the derivatives portfolio managed centrally by Regional Treasury also give rise to market risk.

Non-trading market risk arises predominantly in the form of interest rate risk in the banking book (IRRBB) in connection with lending and deposits within the Wealth Management business, as well as from Treasury activities to manage the liquidity and funding profile in the entity. The inherent interest rate risks within the Wealth Management business are transferred either by means of back-to-back transactions, or in case of products with no contractual maturity date, by replicating portfolios into Regional Treasury where the risks are actively managed. A second source of non-trading market risk is market-wide credit and liquidity spread risk in the banking book (CSRBB) mostly originating from the HQLA portfolio, intercompany funding and debt securities issued.

Regional Treasury assumes market risks from the active management of interest rate risks, as well as the liquidity and funding profile in the entity, where exposure arises from intercompany funding transactions and debt securities issued, from asset portfolio such as HQLA and from management of excess cash. Regional Treasury uses derivative instruments to manage interest rate risk in the banking book, some of which are in designated hedge accounting relationships.

Market risks are measured and controlled using limits and triggers proposed by Market and Treasury Risk Control (MTRC). The Management Board approves the risk appetite for the entity and the portfolio limits, including their allocation to the business divisions and Group Item units. Limits and triggers are thereafter also allocated at granular levels within the various business lines, commensurate with the nature and magnitude of the market risks.

UBS Europe SE primary portfolio measures of market risk are liquidity adjusted stress (LAS) loss and value at risk (VaR), subject to limits on entity and divisional level. These measures are complemented by position limits for general and specific market risk factors. Value at risk is based on a level of confidence of 95% or 99%, a holding period of one day over a historical observation period of five years, and cover various portfolio scopes. In addition, Market and Treasury Risk Control applies a holistic risk framework which sets the appetite for Treasury and Wealth Management-related risk-taking activities across the entity. A key element of this framework is an overarching economic value sensitivity (EVS) limit. Furthermore, the sensitivity of net interest income (NII) to changes in interest rates is monitored in order to analyze the outlook and volatility of net interest income based on market-expected interest rates. Lastly, within IRRBB and CSRBB the economic value of equity (EVE) and its change under different scenarios is used to complement the income perspective provided by NII sensitivity.

Limit monitoring and excess management is performed on an ongoing basis. In the event of a limit or trigger excess, the respective limit authorities will be notified automatically and required to take action. Market risks, developments and limit utilization are reported to senior management, the Risk Control Committee (RCC) and the Management Board on a regular basis primarily by means of monthly risk reports. The specific management and mitigating strategies for interest rate risk in the banking book is described in section "Interest rate risk in the banking book".

*Sustainability and Climate Risk*

The SCR risk appetite is expressed via qualitative SCR standards (e.g. stipulating controversial activities UBS will not engage in, and other areas of concern UBS Europe SE will only engage in under pre-established guidelines), as well as via risk appetite metrics monitored across the risk categories where SCR may manifest itself.

SCR is monitored and reported to the UBS ESE Management Board on a quarterly basis via the monthly risk report at Risk Control Committee.

Further details can be found in the section "Additional UBS Europe SE Considerations for sustainability and climate risk management" of the 2025 UBS AG Annual Report.

*Non-financial risk*

The NFR management, including assessment, monitoring and reporting, as well as remediation primarily remains under the responsibility of the first line of defense. Second line of defense provides independent oversight, challenge and control over compliance risks, financial crime risks and operational risks arising from UBS's business activities. Third line of defense independently, objectively and systematically assesses the effectiveness of, and adherence to, NFR Framework processes, the effectiveness and sustainability of risk management, remediation activities and internal controls, and the soundness of the risk culture.

NFR management is performed within the boundaries set by the NFR Framework. The elements of the NFR Framework – compliance, financial crime and operational risk – are viewed from an inherent risk, control environment and residual risk perspective:

- Inherent risk – the risk associated with an activity, assuming no controls are in place.
- Control environment – includes, but is not limited to, policies, procedures, systems, processes, governance, training, and culture, in addition to developing a minimum set of internal controls sufficient to sustainably mitigate key NFR to be within the firm's risk appetite.
- Residual risk – the risk remaining after taking the effectiveness of the control environment into account.

There are various processes through which the NFR is identified and assessed, including but not limited to:

- Quarterly Non-Financial Risk Appetite Assessment (NFR RAA): On a quarterly basis the NFR taxonomies are assessed in consideration of the metrics and limits set by the Non-Financial Risk Appetite Statement (NFR RAS). Results are reported to the RCC.
- Quarterly Risk Control Self-Assessment (RCSA): taxonomies identified on the basis of identified "signals to act" are assessed in the RCSA, forming conclusions on the level of inherent risk, effectiveness of the Control Environment and final level of residual risk.
- Annual Idiosyncratic NFR Assessment (NFRA): scenarios assessment by NFR taxonomies ('what if').

NFR status is reported to the RCC on monthly basis.

*Business risk*

Business risk is derived from a negative impact on earnings from lower than expected business volumes or margins, which are not offset by a decrease in expenses. Business risk is mitigated by monitoring of key financial indicators against planned figures to ensure remediation through management actions. UBS Europe SE regularly monitors and reports income and expenses at divisional level. Earning concentration is mitigated through a diversified offering, at segment and geographic levels, assuring a balanced income among all divisions at UBS Europe SE.

*Model risk*

Model risk is induced by relying on models to derive business, risk management or control decisions, to identify or measure risks, valuing exposures, value instruments or positions, conduct stress testing, assess adequacy of capital, manage client and own assets, measure or monitor compliance with rules and regulations, survey activities or meet financial or regulatory reporting requirements and issue public disclosures.

Model risk is mitigated by a comprehensive model governance framework ensuring the independence of the model validation function. A single model inventory registers all models used in the institution. Further, UBS Europe SE has set up a quantifiable Model Risk Appetite Framework with specific metrics and thresholds.

UBS Europe SE ensures that models are independently validated, and model risks are identified, measured, monitored, reported, controlled and mitigated to an acceptable level. Model risk appetite with specific metrics and thresholds is articulated at an individual model level and at an aggregated model portfolio level.

The Europe SE Model Governance Committee (MGC) reviews the metrics defined for the monitoring of model risk on a quarterly basis and reports the outcome to the RCC.

*Funding cost risk*

This section only presents the capital/ICAAP-related funding cost risk. The ILAAP related liquidity and funding risk is reported in section "Risk Measurement, Monitoring and Management for ILAAP".

Funding cost risk is measured via a set of internal and regulatory models and metrics and monitored via a set of limits and other indicators.

To mitigate funding cost risk, UBS Europe SE adheres to the Group Treasury Framework including the following elements:

- Modelled IR duration: Limit applied at business unit levels, monitored by Treasury on a monthly basis. It covers interest rate modelled duration of non-contractual maturity client liabilities (replication portfolios.
- Measuring, monitoring and managing liquidity and funding positions on a day-to-day basis using internal and regulatory models and tools.
- Hedging of the risk arising from uncollateralized OTC derivatives based on differences between UBS Europe SE's own funding curve and the risk-free curve.

### Risk measurement, monitoring and management for ILAAP

The bank's liquidity and funding is managed on an entity specific basis and as an integral part of the Group's liquidity and funding strategy.

UBS ESE's management of liquidity and funding ensures that its business franchises are protected and that its internal and regulatory liquidity and funding requirements are prudently managed.

UBS ESE measures liquidity and funding risk using internal and regulatory models and metrics. We define and implement internal stress testing across different time horizons, scenarios and currencies to ensure we have sufficient liquidity and funding, while remaining compliant with regulatory liquidity and funding requirements.

Treasury monitors and oversees the implementation and execution of our liquidity and funding strategy and manages liquidity and funding risk within the limits and other relevant constraints, thereby adhering to the internal risk appetite and regulatory requirements. This includes the management of both our cash and non-cash collateral, including our high-quality liquid assets (HQLA). To complement our business-as-usual management, Treasury maintains a Contingency Funding Plan and contributes to plans for recovery and resolution, defining crisis management processes throughout the crisis continuum. UBS Europe SE's liquidity risk appetite objective is to ensure that the firm has sufficient liquidity to survive a severe 3-month idiosyncratic and market-wide liquidity stress event without government support, allowing for discrete management actions.

UBS Europe SE's funding risk appetite objective is to ensure that the firm has sufficient long-term funding to maintain franchise assets at a constant level under stressed market conditions for up to one year, without government support, allowing for discrete management actions.

The risk appetite and assumptions of the internal liquidity and funding models are reviewed and approved by the Management Board and the ALCO and shared with the Supervisory Board at least annually as part of the ILAAP.

UBS Europe SE is further subject to prudential regulations to maintain appropriate liquidity metrics such as LCR and NSFR. Throughout 2025, UBS Europe SE's internal L&F metrics including LCR and NSFR were above the internal limits set by the Management Board. Future changes in the regulatory regime will be adopted as the requirements evolve.

As part of UBS Europe SE's 3-year strategic planning, Treasury maintains and regularly updates the UBS ESE funding plan and manages the size and composition of the firm's Liquidity Portfolio. Treasury also looks to create the optimal liability structure to finance our businesses in a reliable and cost-efficient manner. Our funding activities are planned by analyzing the overall liquidity and funding requirements, taking into account the amount of stable funding that would be needed to support ongoing business activities through periods of difficult market conditions.

UBS Europe SE is funded in a diversified manner, with customer deposits and its stable going & gone concern capital as main funding sources. UBS Europe SE is a deposit taking bank with WM clients; this diversified deposit base represents a sticky funding source for the bank. UBS Europe SE operates an unsecured wholesale Funding Program further diversifying its funding base.

### Risk Reporting, systems and control framework

Risk management objectives and policies described in previous chapters are linked to the established reporting and control framework. UBS Europe SE ensures that risks are reported for internal control purposes at a frequency and to a level of detail commensurate with the extent and variability of the risk and needs of senior management. UBS Europe SE's risk management framework contains a regular and comprehensive reporting landscape to ensure monitoring of adequate liquidity, capital and risk exposure levels. The internal reporting is used for the escalation of risk indicators and the initiation of appropriate mitigating actions. External reporting is used to fulfil regulatory reporting requirements.

The risk reporting for internal and external requirements is supported by UBS Europe SE's risk measurement systems as described in

the previous chapters. The system infrastructure incorporates the relevant legal entities and business divisions and provides the basis for reporting on risk positions and limit utilization to the relevant functions on a regular and ad-hoc basis. UBS Europe SE's risk management systems are reviewed by Internal Audit following a risk-based audit approach.

To ensure accurate, complete and timely reporting of data, UBS Europe SE has defined and implemented a data management and control framework. The data management governance applies to internal and regulatory models built and follows the principle to use single data sources for the same information, reconciled data with an audit trail as well as data sourcing process workflows. UBS Europe SE's control framework is designed in line with the UBS Group Non-Financial Risk Framework ensuring a strong control process is in place to identify and manage identified weaknesses, while also ensuring compensating measures like additional controls or conservative assumptions are in place.

Functions, divisions and branches have tailored risk reports in place to enable the functional, divisional and market heads to perform their supervision duties. In addition to the regular reports, independent ad-hoc reports are triggered based on the risk appetite monitoring. The report owner and corresponding Head is responsible to escalate any significant risk development and/or event to the RCC directly or to the Risk Control function depending on the urgency of the relevant topic.

The following overview presents selected internal risk reports to monitor UBS Europe SE's risk management process:

- Daily Summary Report: The report is owned by Regulatory Reporting and distributed to the CFO, CRO and respective functions. The reports contain Large Exposure against UBS Group / affiliates and associated collateral call requirements and Large Exposures against external (non-UBS) counterparties. Further it provides information about RWA and Capital as well as significant investments. The reports are escalated to additional Management Board members if significant developments within the limits and indicators are observed.
- Daily Liquidity Monitoring Report: The report is owned by Treasury and distributed to the CFO, CRO and respective functions. The report contains an overview of liquidity and funding metrics including internal and external L&F stress tests/metrics, L&F limits and other indicators.
- Monthly Risk Report: The report is owned by Risk Control and distributed to the Supervisory Board, the Management Board, further RCC members and regulators. The report is the independent second line of defense report and receives approval from the CRO and is presented and discussed in the RCC meetings. It gives a consolidated risk overview of all exposures and metrics across risk categories and all divisions. The report includes financial risks, like firm wide risk metrics, stress test results, recovery indicators as well as liquidity metrics, large exposures and an operational risk, market & treasury risk as well as credit risk, as well as non-financial risks, like compliance risks, financial crime risks, and operational risk. Furthermore, there is a dedicated section for SCR (covering financial risks and non-financial risks) which is updated on a quarterly basis.
- ICAAP Report: The report is owned by Finance and distributed to the Supervisory Board, the Management Board, the ALCO and regulators. The purpose of the ICAAP report is to inform of the results of the internal assessment of risks and related capital impact at UBS Europe SE including its material subsidiaries and branches. The report and related assessment are done and produced on a quarterly basis and ad-hoc if required. Annually, a comprehensive ICAAP package including a comprehensive documentation and Capital Adequacy Statement is provided to the regulator.
- ILAAP Report: The ILAAP incl. Liquidity & Funding reports are owned by Treasury and distributed to the Supervisory Board, the Management Board, the ALCO and regulators. Annually, a comprehensive ILAAP package including a comprehensive documentation and Liquidity Adequacy Statement is provided to the regulator. The key liquidity and funding results are reported daily and more extensively as part of the monthly Treasury report.
- Monthly Outsourcing Monitoring Report: The report is owned by Provider Management and distributed to respective line manager, responsible officers for material outsourcings, working circle outsourcing and the Service Operating Committee. The purpose of the report is to inform about the quality and completeness of all material outsourcings of UBS Europe SE. It contains the status of the material outsourcings, the number of service deviations, critical areas and KPIs.
- Annual Outsourcing Report: The report is owned by Central Outsourcing Management and is distributed to the Supervisory Board, the Management Board and regulators. The annual Outsourcing Report provides an overview of all inter-entity and third-party outsourcings as well as a detailed analysis of the Outsourcing Inventory of UBS ESE. The risk inherent in all outsourcings is assessed both on macro as well as on micro level. The report provides an overview of TPRM risks like concentration and geopolitical risk and addresses important past and planned activities. The report provides the current status as well as an outlook for the management of all risk exposures related to outsourcing.

- Audit Report: The report is owned by Internal Audit and distributed to the Supervisory Board and Management Board. The report is distributed at appropriate intervals but at least quarterly and includes an overview of the audit mandates executed during the quarter and financial year, including the material deficiencies identified, the measures taken to remedy them and the issue remediation status. It also explains the status of and performance against the audit plan. The quarterly audit report also includes an assessment of the applicable risk themes for the legal entity, derived from audit results as well as other (emerging) factors impacting the respective risk profile.
- Annual Strategic Capital Plan: The report is owned by Treasury and distributed to the Supervisory Board, the Management Board, the ALCO, and the regulators. The report provides an overview about the 3-year strategic capital plan including balance sheet and RWA / Leverage forecast, proposed capital measures, the management buffer and the 3 year funding plan. The Capital Plan is reviewed on a quarterly frequency and ad-hoc if required. The quarterly Capital Plan Update is also the basis of ICAAP Normative view.
- Annual Compliance Report: The report is owned by the Compliance function and distributed to the Management Board and Supervisory Board. In-line with the regulatory requirements (BT 1.2.2 MaComp and art. 22 (2) lit. c Delegated Regulation (EU) 2017/565), the report provides the Compliance view on the adequacy and effectiveness of the applied framework, measures and procedures. The report also serves to fulfil the annual reporting obligation of the Compliance Officer with AT 4.4.2 No. 7 MaRisk and the report of the Asset Safeguarding Officers in line with MaDepot.
- Annual Financial Crime Prevention (Money Laundering Reporting Officer (MLRO)): The document is owned by the UBS Europe SE Financial Crime Prevention (FCP) function and is distributed to the Supervisory Board and Management Board. According to regulatory requirements, the Money Laundering Reporting Officer (MLRO) for UBS Europe SE must provide the UBS ESE Head CORC with a regular report, at least once a year, on his activities, on UBS Europe SE's risk situation and on the measures implemented and envisaged for fulfilment of anti-money laundering obligations. The MLRO may do so within the scope of the annual risk assessment which is required pursuant to sections 4 (2) and 5 of the German Money Laundering Act (Geldwäschegesetz – GwG). Further, ad-hoc reports are produced where required for a specific reason.
- Annual Financial Crime Prevention Risk Analysis UBS Europe SE: The document is owned by the Financial Crime Prevention function and is distributed to the Supervisory Board and Management Board. This document presents an analysis of UBS ESE risks connected to money laundering, terrorist financing, sanctions, bribery and corruption as well as fraud including other criminal offences. The analysis is compiled by the UBS ESE Money Laundering Reporting Officer (MLRO) who provides an update on the Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) preventive measures and on the governance, policies and controls related to the AML/CTF framework as well as the framework for the prevention of other criminal offences. The document is approved by the UBS ESE Head CORC as the responsible board member in terms of section 4 GWG.

# Key ratios

The following is a summary of the key ratios of UBS Europe SE in accordance with Article 447 of the CRR.

**EU KM1 – Key metrics**

| *EUR m* | 31.12.25 | 30.6.25 | 31.12.24 | 30.6.24 |
|---|---|---|---|---|
| **Available own funds (amounts)** | | | | |
| Common Equity Tier 1 (CET1) capital | 3,109 | 2,995 | 3,239 | 2,740 |
| Tier 1 capital | 3,709 | 3,595 | 3,839 | 3,340 |
| Total capital | 3,709 | 3,595 | 3,839 | 3,340 |
| **Risk-weighted exposure amounts** | | | | |
| Total risk exposure amount | 15,926 | 14,625 | 14,079 | 12,423 |
| Total risk exposure pre-floor | 15,926 | 14,625 | | |
| **Capital ratios (as a percentage of risk-weighted exposure amount)** | | | | |
| Common Equity Tier 1 ratio (%) | 19.5 | 20.5 | 23.0 | 22.1 |
| Common Equity Tier 1 ratio considering unfloored TREA (%) | 19.5 | 20.5 | | |
| Tier 1 ratio (%) | 23.3 | 24.6 | 27.3 | 26.9 |
| Tier 1 ratio considering unfloored TREA (%) | 23.3 | 24.6 | | |
| Total capital ratio (%) | 23.3 | 24.6 | 27.3 | 26.9 |
| Total capital ratio considering unfloored TREA (%) | 23.3 | 24.6 | | |
| **Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)** | | | | |
| Additional own funds requirements to address risks other than the risk of excessive leverage (%) | 2.0 | 2.0 | 2.0 | 2.0 |
| *of which: to be made up of CET1 capital (percentage points)* | *1.1* | *1.1* | *1.1* | *1.1* |
| *of which: to be made up of Tier 1 capital (percentage points)* | *1.5* | *1.5* | *1.5* | *1.5* |
| Total SREP own funds requirements (%) | 10.0 | 10.0 | 10.0 | 10.0 |
| **Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)** | | | | |
| Capital conservation buffer (%) | 2.5 | 2.5 | 2.5 | 2.5 |
| *Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)* | | | | |
| *Institution specific countercyclical capital buffer (%)* | *0.7* | *0.7* | *0.7* | *0.7* |
| *Systemic risk buffer (%)* | | | | |
| Global Systemically Important Institution buffer (%) | | | | |
| Other Systemically Important Institution buffer (%) | | | | |
| *Combined buffer requirement (%)* | *3.2* | *3.2* | *3.2* | *3.2* |
| *Overall capital requirements (%)* | *13.2* | *13.2* | *13.2* | *13.2* |
| CET1 available after meeting the total SREP own funds requirements(%) | 13.3 | 14.6 | 17.3 | 16.4 |
| **Leverage ratio** | | | | |
| Total exposure measure | 55,952 | 61,706 | 55,567 | 50,630 |
| Leverage ratio (%) | 6.6 | 5.8 | 6.9 | 6.6 |
| **Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)** | | | | |
| Additional own funds requirements to address the risk of excessive leverage (%) | 0.2 | 0.2 | | |
| *of which: to be made up of CET1 capital (percentage points)* | *0.2* | *0.2* | | |
| Total SREP leverage ratio requirements (%) | 3.2 | 3.2 | 3.0 | 3.0 |
| **Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)** | | | | |
| Leverage ratio buffer requirement (%) | | | | |
| Overall leverage ratio requirement (%) | 3.2 | 3.2 | 3.0 | 3.0 |
| **Liquidity Coverage Ratio** | | | | |
| Total high-quality liquid assets (HQLA) (Weighted value - average) | 21,109 | 20,038 | 17,285 | 17,269 |
| Cash outflows - Total weighted value | 37,924 | 36,587 | 32,615 | 30,385 |
| Cash inflows - Total weighted value | 23,001 | 22,119 | 20,072 | 18,727 |
| Total net cash outflows (adjusted value) | 14,922 | 14,469 | 12,542 | 11,658 |
| Liquidity coverage ratio (%) | 141.8 | 138.9 | 138.9 | 148.0 |

**EU KM1 – Key metrics (continued)**

| Net Stable Funding Ratio | | | | |
|---|---|---|---|---|
| Total available stable funding | 20,534 | 17,830 | 17,134 | 14,846[1] |
| Total required stable funding | 14,959 | 13,716 | 13,656 | 11,410[1] |
| NSFR ratio (%) | 137.3 | 130.0 | 125.0 | 130.0 |

1 2024 comparatives reflect a restatement of 31 December 2023 balances related to a change in the treatment of an internal business transfer in 2023.

The common equity tier 1 (CET1) capital decreased by EUR 0.13bn to EUR 3.11bn, mainly as a result of the capital repatriation to UBS AG, partly offset by the increase in capital due to the merger of UBS Europe SE with Credit Suisse (Italy) S.p.A. and Credit Suisse Deutschland GmbH.

# Explanations of the Management Board on the risk profile and risk management process

UBS Europe SE has a well-established risk management governance and framework. At least annually, UBS Europe SE performs a risk inventory process and determines a risk profile on enterprise level based on the current and planned business activities. Further, the risk profile is reviewed on a quarterly basis and ad-hoc updates are triggered in case of significant changes. The most significant risks are non-financial risk, credit risk as well as business risk. UBS Europe SE's risk strategy and risk appetite is derived from the risk identification process in alignment with the strategic business plan. The risk appetite is operationalized in the risk management process by defining limits and other indicators as well as comprehensive risk appetite objectives. In general, all material risk categories are capitalized and covered in the ICAAP normative and economic view. Liquidity risk is not capitalized as holding capital is not an effective mitigant. Liquidity risk is efficiently steered and monitored in the ILAAP framework. An adequate quarterly management reporting process ensures timely monitoring of the key capital and liquidity risk metrics. UBS Europe SE's capital and liquidity adequacy was ensured throughout the year. Key ratios are outlined in chapters "Risk Performance", "Key ratios", "Liquidity" and "Net stable funding ratio".

The Management Board has assessed the adequacy of UBS Europe SE's risk management process. Based on this assessment, the Management Board confirms that the risk management systems put in place are adequate with regard to the profile and strategy of UBS Europe SE. The Management Board of UBS Europe SE has approved the following statement in accordance with Article 435(1) (e) of the CRR:

The risk management processes of UBS Europe SE comply with the common standards and they proportionally reflect the respective extent, complexity and risk exposure of business activities and operations. The described processes, measures and monitoring tools are suitable to sustainably ensure the capital and liquidity adequacy of UBS Europe SE. The risk strategy goals are measurable, transparent and steerable based on the utilized processes. The risk management processes are in line with the risk profile and strategy of UBS Europe SE.

# Management body

## Number of directorships held by members of the management body

In line with legal requirements of a financial institution with the headquarter in Germany, UBS Europe SE's management body is organized in a two-tier board structure consisting of the Management Board and the Supervisory Board (in accordance with German corporate law). The table below provides the number of directorships held by members of the management body according to Article 435 (2) of the CRR as of 31 December 2025, including the mandates at UBS Europe SE.

## Recruitment of members of the management body

The recruitment of the members of the management body takes into account a shortlist of internal and external candidates containing a preselection of suitable candidates taking into account the selection criteria on their (i) sufficiently good reputation, (ii) possession of sufficient knowledge, skills and experience to perform their duties; (iii) ability to act with honesty, integrity and independence of mind as well as (iv) ability to commit sufficient time to perform their functions in the institution and, where the institution is significant, whether or not the limitation of directorships under Article 91 (3) of the Directive (EU) 2013/36 is being complied with.

The Supervisory Board (assisted by its Nomination Committee) is responsible for the recruitment process of the Management Board as part of the management body taking into account the requirements according to Section 25c KWG. Supervisory Board members are elected by the Annual General Meeting taking into account the requirements according to Section 25d KWG, six of them without being bound to election proposals, and three members (employee representatives) are to be elected and appointed upon proposals from the employee-side.

**UBS Europe SE management body – number of mandates (including mandate at UBS Europe SE)**

| Supervisory Board | Total number of mandates held at 31 Dec 2025 | Mandates under Sec. 25d (3) German Banking Act (KWG) that count for the limits under Sec. 25d (3), s.1, no.3 and 4 KWG | Additional Mandates[1] |
|---|---|---|---|
| Reto Francioni | 3 | 3 | |
| Christine Novakovic | 5 | 1 | 4 |
| Jonathan (Bobby) Magee | 2 | 2 | |
| Beatriz Martin-Jimenez | 3 | 3 | |
| Natasha Meaney | 2 | 1 | 1 |
| Gregor Pottmeyer | 1 | 1 | |
| Silke Alberts | 2 | 1 | 1 |
| Jean-Marc Lehnertz | 1 | 1 | |
| Francesco Stumpo | 1 | 1 | |
| **Total** | 20 | 14 | 6 |

| Management Board | Total number of mandates held at 31 Dec 2025 | Mandates under sec. 25c (2) KWG that count for the limits under sec. 25c (2), no.2 KWG | Additional Mandates[1] |
|---|---|---|---|
| Tobias Vogel | 10 | 1 | 9 |
| Pierre Chavenon | 2 | 1 | 1 |
| Denise Bauer-Weiler | 6 | 1 | 5 |
| Georgia Paphiti | 5 | 1 | 4 |
| Miriam Godoy-Suarez | 5 | 2 | 3 |
| Filippo Bianco | 5 | 1 | 4 |
| **Total** | 33 | 7 | 26 |

1 Additional mandates are those which are not subject to the limitations stipulated by the KWG.

### Workforce inclusion in relation to selection of the management body

Diversity is part of our culture and well reflected in our employee base at all levels in the organization. We are committed to being an inclusive workplace, and aim to build a culture of belonging, where all employees are recognized and valued, and where everyone can be successful and thrive. In order to achieve this, we have a diverse workforce with a variety of skills, experiences, and backgrounds that reflects the diversity of our clients to serve them at our best, and we hire, develop and promote employees with meritocracy at the forefront of any decision we make. It is also critically important to us that we respect an environment where all our employees are treated fairly and are able to reach their potential. In every location in which we operate, we continue to act in accordance with the current law and regulations and will monitor any changes to ensure to remain consistent.

This approach applies to the composition of the members of the management body. The Nomination Committee discusses and agrees at least annually all objectives for having a diverse and inclusive workforce represented in the management bodies and recommends relevant adoption. Furthermore, the Nomination Committee is responsible for facilitating and monitoring our workforce composition.

The Management Board of UBS Europe SE set new gender aspirational goals for 2021 – 2025 of 27% of women in the first level below Management Board and of 28% for the second management level.

As of 31 December 2025, the representation of women on the first management level stood at 27% (against an aspirational goal of 27%) and, for the second management level, women represented 31% (vs. an aspirational goal of 28%).

As of 31 December 2025, the representation of women on the UBS Europe SE Supervisory Board was 44%, exceeding the minimum female representation threshold of 30% for Supervisory Board. As of the same date, the representation of women on the Management Board stood at 50%.

### Risk Committee of the Supervisory Board

According to its Rules of Procedure, the Supervisory Board has established a permanent Risk Committee addressing the specific concerns of risk management. In 2025, four ordinary committee meetings as well as one extraordinary meeting took place.

# Scope of application of the regulatory framework

This section outlines the scope of the application of the regulatory regime to UBS Europe SE in accordance with Article 436 of the CRR. As opposed to the consolidation scope under International Financial Reporting Standards (IFRS), the scope of consolidation for the purpose of calculating regulatory capital does not include the German subsidiary UBS Private Equity Komplementär GmbH. The financial figures presented below are disclosed as part of the group quarterly publications.

**EU LI1 – Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories**

| 31.12.25 | | | Carrying values of items | | | | |
|---|---|---|---|---|---|---|---|
| *EUR m* | Carrying values as reported in published financial statements | Carrying values under scope of prudential consolidation | Subject to the credit risk framework | Subject to the CCR framework | Subject to the securitisation framework | Subject to the market risk framework | Not subject to own funds requirements or subject to deduction from own funds |
| **Assets** | | | | | | | |
| Cash and balances with central banks | 8,703 | 8,703 | 8,703 | | | | |
| Due from banks | 2,357 | 2,357 | 2,357 | | | | |
| Receivables from Securities financing transactions | 3,983 | 3,983 | | 3,983 | | 3,983 | |
| Cash collateral receivable on derivative instruments | 3,704 | 3,704 | | 3,704 | | | |
| Loans & advances to customers | 7,569 | 7,569 | 7,569 | | | | |
| Other financial assets measured at amortized cost | 3,686 | 3,686 | 3,686 | | | | |
| Trading portfolio assets | 7,882 | 7,882 | | | | 7,882 | |
| Positive replacement values | 9,702 | 9,702 | | 9,702 | | 9,702 | |
| Brokerage receivables | 5 | 5 | 5 | | | | |
| Financial assets designated at fair value | 5,721 | 5,721 | 3,794 | 1,927 | | 1,911 | |
| Properties, equipment and software | 284 | 284 | 193 | | | | 91 |
| Goodwill and intangible assets | 360 | 360 | | | | | 360 |
| Deferred tax assets | 45 | 45 | 44 | | | | 1 |
| Other assets | 142 | 142 | 142 | | | | |
| **Total assets** | 54,143 | 54,143 | 26,493 | 19,316 | | 23,477 | 452 |
| **Liabilities** | | | | | | | |
| Amounts due to banks | 11,281 | 11,281 | | | | | 11,281 |
| Payables from securities financing transactions | 581 | 581 | | 581 | | 581 | |
| Cash collateral payables on derivative instruments | 4,125 | 4,125 | | 4,125 | | | |
| Amounts due to customers | 18,213 | 18,213 | | | | | 18,213 |
| Other financial liabilities measured at amortized cost | 586 | 586 | | | | | 586 |
| Financial liabilities at fair value held for trading | 1,764 | 1,764 | | | | 1,764 | |
| Negative replacement values | 9,939 | 9,939 | | 9,939 | | 9,939 | |
| Brokerage payables | 56 | 56 | | | | | 56 |
| Debt issued designated at fair value | 18 | 18 | | | | | 18 |
| Short term debts issued at amortized cost | 1,506 | 1,506 | | | | | 1,506 |
| Other financial liabilities designated at fair value | 998 | 998 | | 998 | | 998 | |
| Provisions | 137 | 137 | | | | | 137 |
| Other Liabilities | 610 | 610 | | | | | 610 |
| **Total liabilities** | 49,813 | 49,813 | | 15,642 | | 13,281 | 32,407 |

The following table provides an overview of the main sources of differences between the financial disclosure carrying value amounts and the exposure amounts used for regulatory purposes.

**EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements**

| 31.12.25 | | Items subject to | | | |
|---|---|---|---|---|---|
| *EUR m* | Total | Credit risk framework | Securitisation framework | CCR framework | Market risk framework |
| Assets carrying value amount under the scope of prudential consolidation (as per template LI1) | 53,691[3] | 26,493 | | 19,316 | 23,477 |
| Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1) | 17,406[3] | | | 15,642 | 13,281 |
| Total net amount under the scope of prudential consolidation | 36,285 | 26,493 | | 3,674 | 10,196 |
| Off-balance-sheet amounts | 19,978 | 19,978 | | | |
| Differences in valuations | | | | | |
| Differences due to different netting rules, other than those already included in row 2 | (549) | (549) | | | |
| Differences due to consideration of provisions | | | | | |
| Differences due to the use of credit risk mitigation techniques (CRMs) | (9,103) | (4,170) | | (4,933) | |
| Differences due to credit conversion factors | (18,238) | (18,238) | | | |
| Differences due to Securitisation with risk transfer | | | | | |
| Other differences[1] | 1,588 | (113) | | 7,818 | |
| **Exposure amounts considered for regulatory purposes[2]** | 29,960 | 23,401 | | 6,559 | 0[2] |

1 Other differences is largely due to SA-CCR/IMM calculation of derivative instruments. 2 No value is shown for market risk because its focus is around exposure value for credit risk and counterparty credit risk. 3 Differences between the PDF and XBRL figures arise due to a validation issue in the XBRL taxonomy. To comply with validation requirements, certain values differ in the XBRL submission.

Table EU LI3 has not been included due to the immaterial difference between the financial and regulatory scope and the only difference is in the German subsidiary UBS Private Equity Komplementär GmbH that is excluded from the regulatory scope.

The following table outlines the breakdown of the constituent elements of prudent valuation adjustment in accordance with Article 436 (e) of the CRR.

**EU PV1: Prudent valuation adjustments (PVA)**

31.12.25

| | Risk category | | | | | Category level AVA - Valuation uncertainty | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *EUR m* | Equity | Interest Rates | Foreign exchange | Credit | Commo-dities | Unearned credit spreads AVA | Investment and funding costs AVA | Total category level post-diversification | Of which: Total core approach in the trading book | Of which: Total core approach in the banking book |
| **Category level AVA** | | | | | | | | | | |
| Market price uncertainty | 1 | 1 | 0 | | | 0 | 0 | 1 | 1 | 1 |
| Close-out cost | | 1 | 0 | | | 0 | 0 | 1 | 0 | 0 |
| Concentrated positions | | 1 | | | | | | 1 | | 1 |
| Early termination | | | | | | | | | | |
| Model risk | | | | | | 4 | | 2 | 2 | 0 |
| Operational risk | 0 | 0 | 0 | 0 | | | | 0 | 0 | 0 |
| Future administrative costs | 26 | 1 | | 0 | 0 | | | 27 | 27 | 0 |
| **Total Additional Valuation Adjustments (AVAs)** | 27 | 5 | 0 | 0 | 0 | 5 | 1 | 33 | 31 | 3 |

31.12.24

| | Risk category | | | | | Category level AVA - Valuation uncertainty | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *EUR m* | Equity | Interest Rates | Foreign exchange | Credit | Commo-dities | Unearned credit spreads AVA | Investment and funding costs AVA | Total category level post-diversification | Of which: Total core approach in the trading book | Of which: Total core approach in the banking book |
| **Category level AVA** | | | | | | | | | | |
| Market price uncertainty | 0 | 2 | 0 | | | 0 | 0 | 1 | 1 | 1 |
| Close-out cost | | 1 | 0 | | | 0 | 0 | 1 | 0 | 0 |
| Concentrated positions | | 1 | | | | | | 1 | | 1 |
| Early termination | | | | | | | | | | |
| Model risk | | | | | | 6 | | 3 | 3 | 0 |
| Operational risk | 0 | 0 | 0 | 0 | | | | 0 | 0 | 0 |
| Future administrative costs | 25 | 1 | | 1 | 0 | | | 27 | 27 | 0 |
| **Total Additional Valuation Adjustments (AVAs)** | 25 | 6 | 0 | 1 | 0 | 6 | 0 | 33 | 30 | 3 |

# Own funds and eligible liabilities

The following table provides an overview of nature and amounts of capital deductions from the own funds for UBS Europe SE.

### EU CC1 – Composition of regulatory own funds

| | 31.12.25 | | 31.12.24 | |
|---|---|---|---|---|
| *EUR m* | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation[1] | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation[1] |
| **Common Equity Tier 1 (CET1) capital: instruments and reserves** | | | | |
| Capital instruments and the related share premium accounts | 1,312 | 1 | 1,322 | 1 |
| *of which: Fully paid up capital instruments* | *446* | | *446* | |
| *of which Share premium* | *866* | | *876* | |
| Retained earnings | 563 | 1 | 521 | 1 |
| Accumulated other comprehensive income (and other reserves) | 1,699 | 1 | 1,846 | 1 |
| Funds for general banking risk | | | | |
| Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1 | | | | |
| Minority interests (amount allowed in consolidated CET1) | | | | |
| Independently reviewed interim profits net of any foreseeable charge or dividend | | | | |
| **Common Equity Tier 1 (CET1) capital before regulatory adjustments** | 3,574 | | 3,689 | |
| **Common Equity Tier 1 (CET1) capital: regulatory adjustments** | | | | |
| Additional value adjustments (negative amount) | (33) | | (33) | |
| Intangible assets (net of related tax liability) (negative amount) | (422) | 2 | (418) | 2 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount) | (1) | 3 | (1) | 3 |
| Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value | 51 | | 52 | |
| Negative amounts resulting from the calculation of expected loss amounts | | | | |
| Any increase in equity that results from securitised assets (negative amount) | | | | |
| Gains or losses on liabilities valued at fair value resulting from changes in own credit standing | | | | |
| Defined-benefit pension fund assets (negative amount) | | | | |
| Direct and indirect holdings by an institution of own CET1 instruments (negative amount) | | | | |
| Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | | | | |
| Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | | | | |
| Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | | | | |
| Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative | | | | |
| *of which: qualifying holdings outside the financial sector (negative amount)* | | | | |
| *of which: securitisation positions (negative amount)* | | | | |
| *of which: free deliveries (negative amount)* | | | | |
| Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount) | | | | |
| Amount exceeding the 17,65% threshold (negative amount) | | | | |

## EU CC1 – Composition of regulatory own funds (continued)

| | 31.12.25 | | 31.12.24 | |
|---|---|---|---|---|
| *EUR m* | **Amounts** | **Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation[1]** | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation[1] |
| *of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities* | | | | |
| *of which: deferred tax assets arising from temporary differences* | | | | |
| Losses for the current financial year (negative amount) | | | | |
| Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount) | | | | |
| Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount) | | | | |
| Other regulatory adjustments | (59) | | (50) | |
| **Total regulatory adjustments to Common Equity Tier 1 (CET1)** | (465) | | (450) | |
| **Common Equity Tier 1 (CET1) capital** | 3,109 | | 3,239 | |
| **Additional Tier 1 (AT1) capital: instruments** | | | | |
| Capital instruments and the related share premium accounts | 600 | 1 | 600 | 1 |
| *of which: classified as equity under applicable accounting standards* | *600* | | *600* | |
| *of which: classified as liabilities under applicable accounting standards* | | | | |
| Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 | | | | |
| Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1 | | | | |
| Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1 | | | | |
| Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties | | | | |
| *of which: instruments issued by subsidiaries subject to phase out* | | | | |
| **Additional Tier 1 (AT1) capital before regulatory adjustments** | 600 | | 600 | |
| **Additional Tier 1 (AT1) capital: regulatory adjustments** | | | | |
| Direct and indirect holdings by an institution of own AT1 instruments (negative amount) | | | | |
| Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | | | | |
| Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | | | | |
| Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | | | | |
| Qualifying T2 deductions that exceed the T2 items of the institution (negative amount) | | | | |
| Other regulatory adjustments to AT1 capital | | | | |
| **Total regulatory adjustments to Additional Tier 1 (AT1) capital** | | | | |
| **Additional Tier 1 (AT1) capital** | 600 | | 600 | |
| **Tier 1 capital (T1 = CET1 + AT1)** | 3,709 | | 3,839 | |
| **Tier 2 (T2) capital: instruments** | | | | |
| Capital instruments and the related share premium accounts | | | | |
| Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR | | | | |
| Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2 | | | | |
| Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2 | | | | |
| Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties | | | | |

## EU CC1 – Composition of regulatory own funds (continued)

| *EUR m, except where indicated* | 31.12.25 Amounts | 31.12.25 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation[1] | 31.12.24 Amounts | 31.12.24 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation[1] |
|---|---|---|---|---|
| *of which: instruments issued by subsidiaries subject to phase out* | | | | |
| **Tier 2 (T2) capital before regulatory adjustments** | | | | |
| **Tier 2 (T2) capital: regulatory adjustments** | | | | |
| Credit risk adjustments | | | | |
| Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount) | | | | |
| Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | | | | |
| Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | | | | |
| Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | | | | |
| Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount) | | | | |
| Other regulatory adjustments to T2 capital | | | | |
| **Total regulatory adjustments to Tier 2 (T2) capital** | | | | |
| **Tier 2 (T2) capital** | | | | |
| **Total capital (TC = T1 + T2)** | 3,709 | | 3,839 | |
| **Total risk exposure amount** | 15,926 | | 14,079 | |
| **Capital ratios and requirements including buffers** | | | | |
| Common Equity Tier 1 | 19.5 | | 23.0 | |
| Tier 1 | 23.3 | | 27.3 | |
| Total capital | 23.3 | | 27.3 | |
| Institution CET1 overall capital requirements | 8.8 | | 8.8 | |
| *of which: capital conservation buffer requirement* | *2.5* | | *2.5* | |
| *of which: countercyclical capital buffer requirement* | *0.7* | | *0.7* | |
| *of which: systemic risk buffer requirement* | | | | |
| *of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement* | | | | |
| *of which: additional own funds requirements to address the risks other than the risk of excessive leverage* | *1.1* | | *1.1* | |
| **Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements (%)** | 13.3 | | 17.3 | |
| **Amounts below the thresholds for deduction (before risk weighting)** | | | | |
| Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) | 17.4 | | 0.1 | |
| Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions) | 2.8 | | *0.8* | |
| Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met) | 38.9 | | 26.5 | |
| **Applicable caps on the inclusion of provisions in Tier 2** | | | | |
| Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap) | | | | |
| Cap on inclusion of credit risk adjustments in T2 under standardised approach | 143 | | 126 | |
| Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap) | | | | |

## EU CC1 – Composition of regulatory own funds (continued)

| | 31.12.25 | | 31.12.24 | |
|---|---|---|---|---|
| *EUR m* | **Amounts** | **Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation[1]** | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation[1] |
| Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach | | | | |
| **Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)** | | | | |
| Current cap on CET1 instruments subject to phase out arrangements | | | | |
| Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | | | | |
| Current cap on AT1 instruments subject to phase out arrangements | | | | |
| Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | | | | |
| Current cap on T2 instruments subject to phase out arrangements | | | | |
| Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | | | | |

1 References link the lines of this table to the respective reference numbers provided in the "References" column in the "EU CC2 - reconciliation of regulatory own funds to balance sheet" table in this section.

The following table provides a reconciliation of regulatory own funds to balance sheet in accordance with 437 of the CRR. The financial figures presented below are disclosed as part of the group quarterly publications.

**EU CC2 – reconciliation of regulatory own funds to balance sheet**

| | 31.12.25 | | 31.12.24 | |
|---|---|---|---|---|
| *EUR m* | Under regulatory scope of consolidation[1] | References[2] | Under regulatory scope of consolidation[1] | References[2] |
| **Assets** | | | | |
| Cash and balances with central banks | 8,703 | | 11,776 | |
| Due from banks | 2,357 | | 2,232 | |
| Receivables from Securities financing transactions | 3,983 | | 3,962 | |
| Cash collateral receivable on derivative instruments | 3,704 | | 4,485 | |
| Loans & advances to customers | 7,569 | | 6,983 | |
| Other financial assets measured at amortized cost | 3,686 | | 2,736 | |
| Trading portfolio assets | 7,882 | | 5,347 | |
| Positive replacement values | 9,702 | | 12,601 | |
| Brokerage receivables | 5 | | 5 | |
| Financial assets designated at fair value | 5,721 | | 4,412 | |
| Properties, equipment and software | 284 | 2 | 296 | 2 |
| Goodwill and intangible assets | 360 | 2 | 369 | 2 |
| Deferred tax assets | 45 | 3 | 33 | 3 |
| Other assets | 142 | | 106 | |
| **Total assets** | 54,143 | | 55,344 | |
| | | | | |
| **Liabilities** | | | | |
| Amounts due to banks | 11,281 | | 10,258 | |
| Payables from securities financing transactions | 581 | | 543 | |
| Cash collateral payables on derivative instruments | 4,125 | | 3,598 | |
| Amounts due to customers | 18,213 | | 20,258 | |
| Other financial liabilities measured at amortized cost | 586 | | 892 | |
| Financial liabilities at fair value held for trading | 1,764 | | 891 | |
| Negative replacement values | 9,939 | | 12,653 | |
| Brokerage payables | 56 | | 119 | |
| Debt issued designated at fair value | 18 | | 17 | |
| Short term debts issued at amortized cost | 1,506 | | 261 | |
| Other financial liabilities designated at fair value | 998 | | 771 | |
| Provisions | 137 | | 79 | |
| Other Liabilities | 610 | | 625 | |
| **Total liabilities** | 49,813 | | 50,966 | |
| **Total equity** | 4,330 | 1 | 4,377 | 1 |

1 The difference between the financial and regulatory scope is immaterial. Only the German subsidiary UBS Private Equity Komplementär GmbH is excluded from the regulatory scope of consolidation.
2 References link the lines of this table to the respective reference numbers provided in the "Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation" column in the "EU CC1 - Composition of regulatory own funds" table in this section.

The table below depicts the main features and terms and conditions of capital instruments issued by UBS Europe SE in accordance with Article 437 of the CRR.

**EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments**

| | Common Equity Tier 1 | Additional Tier 1 | Additional Tier 1 | Internal total loss-absorbing capacity (TLAC) eligible liabilities | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Issuer | UBS Europe SE | UBS Europe SE | UBS Europe SE | UBS Europe SE | UBS Europe SE | UBS Europe SE | UBS Europe SE | UBS Europe SE | UBS Europe SE |
| Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Public or private placement | Private | Private | Private | Private | Private | Private | Private | Private | Private |
| Governing law(s) of the instrument | German | German | German | German | German | German | German | German | German |
| Contractual recognition of write down and conversion powers of resolution authorities | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Regulatory treatment | | | | | | | | | |
| Transitional CRR rules | Common Equity Tier 1 | Additional Tier 1 | Additional Tier 1 | Ineligible | Ineligible | Ineligible | Ineligible | Ineligible | Ineligible |
| Post-transitional CRR rules | Common Equity Tier 1 | Additional Tier 1 | Additional Tier 1 | Ineligible | Ineligible | Ineligible | Ineligible | Ineligible | Ineligible |
| Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated | Solo and Consolidated | Solo and Consolidated | Solo and Consolidated | Solo and Consolidated | Solo and Consolidated | Solo and Consolidated | Solo and Consolidated | Solo and Consolidated | Solo and Consolidated |
| Instrument type (types to be specified by each jurisdiction) | CET1 Instrument | Additional Tier 1 | Additional Tier 1 | 72b CRR - internal TLAC | 72b CRR - internal TLAC | 72b CRR - internal TLAC | 72b CRR - internal TLAC | 72b CRR - internal TLAC | 72b CRR - internal TLAC |
| Amount recognised in regulatory capital (currency in million, as of most recent reporting date) | EUR 770 million | EUR 290 million | EUR 310 million | EUR 975 million | EUR 200 million | EUR 275 million | EUR 400 million | USD 300 million | EUR 400 million |
| Nominal amount of instrument | EUR 446 million | EUR 290 million | EUR 310 million | EUR 975 million | EUR 200 million | EUR 275 million | EUR 400 million | USD 300 million | EUR 400 million |
| Issue price | Various | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Redemption price | Par | Par | Par | Par | Par | Par | Par | Par | Par |
| Accounting classification | Shareholders' equity | Shareholders' equity | Shareholders' equity | Liability – amortised cost | Liability – amortised cost | Liability – amortised cost | Liability – amortised cost | Liability – amortised cost | Liability – amortised cost |
| Original date of issuance | Various | 11.6.2018 | 23.5.2022 | 27.2.2023 | 13.6.2022 | 14.5.2019 | 05.2.2021 | 03.11.2021 | 20.6.2024 |
| Perpetual or dated | Perpetual | Perpetual | Perpetual | Dated | Dated | Dated | Dated | Dated | Dated |
| Original maturity date | No Maturity | No Maturity | No Maturity | 27.2.2028 | 14.6.2027 | 14.5.2029 | 05.2.2031 | 03.11.2032 | 20.6.2027 |
| Issuer call subject to prior supervisory approval | N/A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Optional call date, contingent call dates and redemption amount | N/A | Anytime after 12.6.2023 with regulatory consent at par value | 23.5.2027, or earlier upon occurrence of tax or regulatory event at par value | 1 year before contractual maturity, the Borrower, in its sole discretion, has the right to repay the outstanding principal amount of the Loan+ any accrued and unpaid interest thereon, provided that the competent authority has approved such early repayment of the Loan (if such approval is then required under applicable law and regulations) | 1 year before contractual maturity, the Borrower, in its sole discretion, has the right to repay the outstanding principal amount of the Loan+ any accrued and unpaid interest thereon, provided that the competent authority has approved such early repayment of the Loan (if such approval is then required under applicable law and regulations) | 1 year before contractual maturity, the Borrower, in its sole discretion, has the right to repay the outstanding principal amount of the Loan+ any accrued and unpaid interest thereon, provided that the competent authority has approved such early repayment of the Loan (if such approval is then required under applicable law and regulations) | 1 year before contractual maturity, the Borrower, in its sole discretion, has the right to repay the outstanding principal amount of the Loan+ any accrued and unpaid interest thereon, provided that the competent authority has approved such early repayment of the Loan (if such approval is then required under applicable law and regulations) | 1 year before contractual maturity, the Borrower, in its sole discretion, has the right to repay the outstanding principal amount of the Loan+ any accrued and unpaid interest thereon, provided that the competent authority has approved such early repayment of the Loan (if such approval is then required under applicable law and regulations) | 1 year before contractual maturity, the Borrower, in its sole discretion, has the right to repay the outstanding principal amount of the Loan+ any accrued and unpaid interest thereon, provided that the competent authority has approved such early repayment of the Loan (if such approval is then required under applicable law and regulations) |
| Subsequent call dates, if applicable | N/A | Anytime after 12.6.2023 with regulatory consent at par value | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

## EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments (continued)

| | Common Equity Tier 1 | Additional Tier 1 | Additional Tier 1 | Internal total loss-absorbing capacity (TLAC) eligible liabilities | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Coupons I dividends | | | | | | | | | |
| Fixed or floating dividend/coupon | Floating | Floating | Floating | Floating | Floating | Floating | Floating | Floating | Floating |
| Coupon rate and any related index | N/A | 3-month EURIBOR floored to zero + 466bps | 3-month EURIBOR floored to zero + 403bps | 3-month EURIBOR floored to zero + 127bps | 3-month EURIBOR floored to zero + 128bps | 3-month EURIBOR floored to zero + 103bps | 3-month EURIBOR floored to zero + 74bps | SOFR + 134bps | 3-month EURIBOR floored to zero + 108bps |
| Existence of a dividend stopper | No | No | No | No | No | No | No | No | No |
| Fully discretionary, partially discretionary or mandatory (in terms of timing) | Fully discretionary | Partial discretionary | Partial discretionary | Mandatory | Mandatory | Mandatory | Mandatory | Mandatory | Mandatory |
| Fully discretionary, partially discretionary or mandatory (in terms of amount) | Fully discretionary | Partial discretionary | Partial discretionary | Mandatory | Mandatory | Mandatory | Mandatory | Mandatory | Mandatory |
| Existence of step up or other incentive to redeem | No | No | No | No | No | No | No | No | No |
| Noncumulative or cumulative | Non cumulative | Non cumulative | Non cumulative | Non cumulative | Non cumulative | Non cumulative | Non cumulative | Non cumulative | Non cumulative |
| Convertible or non-convertible | Non convertible | Non convertible | Non convertible | Convertible | Convertible | Convertible | Convertible | Convertible | Convertible |
| If convertible, conversion trigger(s) | N/A | N/A | N/A | Instruction of resolution authority | Instruction of resolution authority | Instruction of resolution authority | Instruction of resolution authority | Instruction of resolution authority | Instruction of resolution authority |
| If convertible, fully or partially | N/A | N/A | N/A | Fully or Partially | Fully or Partially | Fully or Partially | Fully or Partially | Fully or Partially | Fully or Partially |
| If convertible, conversion rate | N/A | N/A | N/A | At discretion of resolution authority | At discretion of resolution authority | At discretion of resolution authority | At discretion of resolution authority | At discretion of resolution authority | At discretion of resolution authority |
| If convertible, mandatory or optional conversion | N/A | N/A | N/A | Mandatory after instruction of resolution authority | Mandatory after instruction of resolution authority | Mandatory after instruction of resolution authority | Mandatory after instruction of resolution authority | Mandatory after instruction of resolution authority | Mandatory after instruction of resolution authority |
| If convertible, specify instrument type convertible into | N/A | N/A | N/A | CET1 | CET1 | CET1 | CET1 | CET1 | CET1 |
| If convertible, specify issuer of instrument it converts into | N/A | N/A | N/A | UBS Europe SE | UBS Europe SE | UBS Europe SE | UBS Europe SE | UBS Europe SE | UBS Europe SE |
| Write-down features | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| If write-down, write-down trigger(s) | N/A | CET1 ratio falls below 5.125% | CET1 ratio falls below 5.125% | Instruction of resolution authority | Instruction of resolution authority | Instruction of resolution authority | Instruction of resolution authority | Instruction of resolution authority | Instruction of resolution authority |
| If write-down, full or partial | N/A | Fully or Partially | Fully or Partially | Fully or Partially | Fully or Partially | Fully or Partially | Fully or Partially | Fully or Partially | Fully or Partially |
| If write-down, permanent or temporary | N/A | Temporary | Temporary | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent |
| If temporary write-down, description of write-up mechanism | N/A | Contractual conversion rate of annual balance sheet profit | Contractual conversion rate of annual balance sheet profit | N/A | N/A | N/A | N/A | N/A | N/A |
| Type of subordination (only for eligible liabilities) | Statutory | Statutory | Statutory | Statutory | Statutory | Statutory | Statutory | Statutory | Statutory |
| Ranking of the instrument in normal insolvency proceedings | 1 | 2 | 2 | 5 | 5 | 5 | 5 | 5 | 5 |
| Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | AT1 | Shareholder loans | Shareholder loans | Senior non-preferred | Senior non-preferred | Senior non-preferred | Senior non-preferred | Senior non-preferred | Senior non-preferred |
| Non-compliant transitioned features | No | No | No | No | No | No | No | No | No |
| If yes, specify non-compliant features | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Link to the full term and conditions of the instrument (signposting) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

The following table provides an overview of key metrics and the internal loss-absorbing capacity in accordance with Article 437a of the CRR.

**EU iLAC – Internal loss absorbing capacity: internal TLAC and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs**

| | 31.12.25 | | 30.9.25 | |
|---|---|---|---|---|
| *EUR m, except where indicated* | Non-EU G-SII Requirement for own funds and eligible liabilities (internal TLAC) | Qualitative information | Non-EU G-SII Requirement for own funds and eligible liabilities (internal TLAC) | Qualitative information |
| **Applicable requirement and level of application** | | | | |
| Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y/N) | | Y | | Y |
| If EU 1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I) | | C | | C |
| Is the entity subject to an internal MREL requirement? (Y/N) | | Y | | Y |
| If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I) | | C | | C |
| **Own funds and eligible liabilities** | | | | |
| Common Equity Tier 1 capital (CET1) | 3,109 | | 2,973 | |
| Eligible Additional Tier 1 instruments | 600 | | 600 | |
| Eligible Tier 2 instruments | | | | |
| Eligible own funds | 3,709 | | 3,573 | |
| Eligible liabilities | 2,505 | | 2,506 | |
| *of which permitted guarantees* | | | | |
| (Adjustments) | | | | |
| Own funds and eligible liabilities items after adjustments | 6,215 | | 6,079 | |
| **Total risk exposure amount and total exposure measure** | | | | |
| Total risk exposure amount | 15,926 | | 15,917 | |
| Total exposure measure | 55,952 | | 55,681 | |
| **Ratio of own funds and eligible liabilities** | | | | |
| Own funds and eligible liabilities (as a percentage of TREA) | 39.0 | | 38.2 | |
| *of which permitted guarantees* | | | | |
| Own funds and eligible liabilities (as a percentage of leverage exposure) | 11.1 | | 10.9 | |
| *of which permitted guarantees* | | | | |
| CET1 (as a percentage of TREA) available after meeting the entity's requirements | 13.9 | | 13.1 | |
| Institution-specific combined buffer requirement | 3.2 | | 3.2 | |
| **Requirements** | | | | |
| Requirement expressed as a percentage of the total risk exposure amount | 16.2 | | 16.2 | |
| *of which may be met with guarantees* | | | | |
| Internal TLAC expressed as percentage of the total exposure measure | 6.1 | | 6.1 | |
| *of which may be met with guarantees* | | | | |
| **Memorandum items** | | | | |
| Total amount of excluded liabilities referred to in Article 72a(2) CRR | 27,414 | | 29,052 | |

The following table depicts creditor ranking of instruments in accordance with Article 437a of the CRR.

**EU TLAC2a: Creditor ranking – Entity that is not a resolution entity**

31.12.25

| | Insolvency ranking | | | | |
|---|---|---|---|---|---|
| | 1 (most junior) | 2 | 5 | 11 | |
| *EUR m* | Resolution entity | Resolution entity | Resolution entity | Other | Total |
| Empty set in the EU | | | | | |
| Description of insolvency rank | Common equity Tier 1 instruments | Additional Tier 1 instruments | Claims for repayment of shareholder loans and accrued interest thereon | Non-preferred creditor claims arising from non-subordinated, unsecured non-structured debt instruments which (i) are issued before 21 July 2018 and are neither deposits within the positions of no. 13 and 14 nor money market instruments (ii) are issued from 21 July 2018 onwards, have an original contractual maturity of at least one year, do not qualify as deposits within the position of no. 13 and 14 and the contractual documentation and, where applicable, the prospectus explicitly refer to the lower ranking | |
| Liabilities and own funds including derivative liabilities | 3,111 | 600 | 2,514 | 20 | 6,246 |
| *of which excluded liabilities* | | | *9* | *20* | *29* |
| Liabilities and own funds less excluded liabilities | 3,111 | 600 | 2,505 | | 6,217 |
| Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of internal TLAC | 3,111 | 600 | 2,505 | | 6,217 |
| *of which residual maturity ≥ 1 year < 2 years* | | | *600* | | *600* |
| *of which residual maturity ≥ 2 year < 5 years* | | | *1,250* | | *1,250* |
| *of which residual maturity ≥ 5 years < 10 years* | | | *655* | | *655* |
| *of which residual maturity ≥ 10 years, but excluding perpetual securities* | | | | | |
| *of which perpetual securities* | *3,111* | *600* | | | *3,711* |

30.6.25

| | Insolvency ranking | | | | |
|---|---|---|---|---|---|
| | 1 (most junior) | 2 | 5 | 11 | |
| *EUR m* | Resolution entity | Resolution entity | Resolution entity | Other | Total |
| Empty set in the EU | | | | | |
| Description of insolvency rank | Common equity Tier 1 instruments | Additional Tier 1 instruments | Claims for repayment of shareholder loans and accrued interest thereon | Non-preferred creditor claims arising from non-subordinated, unsecured non-structured debt instruments which (i) are issued before 21 July 2018 and are neither deposits within the positions of no. 13 and 14 nor money market instruments (ii) are issued from 21 July 2018 onwards, have an original contractual maturity of at least one year, do not qualify as deposits within the position of no. 13 and 14 and the contractual documentation and, where applicable, the prospectus explicitly refer to the lower ranking | |
| Liabilities and own funds including derivative liabilities | 3,003 | 600 | 2,514 | 21 | 6,137 |
| *of which excluded liabilities* | | | *9* | *5* | *14* |
| Liabilities and own funds less excluded liabilities | 3,003 | 600 | 2,505 | 15 | 6,123 |
| Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of internal TLAC | 3,003 | 600 | 2,505 | | 6,108 |
| *of which residual maturity ≥ 1 year < 2 years* | | | *600* | | *600* |
| *of which residual maturity ≥ 2 year < 5 years* | | | *1,250* | | *1,250* |
| *of which residual maturity ≥ 5 years < 10 years* | | | *655* | | *655* |
| *of which residual maturity ≥ 10 years, but excluding perpetual securities* | | | | | |
| *of which perpetual securities* | *3,003* | *600* | | | *3,603* |

# Own funds requirements and risk-weighted exposure amounts

## Pillar 1 capital requirements

For Pillar 1, regulatory capital exposures are calculated using supervisory standardised approaches except for:

### Credit risk determined by internal credit model

- Exposures arising from derivatives (OTC & ETD) are calculated using an IMM credit model. Exposures on OTC transactions that are not approved to be calculated in this model are determined using the supervisory Standardized approach for counterparty credit risk (SA-CCR).
- Exposures arising from securities financing transactions (SFT) are calculated using an IMA credit model. Exposures on SFT transactions not approved to be calculated in this model are determined using the supervisory volatility adjustments approach for master netting agreements.

### Market risk

- The own funds requirements for market risk is calculated using the Market Risk Standard Approach, in accordance with Title IV of Part Three of CRR, by applying risk-weighting factors predetermined to positions after applicable netting is performed. For options trading, the calculation is based on the delta-plus method: the market value of the underlying is multiplied by the delta for the options positions. This method also takes gamma and vega into account.

UBS Europe SE applies standardised risk weightings where applicable using external credit ratings of the rating agencies Moody's, Standard & Poor's, and Fitch.

## Assessing capital requirements

UBS Europe SE assesses the adequacy of its capital resources in terms of both amount and type through a number of processes governed by the Management Board, the Risk Committee and the ALCO of UBS Europe SE.

A Capital Management Framework has been established with the objective of ensuring that UBS Europe SE complies at all times with relevant regulation and its internal capital risk appetite.

As part of the business planning process, each operating business forecasts its capital needs over a three-year horizon. The resulting plan is also subject to the stress testing results to determine whether the bank's capital resources are sufficient should severe market conditions or other events arise. Furthermore, UBS Europe SE considers whether the regulatory capital measures specified in the CRR are sufficient given the risk profile of the bank.

The capital planning process is integrated into UBS Europe SE's ICAAP framework, in which UBS Europe SE's capital adequacy is assessed under the Normative Baseline & Adverse perspectives over a three year-horizon and under the Economic View to ensure sufficient level of capitalization.

The results of these processes form part of the UBS Europe SE ICAAP document which is submitted annually to the ECB. The ICAAP is then assessed by the ECB and used as part of their Supervisory Review and Evaluation Process (SREP) to set a minimum capital requirement for the bank. The Board considers all these factors in establishing the total amount of capital required and the nature of the capital instruments that should be issued.

The Board sets Capital Limits, Early Warning Indicators and Targets as well as a management buffer which allows UBS Europe SE to sustainably follow its business model. Procedures are in place to monitor the businesses capital consumption against these metrics and escalate any issues arising through the governance fora.

Quarterly stress testing is undertaken to ensure that capital remains sufficient to enable the firm to continue to meet the Board's metrics should a stress event occur. The results are discussed by the UBS Europe SE ALCO and reported to the Management Board.

UBS Europe SE's business plan forms part of the overall UBS Group planning process which is approved by the UBS Group AG Executive Board.

## Effect of Capital Floors and Non Deducted Items on Own Funds Requirements and Risk Weighted Exposure Amounts

As of 31 December 2025, the application of capital floors did not have an impact on the amount of own funds requirement and risk-weighted exposure amounts. Certain items, including deferred tax assets and equity exposures below the applicable deduction thresholds, are not deducted from own funds but are instead risk weighted. This treatment is unchanged from prior periods and did not result in any additional impact on risk weighted exposure amounts.

The following table outlines an overview of the risk-weighted assets and capital requirement for UBS Europe SE.

**EU OV1 – Overview of total risk exposure amounts**

| | 31.12.25 | | 31.12.24 | |
|---|---|---|---|---|
| *EUR m* | Risk weighted exposure amounts (RWEAs) | Total own funds requirements | Risk weighted exposure amounts (RWEAs) | Total own funds requirements |
| **Credit risk (excluding CCR)** | 7,397 | 592 | 5,816 | 465 |
| *Of which the standardised approach* | *7,397* | *592* | *5,816* | *465* |
| *Of which the Foundation IRB (F-IRB) approach* | | | | |
| *Of which: slotting approach* | | | | |
| *Of which: equities under the simple risk weighted approach* | | | | |
| *Of which the Advanced IRB (A-IRB) approach* | | | | |
| **Counterparty credit risk - CCR** | 4,119 | 329 | 4.298[3] | 344[3] |
| *Of which the standardised approach[1]* | *1,148* | *92* | *1,447* | *116* |
| *Of which internal model method (IMM)[2]* | *2,915* | *233* | *2,785* | *223* |
| *Of which exposures to a CCP* | *57* | *5* | *67* | *5* |
| *Of which other CCR* | *(1)* | *(0)* | *(1)* | *(0)* |
| **Credit valuation adjustments risk - CVA risk** | *1,073* | *86* | *808* | *65* |
| *Of which the standardised approach (SA)* | | | | |
| *Of which the basic approach (F-BA and R-BA)* | *1,073* | *86* | | |
| *Of which the simplified approach* | | | | |
| **Settlement risk** | 31 | 2 | 25 | 2 |
| **Securitisation exposures in the non-trading book (after the cap)** | | | | |
| *Of which SEC-IRBA approach* | | | | |
| *Of which SEC-ERBA (including IAA)* | | | | |
| *Of which SEC-SA approach* | | | | |
| *Of which 1250% deduction* | | | | |
| **Position, foreign exchange and commodities risks (Market risk)** | 509 | 41 | 706 | 56 |
| *Of which the Alternative standardised approach (A-SA)* | | | | |
| *Of which the Simplified standardised approach (S-SA)* | *509* | *41* | *706* | *56* |
| *Of which Alternative Internal Model Approach (A-IMA)* | | | | |
| **Large exposures** | | | | |
| **Reclassifications between the trading and non-trading books** | | | | |
| **Operational risk** | 2,799 | 224 | 2,428 | 194 |
| Exposures to crypto-assets | | | | |
| **Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)[4]** | 104 | 8 | *68* | *5* |
| **Output floor applied (%)[4]** | 50 | | | |
| **Floor adjustment (before application of transitional cap)** | | | | |
| **Floor adjustment (after application of transitional cap)** | | | | |
| **Total** | 15,926 | 1,274 | 14,079 | 1,126 |

1 Where not eligible for inclusion in a modelled approach, SA-CCR is used for over the counter (OTC) and exchange traded derivatives (ETD), and the financial collateral comprehensive method is used for securities financing transactions (SFT). 2 Includes derivatives under IMM and SFTs under IMA. 3 2024 comparative figures have been restated by excluding Credit Valuation Adjustment (CVA) risk from Counterparty Credit Risk (CCR), following the change in the reporting template effective from 2025. This adjustment has been made to ensure data comparability. 4 See Section "Effect of Capital Floors and Non Deducted Items on Own Funds Requirements and Risk Weighted Exposure Amounts" for information on the impact of capital floors and risk-weighted items.

The table below compares risk-weighted exposure amounts (RWEAs) calculated under internal model approaches with those calculated under standardised approaches by risk type. Furthermore, the table presents an overview of RWEAs calculations under the full standardised approach, as well as the RWEAs figure that forms the basis of the output floor.

**EU CMS1 – Comparison of modelled and standardised risk weighted exposure amounts at risk level**

| 31.12.25 | | | | | |
|---|---|---|---|---|---|
| *EUR m* | RWEAs for modelled approaches that banks have supervisory approval to use | RWEAs for portfolios where standardised approaches are used | Total actual RWEAs | RWEAs calculated using full standardised approach[1,2] | RWEAs that is the base of the output floor[1,2] |
| Credit risk (excluding counterparty credit risk) | | 7,397 | 7,397 | 7,397 | 7,397 |
| Counterparty credit risk | | 4,119 | 4,119 | 5,680 | 5,680 |
| Credit valuation adjustment | | 1,073 | 1,073 | 2,260 | 2,260 |
| Securitisation exposures in the banking book | | | | | |
| Market risk | | 509 | 509 | 509 | 509 |
| Operational risk | | 2,799 | 2,799 | 2,799 | 2,799 |
| Other risk weighted exposure amounts | | 31 | 31 | 31 | 31 |
| **Total** | | 15,926 | 15,926 | 18,675 | 18,675 |

1 See Section "Effect of Capital Floors and Non Deducted Items on Own Funds Requirements and Risk Weighted Exposure Amounts" for information on the impact of capital floors and risk-weighted items. 2 The bank has elected not to apply the EBA-prescribed mapping in this column in order to more accurately reflect the distinction between credit risk (excluding counterparty credit risk) and counterparty credit risk.

The following table outlines the breakdown of market risk within UBS Europe SE by the main categories, showing RWEAs and capital requirements. As UBS Europe SE does not utilize advanced approaches these disclosures are derived under the standardised approach.

**EU MR1 – Market Risk under the standardised approach**

| | 31.12.25 | 31.12.24 |
|---|---|---|
| *EUR m* | RWEAs | RWEAs |
| **Outright products** | | |
| Interest rate risk (general and specific) | 331 | 493 |
| Equity risk (general and specific) | 7 | 7 |
| Foreign exchange risk | 171 | 206 |
| Commodity risk | | |
| **Options** | | |
| Simplified approach | | |
| Delta-plus approach | 1 | |
| Scenario approach | | |
| **Securitisation (specific risk)** | | |
| **Total** | 509 | 706 |

# Counterparty credit risk

## Methodology used to assign internal capital and credit limits for counterparty credit exposures

UBS Europe SE's credit limits reflect UBS Europe SE's risk capacity, risk appetite and large exposure requirements.

In IB Limits are established for individual counterparties and their counterparty groups covering banking and traded products, as well as settlement amounts. Limits apply to the current outstanding and contingent commitments based on notional but also to the potential future exposure of traded products. Limits are subject to tenor restrictions. The following key counterparty limit types may be established:

- Risk and volume limits for securities financing transactions
- Potential Future Exposure limit for uncollateralized non-cleared derivatives trading
- Close-out Exposure limit for collateralized non-cleared derivatives trading
- Exchange Traded Derivatives limit for cleared OTC and exchange traded derivatives
- Take and Hold and Temporary Exposure limits for Commercial Lending and Leverage Lending transactions
- Settlement Risk limits

In GWM limits are established in the main for private individuals, private investment companies and for Funds. Facility offering comes mainly in the way of Lombard Lending, and there is a limited mortgage offering in France and Italy. Clients must have sufficient Lending Value in their assets portfolio to cover the exposure and in some legal jurisdictions, to also cover the limits. GWM limits include:

- Lombard credit facilities, normally uncommitted and valid until further notice. Loan facilities can be used for overdrafts, fixed term advances and where the product is available, margin to cover derivatives, all within the parameters defined for Lombard exposures
- UBS's maximum risk appetite for a client is defined by the lower of the total (explicit) lending value of a client's collateral portfolio or the approved credit limits. Origination must obtain prior approval for any transaction that exceeds a client's total lending value or credit limit.

Limits are approved in accordance with delegated credit authority.

## Policies related to guarantees and other credit risk mitigants

For OTC traded products the majority of IB-originated credit exposures are collateralized under industry standard agreements with positive mark-to-market of outstanding trades collateralized with cash and/or highly liquid securities on a daily basis.

Counterparty exposure arising from clearing listed securities on exchanges on behalf of clients is collateralized via initial as well as variation margin, in line with exchange requirements and applying counterparty-specific multipliers as deemed appropriate to mitigate risk in line with the level of appetite.

Mitigation in Structured Financing portfolio is achieved by ensuring an adequate diversification of assets and counterparties with concentration in each collateral types or jurisdictions limited by the corresponding appetite.

In GWM Transactions must be covered by Lombard eligible collateral duly pledged to allow liquidation in a close out.

Collateral with liquidity and/or concentration risk are subject to respective credit approval and monitoring and lending values must reflect the risk of the collateral and the assumed close-out period.

## Policies with respect to Wrong-Way risk exposures

UBS Europe SE has a framework in place for identification, monitoring and reporting of Wrong Way Risks. All outstanding positions of Specific and General WWR are reviewed at least monthly.

## Capital allocation / Allocation of loan limits to counterparties

UBS Europe SE does not provide for any separate capital allocation as well as limitation of default risks towards counterparties with derivative items. Both are affected within the framework of the uniformly applicable limitation process for counterparty risks. The methods of the regulatory as well as internal control of large credits apply.

The following tables provide a view of the methods utilized to calculate CCR regulatory requirements together with the main parameters utilized for each methodology including replacement cost (RC), potential future exposure (PFE), effective expected positive exposure (EEPE), and credit risk mitigation (CRM) effects.

### EU CCR1 – Analysis of CCR exposure by approach

31.12.25

| *EUR m* | Replacement cost (RC) | Potential future exposure (PFE) | EEPE | Alpha used for computing regulatory exposure value | Exposure value pre-CRM | Exposure value post-CRM | Exposure value | RWEA |
|---|---|---|---|---|---|---|---|---|
| EU - Original Exposure Method (for derivatives) | | | | 1.4 | | | | |
| EU - Simplified SA-CCR (for derivatives) | | | | 1.4 | | | | |
| SA-CCR (for derivatives) | 265 | 1,183 | | 1.4 | 3,002 | 1,105 | 1,105 | 798 |
| IMM (for derivatives and SFTs) | | | 2,446 | 1.4 | 3,425 | 3,425 | 3,104 | 2,106 |
| *of which securities financing transactions netting sets* | | | | | | | | |
| *of which derivatives and long settlement transactions netting sets* | | | *2,446* | | *3,425* | *3,425* | *3,104* | *2,106* |
| *of which from contractual cross-product netting sets* | | | | | | | | |
| Financial collateral simple method (for SFTs) | | | | | | | | |
| Financial collateral comprehensive method (for SFTs) | | | | | 616 | 620 | 620 | 350 |
| VaR for SFTs | | | | | 1,264 | 1,187 | 1,187 | 809 |
| **Total** | | | | | 8,307 | 6,338 | 6,017 | 4,063 |

31.12.24

| *EUR m* | Replacement cost (RC) | Potential future exposure (PFE) | EEPE | Alpha used for computing regulatory exposure value | Exposure value pre-CRM | Exposure value post-CRM | Exposure value | RWEA |
|---|---|---|---|---|---|---|---|---|
| EU - Original Exposure Method (for derivatives) | | | | 1.4 | | | | |
| EU - Simplified SA-CCR (for derivatives) | | | | 1.4 | | | | |
| SA-CCR (for derivatives) | 120 | 1,327 | | 1.4 | 3,778 | 1,518 | 1,517 | 1,172 |
| IMM (for derivatives and SFTs) | | | 2,362 | 1.4 | 3,306 | 3,306 | 2,913 | 1,925 |
| *of which securities financing transactions netting sets* | | | | | | | | |
| *of which derivatives and long settlement transactions netting sets* | | | *2,362* | | *3,306* | *3,306* | *2,913* | *1,925* |
| *of which from contractual cross-product netting sets* | | | | | | | | |
| Financial collateral simple method (for SFTs) | | | | | | | | |
| Financial collateral comprehensive method (for SFTs) | | | | | 512 | 512 | 512 | 275 |
| VaR for SFTs | | | | | 1,471 | 1,164 | 1,164 | 859 |
| **Total** | | | | | **9,068** | **6,500** | **6,106** | **4,232** |

The following table provides a breakdown of CCR exposures by regulatory exposure class and risk weights.

**EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights[1]**

31.12.25

| | Risk Weight | | | | | | | | | | | Total exposure value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *EUR m* | 0% | 2% | 4% | 10% | 20% | 50% | 70% | 75% | 100% | 150% | Others | |
| **Exposure classes** | | | | | | | | | | | | |
| Central governments or central banks | 390 | | | | 2 | 4 | | | 58 | | | 454 |
| Regional government or local authorities | 1 | | | | 26 | 7 | | | | | | 33 |
| Public sector entities | | | | | | 29 | | | 21 | | | 50 |
| Multilateral development banks | | | | | | | | | | | | |
| International organisations | | | | | | | | | | | | |
| Institutions | | 534 | | | 213 | 640 | | 241 | 31 | 2 | 1,345[2] | 3,007 |
| Corporates | | | | | 0 | 36 | | 67 | 2,913 | | | 3,016 |
| Retail | | | | | | | | | | | | |
| Institutions and corporates with a short-term credit assessment | | | | | | | | | | | | |
| Other items | | | | | | | | | | | | |
| **Total exposure value** | 391 | 534 | | | 241 | 716 | | 308 | 3,022 | 2 | 1,345[2] | 6,559 |

31.12.24

| | Risk Weight | | | | | | | | | | | Total exposure value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *EUR m* | 0% | 2% | 4% | 10% | 20% | 50% | 70% | 75% | 100% | 150% | Other | |
| **Exposure classes** | | | | | | | | | | | | |
| Central governments or central banks | 385 | | | | 41 | 6 | | | | | | 432 |
| Regional government or local authorities | 1 | | | | 8 | | | | | | | 8 |
| Public sector entities | 63 | | | | | 7 | | | 9 | | | 80 |
| Multilateral development banks | | | | | | | | | | | | |
| International organisations | | | | | | | | | | | | |
| Institutions | | 470 | | | 423 | 2,000 | | | 60 | | | 2,954 |
| Corporates | | | | | 20 | 54 | | | 3,031 | 0 | | 3,105 |
| Retail | | | | | | | | | | | | |
| Institutions and corporates with a short-term credit assessment | | | | | | | | | | | | |
| Other items | | | | | | | | | | | | |
| **Total exposure value** | 450 | 470 | | | 492 | 2,067 | | | 3,100 | 0 | | 6,579 |

1 Exposure is stated after the application of CCFs and CRM and the addition of volatility adjustments to exposures. 2 This mainly comprises exposures to rated institutions subject to a 30% risk weight.

The following table provides a breakdown of types of collateral posted or received to support CCR exposures on derivatives and SFTs.

**EU CCR5 – Composition of collateral for CCR exposures**

31.12.25

| | Collateral used in derivative transactions | | | | Collateral used in SFTs | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value of collateral received | | Fair value of collateral posted | | Fair value of collateral received | | Fair value of collateral posted | |
| *EUR m* | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated |
| Cash – domestic currency | | 3,852 | 10 | 1,800 | | | | |
| Cash – other currencies | | 3,467 | 0 | 160 | | | | |
| Domestic sovereign debt | 13 | 120 | | 278 | | 635 | | 80 |
| Other sovereign debt | 553 | 3,927 | | 114 | | 22,228 | | 20,461 |
| Government agency debt | | | | | | | | |
| Corporate bonds | 152 | 18,342 | | | | 1,814 | | 625 |
| Equity securities | 34 | 17,558 | | | | 7,617 | | 5,133 |
| Other collateral | | 4,835 | | | | 0 | | 0 |
| **Total** | 751 | 52,101 | 10 | 2,352 | | 32,295 | | 26,299 |

31.12.24

| | Collateral used in derivative transactions | | | | Collateral used in SFTs | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value of collateral received | | Fair value of collateral posted | | Fair value of collateral received | | Fair value of collateral posted | |
| *EUR m* | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated |
| Cash – domestic currency | | 3,205 | | 1,889 | | | | |
| Cash – other currencies | | 6,150 | | 122 | | | | |
| Domestic sovereign debt | 4 | 83 | | 12 | | 1,881 | | 1,792 |
| Other sovereign debt | 455 | 6,552 | | 333 | | 51,621 | | 45,236 |
| Government agency debt | | | | | | | | |
| Corporate bonds | 194 | 23,386 | | 13 | | 1,825 | | 666 |
| Equity securities | 3 | 20,408 | | | | 5,416 | | 3,842 |
| Other collateral | | 5,839 | | | | 14 | | 0 |
| **Total** | **656** | **65,624** | | **2,369** | | **60,757** | | **51,535** |

The following table provides an overview of the credit derivative portfolio of UBS Europe SE by product group using notional amounts. UBS Europe SE does not utilize credit derivatives within its banking book.

### EU CCR6 – Credit derivatives exposures

31.12.25

| *EUR m* | Protection bought | Protection sold |
|---|---|---|
| **Notionals** | | |
| Single-name credit default swaps | 376 | 376 |
| Index credit default swaps | 9 | 9 |
| Total return swaps | 0 | 4 |
| Credit options | | |
| Other credit derivatives | | |
| **Total notionals** | 384 | 388 |
| **Fair values** | | |
| Positive fair value (asset) | 3 | 6 |
| Negative fair value (liability) | (6) | (8) |

31.12.24

| *EUR m* | Protection bought | Protection sold |
|---|---|---|
| **Notionals** | | |
| Single-name credit default swaps | 944 | 906 |
| Index credit default swaps | 27 | 27 |
| Total return swaps | | 1 |
| Credit options | | |
| Other credit derivatives | | |
| **Total Notionals** | 971 | 934 |
| **Fair values** | | |
| Positive fair value (asset) | 6 | 10 |
| Negative fair value (liability) | (12) | (6) |

The following table provides a view of the drivers behind the change in the RWEA relating to OTC derivatives under the IMM over the period.

**EU CCR7 – RWEA flow statements of CCR exposures under the IMM**

31.12.25

| *EUR m* | RWEA |
|---|---|
| RWEA as at the end of the previous reporting period | 1,925 |
| Asset size | 326 |
| Credit quality of counterparties | (13) |
| Model updates (IMM only) | (25) |
| Methodology and policy (IMM only) | |
| Acquisitions and disposals | |
| Foreign exchange movements | (107) |
| Other | |
| **RWEA as at the end of the current reporting period** | 2,106 |

31.12.24

| *EUR m* | RWEA |
|---|---|
| RWEA as at the end of the previous reporting period | 1,710 |
| Asset size | 178 |
| Credit quality of counterparties | (20) |
| Model updates (IMM only) | |
| Methodology and policy (IMM only) | |
| Acquisitions and disposals | |
| Foreign exchange movements | 58 |
| Other | |
| **RWAs as at the end of the current reporting period** | 1,925 |

The following table provides an overview of the CCR charge resulting from exposures to Central Clearing Counterparties (CCP). It sets out the types of exposures as well as their related capital charges.

**EU CCR8 – Exposures to CCPs**

| | 31.12.25 | | 31.12.24 | |
|---|---|---|---|---|
| *EUR m* | Exposure value | RWEA | Exposure value | RWEA |
| **Exposures to QCCPs (total)** | | 57 | | 67 |
| Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which | 542 | 14 | 473 | 10 |
| *(i) OTC derivatives* | *178* | *6* | *162* | *3* |
| *(ii) Exchange-traded derivatives* | *1* | *0* | *4* | *0* |
| *(iii) SFTs* | *364* | *8* | *306* | *7* |
| *(iv) Netting sets where cross-product netting has been approved* | | | | |
| Segregated initial margin | | | | |
| Non-segregated initial margin | 60 | 1 | 56 | 1 |
| Prefunded default fund contributions | 296 | 41 | 339 | 56 |
| Unfunded default fund contributions | 551 | | 504 | |
| **Exposures to non-QCCPs (total)** | | | | |
| Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which | | | | |
| *(i) OTC derivatives* | | | | |
| *(ii) Exchange-traded derivatives* | | | | |
| *(iii) SFTs* | | | | |
| *(iv) Netting sets where cross-product netting has been approved* | | | | |
| Segregated initial margin | | | | |
| Non-segregated initial margin | | | | |
| Prefunded default fund contributions | | | | |
| Unfunded default fund contributions | | | | |

# Countercyclical capital buffer

The following table sets out credit exposures as at 31 December 2025, split by geographical distribution, utilized in the calculation of the countercyclical capital buffer.

**EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer**

31.12.25

| | General credit exposures | | Relevant credit exposures – Market risk | | | | Own fund requirements | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *EUR m, except where indicated* | Exposure value under the standardised approach | Exposure value under the IRB approach | Sum of long and short positions of trading book exposures for SA | Value of trading book exposures for internal models | Securitisation exposures Exposure value for non-trading book | Total exposure value | Relevant credit risk exposures - Credit risk | Relevant credit exposures – Market risk | Relevant credit exposures – Securitisation positions in the non-trading book | Total | Risk-weighted exposure amounts | Own fund requirements weights (%) | Countercyclical buffer rate (%) |
| **Breakdown by country:** | | | | | | | | | | | | | |
| *Arab Republic of Egypt* | 0 | | | | | 0 | 0 | | | 0 | 0 | 0.00 | |
| *Argentine Republic* | 1 | | 0 | | | 1 | 0 | 0 | | 0 | 1 | 0.01 | |
| *Australia* | 5 | | 0 | | | 5 | 0 | 0 | | 0 | 5 | 0.06 | 1.00 |
| *Belize* | 2 | | | | | 2 | 0 | | | 0 | 2 | 0.02 | |
| *Bermuda* | 4 | | 0 | | | 4 | 0 | 0 | | 0 | 2 | 0.03 | |
| *Canada* | 61 | | | | | 61 | 5 | | | 5 | 61 | 0.66 | |
| *Cayman Islands* | 104 | | 0 | | | 104 | 8 | 0 | | 8 | 104 | 1.12 | |
| *Commonwealth of the Bahamas* | 32 | | | | | 32 | 3 | | | 3 | 32 | 0.34 | |
| *Czech Republic* | 0 | | | | | 0 | 0 | | | 0 | 0 | 0.00 | 1.25 |
| *Dominican Republic* | 1 | | | | | 1 | 0 | | | 0 | 1 | 0.01 | |
| *Eastern Republic of Uruguay* | 0 | | | | | 0 | 0 | | | 0 | 0 | 0.00 | |
| *Federal Republic of Germany* | 1,537 | | 2 | | | 1,538 | 103 | 0 | | 104 | 1,294 | 13.91 | 0.75 |
| *Federative Republic of Brazil* | 0 | | | | | 0 | 0 | | | 0 | 0 | 0.00 | |
| *French Republic* | 2,923 | | 2 | | | 2,925 | 221 | 0 | | 221 | 2,768 | 29.75 | 1.00 |
| *Gibraltar* | 1 | | | | | 1 | 0 | | | 0 | 1 | 0.01 | |
| *Grand Duchy of Luxembourg* | 1,154 | | | | | 1,154 | 93 | | | 93 | 1,159 | 12.46 | 0.50 |
| *Great Britain and Northern Ireland* | 209 | | 0 | | | 210 | 14 | 0 | | 14 | 180 | 1.94 | 2.00 |
| *Guernsey* | 10 | | | | | 10 | 1 | | | 1 | 10 | 0.10 | |
| *Hellenic Republic* | 1 | | 0 | | | 1 | 0 | 0 | | 0 | 1 | 0.01 | 0.25 |
| *Hong Kong* | 1 | | | | | 1 | 0 | | | 0 | 0 | 0.00 | 0.50 |
| *Ireland* | 178 | | | | | 178 | 14 | | | 14 | 178 | 1.92 | 1.50 |
| *Isle of Man* | 0 | | | | | 0 | 0 | | | 0 | 0 | 0.00 | |
| *Italian Republic* | 882 | | 0 | | | 882 | 68 | 0 | | 68 | 850 | 9.14 | |
| *Japan* | 0 | | | | | 0 | 0 | | | 0 | 0 | | |
| *Jersey* | 0 | | | | | 0 | 0 | | | 0 | 0 | 0.00 | |
| *Jordan* | 5 | | | | | 5 | 0 | | | 0 | 5 | 0.05 | |
| *Kingdom of Belgium* | 26 | | 1 | | | 27 | 2 | 0 | | 2 | 26 | 0.28 | 1.00 |

**EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (continued)**

31.12.25

| | General credit exposures | | Relevant credit exposures – Market risk | | Securitisation exposures | | Own fund requirements | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *EUR m, except where indicated* | Exposure value under the standardised approach | Exposure value under the IRB approach | Sum of long and short positions of trading book exposures for SA | Value of trading book exposures for internal models | Exposure value for non-trading book | Total exposure value | Relevant credit risk exposures - Credit risk | | Total | Risk-weighted exposure amounts | Own fund requirements weights (%) | Countercyclical buffer rate (%) |
| **Breakdown by country:** | | | | | | | | | | | | |
| *Kingdom of Denmark* | 121 | | | | | 121 | 10 | | 10 | 121 | 1.30 | 2.50 |
| *Kingdom of Morocco* | 2 | | | | | 2 | 0 | | 0 | 2 | 0.03 | |
| *Kingdom of Netherlands* | 71 | | 1 | | | 72 | 5 | 0 | 5 | 65 | 0.70 | 2.00 |
| *Kingdom of Norway* | 261 | | 0 | | | 261 | 5 | 0 | 5 | 62 | 0.66 | 2.50 |
| *Kingdom of Saudi Arabia* | 1 | | | | | 1 | 0 | | 0 | 1 | 0.01 | |
| *Kingdom of Spain* | 350 | | 1 | | | 350 | 27 | 0 | 27 | 335 | 3.60 | 0.50 |
| *Kingdom of Sweden* | 373 | | | | | 373 | 23 | | 23 | 285 | 3.06 | 2.00 |
| *Kingdom of Thailand* | 11 | | | | | 11 | 1 | | 1 | 10 | 0.11 | |
| *Lebanese Republic* | 4 | | | | | 4 | 0 | | 0 | 4 | 0.05 | |
| *Malaysia* | 17 | | | | | 17 | 1 | | 1 | 17 | 0.18 | |
| *Netherlands Antilles* | 3 | | 0 | | | 3 | 0 | 0 | 0 | 3 | 0.03 | |
| *New Zealand* | 0 | | | | | 0 | 0 | | 0 | 0 | | |
| *Other* | 2 | | | | | 2 | 0 | | 0 | 2 | 0.03 | |
| *Portuguese Republic* | 22 | | | | | 22 | 2 | | 2 | 22 | 0.23 | |
| *Principality of Liechtenstein* | 0 | | | | | 0 | 0 | | 0 | 0 | | |
| *Republic of Austria* | 15 | | | | | 15 | 1 | | 1 | 15 | 0.16 | |
| *Republic of Bolivia* | 0 | | | | | 0 | 0 | | 0 | 0 | 0.00 | |
| *Republic of Chile* | 273 | | | | | 273 | 22 | | 22 | 273 | 2.93 | 0.50 |
| *Republic of Colombia* | 0 | | | | | 0 | 0 | | 0 | 0 | 0.00 | |
| *Republic of Croatia* | 0 | | | | | 0 | 0 | | 0 | 0 | | 1.50 |
| *Republic of Cyprus* | 54 | | | | | 54 | 4 | | 4 | 54 | 0.58 | 1.00 |
| *Republic of Ecuador* | 0 | | | | | 0 | 0 | | 0 | 0 | 0.00 | |
| *Republic of El Salvador* | 0 | | | | | 0 | 0 | | 0 | 0 | | |
| *Republic of Estonia* | 0 | | | | | 0 | 0 | | 0 | 0 | 0.00 | 1.50 |
| *Republic of Finland* | 139 | | | | | 139 | 10 | | 10 | 120 | 1.29 | |
| *Republic of Guatemala* | 0 | | | | | 0 | 0 | | 0 | 0 | 0.00 | |
| *Republic of Iceland* | 0 | | | | | 0 | 0 | | 0 | 0 | 0.00 | 2.50 |
| *Republic of Indonesia* | 0 | | | | | 0 | 0 | | 0 | 0 | | |
| *Republic of Korea* | 0 | | | | | 0 | 0 | | 0 | 0 | | 1.00 |
| *Republic of Latvia* | | | | | | | | | | | | 1.00 |
| *Republic of Lithuania* | 3 | | | | | 3 | 0 | | 0 | 3 | 0.03 | 1.00 |
| *Republic of Malta* | 51 | | | | | 51 | 4 | | 4 | 51 | 0.55 | |
| *Republic of Mauritius* | 5 | | | | | 5 | 0 | | 0 | 5 | 0.05 | |
| *Republic of Panama* | 20 | | | | | 20 | 2 | | 2 | 20 | 0.21 | |
| *Republic of Paraguay* | 2 | | | | | 2 | 0 | | 0 | 2 | 0.02 | |
| *Republic of Peru* | 0 | | | | | 0 | 0 | | 0 | 0 | 0.00 | |
| *Republic of Poland* | 0 | | | | | 0 | 0 | | 0 | 0 | 0.00 | 1.00 |
| *Republic of Serbia* | 7 | | | | | 7 | 0 | | 0 | 6 | 0.07 | |

## EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (continued)

31.12.25

| | General credit exposures | | Relevant credit exposures – Market risk | | Securitisation exposures | | Own fund requirements | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *EUR m, except where indicated* | Exposure value under the standardised approach | Exposure value under the IRB approach | Sum of long and short positions of trading book exposures for SA | Value of trading book exposures for internal models | Exposure value for non-trading book | Total exposure value | Relevant credit risk exposures - Credit risk | | Total | Risk-weighted exposure amounts | Own fund requirements weights (%) | Countercyclical buffer rate (%) |
| **Breakdown by country:** | | | | | | | | | | | | |
| *Republic of Singapore* | 6 | | | | | 6 | 0 | | 0 | 5 | 0.06 | |
| *Republic of Turkey* | 3 | | | | | 3 | 0 | | 0 | 3 | 0.03 | |
| *Republic of Venezuela* | 0 | | | | | 0 | 0 | | 0 | 0 | 0.01 | |
| *Republic of the Marshall Islands* | 2 | | | | | 2 | 0 | | 0 | 2 | 0.02 | |
| *Republic of the Philippines* | 0 | | | | | 0 | 0 | | 0 | 0 | | |
| *Romania* | | | | | | | | | | | | 1.00 |
| *Russian Federation* | 19 | | | | | 19 | 2 | | 2 | 19 | 0.21 | |
| *Saint Kitts and Nevis* | 7 | | | | | 7 | 1 | | 1 | 7 | 0.08 | |
| *State of Israel* | 1 | | | | | 1 | 0 | | 0 | 1 | 0.01 | |
| *State of Kuwait* | 1 | | | | | 1 | 0 | | 0 | 1 | 0.01 | |
| *State of Qatar* | 1 | | | | | 1 | 0 | | 0 | 1 | 0.01 | |
| *Swiss Confederation* | 68 | | | | | 68 | 5 | | 5 | 68 | 0.73 | |
| *Taiwan, Province of China* | 239 | | | | | 239 | 18 | | 18 | 227 | 2.44 | |
| *United Arab Emirates* | 170 | | | | | 170 | 14 | | 14 | 170 | 1.83 | |
| *United Mexican States* | 19 | | 0 | | | 19 | 2 | 0 | 2 | 19 | 0.20 | |
| *United States of America* | 536 | | 1 | | | 537 | 43 | 0 | 43 | 537 | 5.78 | |
| *Virgin Islands (British)* | 81 | | | | | 81 | 7 | | 7 | 81 | 0.87 | |
| **TOTAL** | 10,102 | | 7 | | | 10,109 | 744 | 0 | 744 | 9,304 | 100.00 | |

The table below sets out the calculation of the countercyclical capital buffer.

## EU CCyB2 – Amount of institution-specific countercyclical capital buffer

| *EUR m, except where indicated* | 31.12.25 | 31.12.24 |
|---|---|---|
| Total risk exposure amount | 15,926 | 14,079 |
| Institution-specific countercyclical buffer rate (%) | 0.7 | 0.7 |
| Institution-specific countercyclical capital buffer requirement | 111 | 101 |

# Credit risk exposure in the standardized approach

UBS Europe SE applies the standardized approach to all credit risk-relevant exposures. Under this approach, risk weights are determined by mapping eligible external credit assessments from nominated external credit assessment institutions (ECAIs) to credit quality steps (CQS), in line with the relevant regulatory framework. UBS Europe SE uses, where applicable, the credit assessments of its nominated ECAIs, Moody's, S&P, and Fitch.

External ratings are applied consistently across all relevant exposure classes, including central governments and central banks, regional governments and local authorities, public sector entities, institutions, corporates, covered bonds, multilateral development banks, and international organizations.

The risk weight for debt securities is determined by first considering the instrument's external rating. If no instrument rating is available or the financial instrument is not a debt security, the issuer's rating is used in accordance with the hierarchy and conditions set out in the CRR. In the absence of both, the exposure is treated as unrated, and the applicable regulatory risk weight is assigned. For equity exposures, defaulted exposures, and other items, UBS Europe SE applies the regulatory risk weight treatment prescribed in the CRR, irrespective of external ratings.

External ratings are sourced from nominated ECAIs and integrated into UBS Europe SE's reporting system, where they are mapped to credit quality steps and risk weights according to the official methodology established by European authorities and adopted by the European Commission.

The following table outlines the effects of CRM excluding derivative, long settlement transactions, margin lending and SFT transactions and outlines exposures pre and post CRM and credit conversion factors (CCF).

**EU CR4 – standardised approach – Credit risk exposure and CRM effects**

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| *EUR m, except where indicated* | Exposures before CCF and before CRM | | Exposures post CCF and post CRM[1] | | RWAs and RWAs density | |
|---|---|---|---|---|---|---|
| | On-balance-sheet exposures | Off-balance-sheet exposures | On-balance-sheet exposures | Off-balance-sheet exposures | RWEA | RWEA density (%) |
| **Exposure classes** | | | | | | |
| Central governments or central banks | 10,896 | 0 | 10,902 | | 48 | 0 |
| Non-central government public sector entities | 1,523 | 58 | 1,519 | | 104 | 7 |
| *Regional government or local authorities* | *555* | | *555* | | *71* | *13* |
| *Public sector entities* | *968* | *58* | *963* | | *33* | *3* |
| Multilateral development banks | 382 | | 382 | | | |
| International organisations | 387 | | 387 | | | |
| Institutions | 4,086 | 819 | 3,207 | 46 | 969 | 30 |
| Covered bonds | 687 | | 687 | | 113 | 16 |
| Corporates | 7,950 | 19,101 | 4,443 | 1,358 | 5,686 | 98 |
| Subordinated debt exposures and equity | 3 | | 3 | | 7 | 250 |
| *Subordinated debt exposures* | | | | | | |
| *Equity* | *3* | | *3* | | *7* | *250* |
| Retail | | | | | | |
| Secured by mortgages on immovable property and ADC exposures | | | | | | |
| Exposures in default | 16 | | 16 | | 19 | 117 |
| Other items | 452 | | 452 | | 452 | 100 |
| **Total** | 26,381 | 19,978 | 21,998 | 1,404 | 7,397 | 32 |

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| *EUR m, except where indicated* | Exposures before CCF and CRM | | Exposures post CCF and post CRM[1] | | RWAs and RWA density | |
|---|---|---|---|---|---|---|
| | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | RWAs | RWEA density (%) |
| **Exposure class** | | | | | | |
| Central governments or central banks | 12,742 | | 12,749 | | 33 | |
| Regional government or local authorities | 505 | | 505 | | 49 | 10 |
| Public sector entities | 1,193 | 53 | 1,193 | | 5 | |
| Multilateral development banks | 331 | | 331 | | | |
| International organisations | 215 | | 215 | | | |
| Institutions | 3,466 | 462 | 2,658 | 44 | 674 | 25 |
| Corporates | 7,064 | 17,250 | 3,735 | 918 | 4,548 | 98 |
| Retail | | | | | | |
| Secured by mortgages on immovable property | | | | | | |
| Exposures in default | 8 | | 8 | | 11 | 142 |
| Exposures associated with particularly high risk | 25 | | 25 | | 38 | 150 |
| Covered bonds | 729 | | 729 | | 73 | 10 |
| Institutions and corporates with a short-term credit assessment | | | | | | |
| Collective investment undertakings | | | | | | |
| Equity | 1 | | 1 | | 2 | 250 |
| Other items | 384 | | 384 | | 384 | 100 |
| **Total** | 26,662 | 17,766 | 22,532 | 962 | 5,816 | 25 |

1 The exposure value post CCF and post CRM includes substitution effects.

The following table provides a view of the breakdown of credit exposures by risk weight and asset class under the standardized approach.

**EU CR5 – Standardised approach[1]**

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| | Risk weight | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *EUR m* | 0% | 10% | 20% | 30% | 40% | 50% | 70% | 75% | 100% | 150% | 250% | 1250% | Others | Total | Of which unrated |
| Central governments or central banks | 10,883 | | | | | | | | | | 19 | | | 10,902 | 9,755 |
| Non-central government public sector entities | 1,278 | | 185 | | | 36 | | | | | 20 | | | 1,519 | 120 |
| *Regional governments or local authorities* | *424* | | *112* | | | | | | | | *20* | | | *555* | *20* |
| *Public sector entities* | *854* | | *73* | | | *36* | | | | | | | | *963* | *100* |
| Multilateral development banks | 382 | | | | | | | | | | | | | 382 | |
| International organisations | 387 | | | | | | | | | | | | | 387 | |
| Institutions | | | 1,507 | 1,383 | 40 | 238 | | 19 | 0 | 64 | | 1 | | 3,253 | 225 |
| Covered bonds | | 242 | 445 | | | | | | | | | | | 687 | |
| Corporates | | | 70 | | | 86 | 291 | 82 | 5,186 | 80 | | 5 | | 5,801 | 5,467 |
| Subordinated debt exposures and equity | | | | | | | | | | | 3 | | | 3 | 3 |
| *Subordinated debt exposures* | | | | | | | | | | | | | | | |
| *Equity* | | | | | | | | | | | *3* | | | *3* | *3* |
| Retail exposures | | | | | | | | | | | | | | | |
| Secured by mortgages on immovable property and ADC exposures | | | | | | | | | | | | | | | |
| Exposures in default | | | | | | | | | 10 | 5 | | | | 16 | 16 |
| Other items | 0 | | 0 | | | | | | 452 | | | | | 452 | 452 |
| **Total** | 12,930 | 242 | 2,208 | 1,383 | 40 | 361 | 291 | 102 | 5,649 | 149 | 42 | 5 | | 23,401 | 16,037 |

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| | Risk weight | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *EUR m* | 0% | 2% | 4% | 10% | 20% | 50% | 70% | 75% | 100% | 150% | 250% | 1250% | Others | Total | Of which unrated |
| Central governments or central banks | 12,736 | | | | | | | | | | 13 | | | 12,749 | 12,339 |
| Regional government or local authorities | 413 | | | | 78 | | | | | | 13 | | | 505 | 13 |
| Public sector entities | 1,170 | | | | 23 | | | | | | | | | 1,193 | 580 |
| Multilateral development banks | 331 | | | | | | | | | | | | | 331 | 197 |
| International organisations | 215 | | | | | | | | | | | | | 215 | |
| Institutions | | | | | 2,340 | 319 | | | 43 | | | 0 | | 2,702 | 322 |
| Corporates | | | | | 133 | 8 | 282 | | 4,075 | 153 | | 1 | | 4,652 | 4,243 |
| Retail | | | | | | | | | | | | | | | |
| Secured by mortgages on immovable property | | | | | | | | | | | | | | | |
| Exposures in default | | | | | | | | | 1 | 7 | | | | 8 | 8 |
| Exposures associated with particularly high risk | | | | | | | | | | 25 | | | | 25 | 25 |
| Covered bonds | | | | 729 | | | | | | | | | | 729 | 0 |
| Institutions and corporates with a short-term credit assessment | | | | | | | | | | | | | | | |
| Unit or shares in collective investment undertakings | | | | | | | | | | | | | | | |
| Equity | | | | | | | | | | | 1 | | | 1 | 1 |
| Other items | | | | | | | | | 384 | | | | | 384 | 384 |
| **Total** | 14,865 | | | 729 | 2,574 | 327 | 282 | | 4,502 | 185 | 27 | 2 | | 23,494 | 18,110 |

1 Exposure is stated after the application of CCFs and CRM and the addition of volatility adjustments to exposures.

# Credit risk adjustments

## Policies for past-due, non-performing and credit-impaired claims

In line with the regulatory definition, we report a claim as non-performing when: (i) it is more than 90 days past due; (ii) it is subject to restructuring proceedings, where preferential conditions concerning interest rates, subordination, tenor, etc. have been granted in order to avoid default of the counterparty (forbearance); or (iii) the counterparty is subject to bankruptcy / enforced liquidation proceedings in any form, even if there is sufficient collateral to cover the due payment; or (iv) there is other evidence that payment obligations will not be fully met without recourse to collateral.

UBS Europe SE applies a single definition of default for classifying assets and determining the probability of default (PD) of its obligors for risk modeling purposes. The definition of default is based on quantitative and qualitative criteria. A counterparty is classified as defaulted at the latest when material payments of interest, principal or fees are overdue for more than 90 days. Counterparties are also classified as defaulted when: bankruptcy, insolvency proceedings or enforced liquidation have commenced; obligations have been restructured on preferential terms (forbearance); or there is other evidence that payment obligations will not be fully met without recourse to collateral. The latter may be the case even if, to date, all contractual payments have been made when due. If one claim against a counterparty is defaulted on, generally all claims against the counterparty are treated as defaulted.

An instrument is classified as credit-impaired if the counterparty is classified as defaulted, and/or the instrument is identified as purchased or originated credit-impaired (POCI). An instrument is POCI if it has been purchased at a deep discount to its carrying amount following a risk event of the issuer or originated with a defaulted counterparty. Once a financial asset is classified as defaulted/credit-impaired (except POCI), it is reported as a stage 3 instrument and remains as such unless all past due amounts have been rectified, additional payments have been made on time, the position is not classified as credit restructured, and there is general evidence of credit recovery. A three-month probation period is applied before a transfer back to stages 1 or 2 can be triggered. However, most instruments remain in stage 3 for a longer period. As of 31 December 2025, we had no instruments classified as POCI on our books.

## Definition of 'past due' and 'impaired' for the purpose of accounting

A financial asset must be classified as past due by Risk Control when the following occurs: (i) a counterparty fails to make a cash payment when contractually due on the financial asset; and (ii) the missing cash payment is not covered by an approved and advised limit.

An overdraft account must be generally classified as past due when the balance exceeds an approved and advised limit. An advised limit is a credit limit which is based on a contractual agreement with the client. This requires that the limit size, payment deadlines and all other relevant terms and conditions have been communicated to the client.

A legal counterparty is deemed to be impaired/in default if there is evidence that contractual payment obligations towards UBS Europe SE will not be met in full without enforcement of credit enhancements such as collateral or third party guarantees. This includes inability as well as unwillingness to pay.

The identification of default takes into account qualitative and quantitative aspects. Indications include:

### Unlikeliness-to-pay indicators

A legal counterparty must be classified as in default, if not classified as such already, in the following situations: (i) the legal counterparty is subject to legal bankruptcy proceedings which comprise UBS Europe SE exposures or is forced into liquidation (e.g. debt moratorium), even if there is sufficient collateral to cover payment obligations; (ii) for a financial asset of the legal counterparty causing material credit exposure and carried at amortized cost, the carrying amount exceeds the present value of the estimated future cash flows, i.e. interest payments, scheduled principal repayments, or other payments due, for example on guarantees, and including liquidation of collateral and third-party-guaranteed payments where available; (iii) the legal counterparty legally defaulted on a financial asset as a result of a covenant breach or a contractually specified termination event, and a close-out of the financial asset has been enforced for credit related reasons. This may exclude cases when a financial asset has been closed-out in the absence of a legal default event or in the regular course of the business with a timely payment of any arising claims.

### Conclusive past due backstops

A legal counterparty must be classified as in default when it exceeds 90 days past due pursuant to the applicable counting rule.

### Default with a third party

It is a rebuttable presumption that a legal counterparty is in default if (i) it has legally defaulted on credit positions granted by a third party as a result of a covenant breach or a contractually specified termination event and the financial asset has been irregularly closed-out; or (ii) distressed credit positions granted by a third party are under credit restructuring.

That is, a legal counterparty must be classified as in default if UBS Europe SE observes above circumstances unless evidence can be collected that UBS's credit exposure is not impacted.

### Additional Indications for Default

Default may not initially be evident and so an effective classification process for default must take into account potential indicators which may not necessarily signify default. This includes the following examples: (1) repeated or Long-Lasting Delinquency; (ii) repeated material past due amounts or financial assets which have been past due for a long period (relative to commercially accepted grace periods) may be an indication of default, irrespective of whether the conclusive or rebuttable delinquency backstop have been triggered or not.

### General and specific credit risk adjustments

Credit risk adjustments at UBS Europe SE are determined in accordance with the IFRS 9 expected credit loss (ECL) framework and are consistent with the accounting policies applied at UBS Group level. Credit risk adjustments are recognised for financial assets measured at amortised cost, as well as for relevant off-balance-sheet exposures, including loan commitments and financial guarantee contracts.

General credit risk adjustments relate to expected credit losses recognised on exposures that are not credit-impaired at the reporting date. Expected credit losses are measured using a forward-looking approach that reflects the probability-weighted present value of credit losses expected to occur over a 12-month horizon or over the remaining lifetime of the exposure, depending on whether a significant increase in credit risk has occurred since initial recognition. The calculation of expected credit losses incorporates key credit risk parameters, including probability of default, loss given default and exposure at default, and takes into account reasonable and supportable forward-looking information, including macroeconomic assumptions.

Specific credit risk adjustments are recognised for exposures that are classified as credit-impaired. For these exposures, expected credit losses are measured on a lifetime basis and reflect an individual assessment of expected recoverable cash flows. This assessment considers realised and expected future payments, the value of collateral and guarantees, and the expected timing of recoveries. Where applicable, additional judgement is applied for exposures subject to restructuring measures, legal proceedings or recovery actions.

Table CR2 shows the changes in stock of defaulted loans and debt securities belonging to the IFRS category 'amortised cost' and Off-Balance Sheet positions during financial year 2025. Numbers are based on IFRS and the regulatory scope of consolidation is taken into consideration.

**EU CR2: Changes in the stock of non-performing loans and advances**

31.12.25

| *EUR m* | Gross carrying amount |
|---|---|
| **Initial stock of non-performing loans and advances** | 48 |
| Inflows to non-performing portfolios | 50 |
| Outflows from non-performing portfolios | (35) |
| *Outflows due to write-offs* | |
| *Outflow due to other situations* | *(35)* |
| **Final stock of non-performing loans and advances** | 63 |

A large majority of trades conducted on UBS Europe SE are fully collateralized and this is managed on a daily basis. Given the nature

of the business conducted in UBS Europe SE, the templates EU CR1, EU CR1-A and CQ1-CQ7-have been excluded on the grounds of materiality as these do not disclose material information that would enhance the understanding of the Pillar 3 disclosures. For the assessment of materiality both qualitative and quantitative criteria have been taken into account in accordance with BaFin Circular 05/2015. The template CR2 has been included to provide an overview of the movements during the period.

# Credit risk mitigation

UBS Europe SE uses specific credit risk mitigation (CRM) techniques for exposures to UBS AG and UBS Switzerland AG. For loans to external counterparties, UBS Europe SE uses various credit risk mitigation techniques. The security provided by customers for Lombard loans is offset within the framework of Articles 107 and 108 of the CRR.

All financial security is taken into account using the comprehensive method according to Article 223 of the CRR. The largest exposure to credit institutions is with the parent, UBS AG. This specific concentration risk is closely monitored by UBS Europe SE.

UBS Europe SE presents financial assets and liabilities on its balance sheet net if (i) it has a legally enforceable right to set off the recognized amounts and (ii) it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Netted positions include, for example, certain derivatives and repurchase and reverse repurchase transactions with various counterparties, exchanges and clearing houses.

For Centrally and Non-Centrally Cleared Derivatives agreements where UBS Europe SE is exposed to counterparty credit risk, cash and/or securities that meet specific requirements are used to mitigate credit risk. Particular consideration is given to the effects of risk correlation between the Counterparty and the Collateral issuer.

UBS ESE applies strict discipline in the extension and the sizing of lending commitments. All Investment Banking lending commitments which are entered into by UBS ESE are sub-participated to UBS AG once drawn under the terms of a Master Sub Participation Agreement (MSPA).

Traded product exposures to Group entities are collateralized to a large extent. A large exposure collateral process allows UBS ESE to call collateral from UBS AG to mitigate the large exposure to UBS AG.

The following table outlines the extent of usage of CRM techniques. It shows the carrying values of all collateral, financial guarantees and credit derivatives used as CRM.

**EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques**

31.12.25

| *EUR m* | Unsecured carrying amount | Secured carrying amount | Of which secured by collateral | Of which secured by financial guarantees | Of which secured by credit derivatives |
|---|---|---|---|---|---|
| **Exposure carrying values under credit risk mitigation** | | | | | |
| Loans and advances | 14,551 | 14,174 | 11,929 | 2,245 | |
| Debt securities | 6,418 | | | | |
| **Total** | 20,968 | 14,174 | 11,929 | 2,245 | |
| *Of which non-performing exposures* | | *47* | *47* | | |
| *Of which defaulted* | | *47* | | | |

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| *EUR m* | Unsecured carrying amount | Secured carrying amount | Of which secured by collateral | Of which secured by financial guarantees | Of which secured by credit derivatives |
|---|---|---|---|---|---|
| **Exposure carrying values under credit risk mitigation** | | | | | |
| Loans and advances | 17,165 | 13,678 | 11,007 | 2,670 | |
| Debt securities | 5,177 | | | | |
| **Total** | 22,342 | 13,678 | 11,007 | 2,670 | |
| *Of which non-performing exposures* | | *35* | *35* | | |
| *Of which defaulted* | | *35* | | | |

# Credit valuation adjustment

The credit valuation adjustment (CVA) capital charge covers the risk of mark-to-market losses associated with the deterioration of counterparty credit quality. UBS ESE has implemented a comprehensive framework to identify, measure, monitor, and control CVA risks in line with industry practice and regulatory standards. CVA risk is quantified through the use of modelling techniques with ongoing monitoring and governance maintained through dedicated committees and documented policies, ensuring continuous oversight.
Given the institution's de minimis CVA risk hedging and risk mitigation is not currently warranted. However, were this deemed necessary, the institution's strategy would include the use of single-name credit default swaps (CDS), index hedges, and both interest rate and FX derivatives. The instruments would be selected based on their alignment with the underlying risk sensitivities of the portfolio exposures with the effectiveness of hedges is monitored through UBS ESE's control framework and governance processes, ensuring alignment with both regulatory obligations and internal risk appetite.

UBS ESE determines its own funds requirement for CVA risk using the Reduced Basic Approach in accordance with Article 384 of the CRR. The simplified approach as set out in Article 385 is not applicable, as UBS ESE does not meet the conditions specified in Article 273a(2).

The following table outlines the credit valuation adjustment (CVA) risk capital requirements calculated under the Reduced Basic Approach (R-BA) for UBS Europe SE.

**EU CVA1 – Credit valuation adjustment risk under the Reduced Basic Approach (R-BA)**

31.12.25

| *EUR m* | Components of Own Funds Requirements | Own funds requirements |
|---|---|---|
| Aggregation of systematic components of CVA risk | 247 | |
| Aggregation of idiosyncratic components of CVA risk | 53 | |
| **Total** | | 86 |

# Operational Risk

### Risk Management Objectives and Policies

The risk management objectives and policies applicable to operational risk are defined as part of the overall risk management framework of UBS Europe SE. These are described in the section "Risk management objectives and policies", which sets out the principles, objectives, risk culture, governance arrangements and risk appetite framework applicable across all risk types, including operational risk.

### Structure and organization of the operational risk management function

The structure and organization of the operational risk management function are embedded in the bank wide risk governance framework described in "Risk management organization and governance structure". Operational risk is managed in accordance with the three lines of defense model, with the first line responsible for risk ownership and management, the second line (Operational Risk Control) providing independent oversight, and the third line performing independent assurance.

### Scope and nature of the measurement system

Operational risk is identified, assessed and measured as part of non financial risk within the Non Financial Risk Framework. The scope and nature of the operational risk measurement system, including qualitative and quantitative assessments and the integration of operational risk into the Internal Capital Adequacy Assessment Process (ICAAP), are described in the sections "Risk profile – Risk identification" and "Risk measurement, monitoring and management for ICAAP".

The own funds requirement for operational risk is calculated under the CRR3 standardised operational risk framework using the Business Indicator Component (BIC).

### Scope and nature of the operational risk reporting framework

Operational risk information is monitored and reported through the institution's regular risk reporting framework. The scope, frequency and escalation of operational risk reporting to senior management and risk committees are described in the sections "Risk monitoring" and "Risk reporting, systems and control framework".

### Policies and strategies for risk mitigation and risk hedge

Policies and strategies for the mitigation of operational risk are embedded in the Non Financial Risk Framework and the associated control environment, as described in the section "Risk management – Non financial risk". Operational risk mitigation is primarily achieved through preventive and detective controls, governance arrangements, escalation mechanisms and remediation processes designed to ensure that risks remain within the approved risk appetite.

The following OR1 table reflects the operational risk losses of UBS Europe SE over the ten year observation period covering financial years 2016 to 2025, based on the accounting date of loss recognition. In line with Article 446(2)(b) of Regulation (EU) No 575/2013, UBS Europe SE confirms that no operational risk loss events were excluded from the annual operational risk losses during this period.

Operational risk losses recorded in 2025 amounted to EUR 14.1 million on a net basis, representing an increase of 82.9% compared with 2024 (EUR 7.7 million). This development was primarily driven by legal expenses incurred and the establishment of a litigation related provision.

As part of the integration of Credit Suisse entities into UBS Europe SE in 2025, the historical operational risk loss data from Credit Suisse Luxembourg and Credit Suisse Italy were incorporated into the ten year loss dataset. These historical losses span multiple years within the observation period and contribute to the aggregated operational loss profile presented in the OR1 table.

**EU OR1 – Operational risk losses**

31.12.25

| *EUR m* | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | Ten-year average |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Using EUR 20,000 threshold** | | | | | | | | | | | |
| Total amount of operational risk losses net of recoveries (no exclusions) | 14 | 8 | 18 | 16 | 10 | 33 | 10 | 11 | 13 | 44 | 18 |
| Total number of operational risk losses | 84 | 70 | 85 | 105 | 125 | 106 | 99 | 142 | 99 | 114 | 103 |
| Total amount of excluded operational risk losses | | | | | | | | | | | |
| Total number of excluded operational risk events | | | | | | | | | | | |
| Total amount of operational risk losses net of recoveries and net of excluded losses | 14 | 8 | 18 | 16 | 10 | 33 | 10 | 11 | 13 | 44 | 18 |
| **Using EUR 100,000 threshold** | | | | | | | | | | | |
| Total amount of operational risk losses net of recoveries (no exclusions) | 12 | 6 | 16 | 14 | 6 | 31 | 7 | 7 | 11 | 41 | 15 |
| Total number of operational risk losses | 33 | 23 | 24 | 36 | 31 | 33 | 32 | 45 | 33 | 44 | 33 |
| Total amount of excluded operational risk losses | | | | | | | | | | | |
| Total number of excluded operational risk events | | | | | | | | | | | |
| Total amount of operational risk losses net of recoveries and net of excluded losses | 12 | 6 | 16 | 14 | 6 | 31 | 7 | 7 | 11 | 41 | 15 |

The following table shows an overview of the Business Indicator Component, components, and subcomponents.

**EU OR2 – Business Indicator, components and subcomponents**

| BI and its subcomponents<br>*EUR m* | 31.12.25 | 31.12.24 | 31.12.23 | Average value |
|---|---|---|---|---|
| **Interest, lease and dividend component (ILDC)** | | | | 165 |
| **ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3)** | | | | 165 |
| Interest and lease income | 1,541 | 2,377 | 2,036 | 1,985 |
| Interest and lease expense | 1,644 | 2,374 | 1,912 | 1,977 |
| Total assets/Asset component | 46,077 | 55,717 | 53,583 | 51,792 |
| Dividend income/ dividend component | 98 | 92 | 73 | 88 |
| **Services component (SC)** | | | | 1,192 |
| Fee and commission income | 1,027 | 1,002 | 1,050 | 1,026 |
| Fee and commission expense | 163 | 195 | 195 | 185 |
| Other operating income | 154 | 179 | 165 | 166 |
| Other operating expense | 113 | 156 | 91 | 120 |
| **Financial component (FC)** | | | | 336 |
| Net profit or loss applicable to trading book (TB) | 380 | 303 | 223 | 302 |
| Net profit or loss applicable to banking book (BB) | 23 | 33 | 44 | 34 |
| Approach followed to determine the TB/BB boundary (PBA or accounting approach) | | | | accounting approach |
| **Business Indicator (BI)** | | | | 1,693 |
| **Business indicator component (BIC)** | | | | 224 |

**Disclosure on the BI:**

| *EUR m* | |
|---|---|
| BI gross of excluded divested activities | 1,693 |
| Reduction in BI due to excluded divested activities | |
| Impact in BI of mergers/acquisitions | 155 |

The following table provides information on own funds requirements for operational risk.

**EU OR3 - Operational risk own funds requirements and risk exposure amounts**

| *EUR m* | 31.12.25 |
|---|---|
| Business Indicator Component (BIC) | 224 |
| Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4) | |
| Minimum Required Operational Risk Own Funds Requirements (OROF) | 224 |
| Operational Risk Exposure Amounts (REA) | 2,799 |

# Securitization positions

UBS Europe SE is not the originator or sponsor of securitization positions. As of December 2025, there were no securitization positions held by UBS Europe SE. On the grounds of materiality, disclosures of securitization positions in accordance with Article 449 of the CRR have been waived. For the assessment of materiality both qualitative and quantitative criteria have been taken into account in accordance with BaFin Circular 05/2015.

# Liquidity

The Liquidity Coverage Ratio (LCR) assesses whether the entity has sufficient High-Quality Liquid Assets (HQLA) to fund cash outflows in a significant stress scenario for 30 days.

Over 2025 the average LCR remains well above the regulatory requirements of 100% at 142% (vs 140% in March 2025). The increase in the ratio is mainly due to higher volume of quality liquid assets held throughout the year.

As of 31 December 2025, the average HQLA of EUR 21.1bn primarily consists of Central Bank Reserves (51%) and L1 High Quality Securities (49%).

The following table shows the components of UBS Europe SE's monthly average LCR for 2025.

**EU LIQ1 – Quantitative information on LCR**

| Consolidated | Total unweighted value (average) | | | | Total weighted value (average) | | | |
|---|---|---|---|---|---|---|---|---|
| *EUR m* | | | | | | | | |
| **Quarter ending on** | **31.12.25** | 30.9.25 | 30.6.25 | 31.3.25 | **31.12.25** | 30.9.25 | 30.6.25 | 31.3.25 |
| **Number of data points used in the calculation of averages** | **12** | 12 | 12 | 12 | **12** | 12 | 12 | 12 |
| **High-Quality Liquid Assets** | | | | | | | | |
| Total high-quality liquid assets (HQLA) | | | | | **21,109** | 21,064 | 20,038 | 18,664 |
| **Cash-Outflows** | | | | | | | | |
| Retail deposits and deposits from small business customers, of which: | **3,948** | 4,120 | 4,240 | 4,332 | **790** | 824 | 848 | 866 |
| *Stable deposits* | | | | | | | | |
| *Less stable deposits* | ***3,948*** | *4,120* | *4,240* | *4,332* | ***790*** | *824* | *848* | *866* |
| Unsecured wholesale funding | **16,450** | 16,881 | 16,279 | 15,251 | **11,918** | 12,336 | 11,985 | 11,165 |
| Operational deposits (all counterparties) and deposits in networks of cooperative banks | **4,391** | 4,389 | 4,151 | 3,903 | **1,098** | 1,097 | 1,038 | 976 |
| Non-operational deposits (all counterparties) | **12,010** | 12,462 | 12,110 | 11,329 | **10,771** | 11,209 | 10,930 | 10,171 |
| Unsecured debt | **49** | 30 | 17 | 19 | **49** | 30 | 17 | 19 |
| Secured wholesale funding | | | | | **391** | 288 | 230 | 215 |
| Additional requirements | **6,214** | 6,004 | 6,005 | 5,634 | **3,553** | 3,354 | 3,188 | 2,925 |
| Outflows related to derivative exposures and other collateral requirements | **3,422** | 3,248 | 3,105 | 2,860 | **2,848** | 2,652 | 2,487 | 2,253 |
| Outflows related to loss of funding on debt products | | | | | | | | |
| Credit and liquidity facilities | **2,793** | 2,756 | 2,900 | 2,774 | **705** | 703 | 700 | 672 |
| Other contractual funding obligations | **23,658** | 23,287 | 21,818 | 20,977 | **20,044** | 20,057 | 19,186 | 18,524 |
| Other contingent funding obligations | **14,330** | 14,446 | 13,606 | 12,710 | **1,229** | 1,229 | 1,151 | 1,067 |
| **Total Cash Outflows** | | | | | **37,924** | 38,089 | 36,587 | 34,764 |
| **Cash-Inflows** | | | | | | | | |
| Secured lending (eg reverse repos) | **20,250** | 21,750 | 21,738 | 21,582 | **483** | 449 | 380 | 284 |
| Inflows from fully performing exposures | **2,698** | 2,715 | 2,595 | 2,385 | **2,636** | 2,629 | 2,510 | 2,299 |
| Other cash inflows | **19,956** | 20,001 | 19,309 | 18,887 | **19,956** | 20,001 | 19,309 | 18,887 |
| (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies) | | | | | **73** | 75 | 79 | 62 |
| (Excess inflows from a related specialised credit institution) | | | | | | | | |
| **Total Cash Inflows** | **42,904** | 44,466 | 43,642 | 42,855 | **23,001** | 23,004 | 22,119 | 21,409 |
| *Fully exempt inflows* | | | | | | | | |
| *Inflows subject to 90% Cap* | | | | | | | | |
| *Inflows subject to 75% Cap* | ***40,708*** | *42,336* | *41,582* | *40,867* | ***23,001*** | *23,004* | *22,119* | *21,409* |

**EU LIQ1 – Quantitative information on LCR (continued)**

| Consolidated | Total unweighted value (average) | Total weighted value (average) | | | |
|---|---|---|---|---|---|
| *EUR m, except where indicated* | | | | | |
| Quarter ending on | | 31.12.25 | 31.9.25 | 30.6.25 | 31.3.25 |
| Number of data points used in the calculation of averages | | 12 | 12 | 12 | 12 |
| Liquidity Buffer | | 21,109 | 21,064 | 20,038 | 18,664 |
| Total net cash outflows | | 14,922 | 15,086 | 14,469 | 13,355 |
| Liquidity coverage ratio (%) | | 142 | 140 | 139 | 140 |

## Collateral in the event of a credit rating downgrade

In evaluating our liquidity and funding requirements, we consider the potential effect of a reduction in our long-term credit ratings and a corresponding reduction in short-term ratings. If our credit ratings were to be downgraded, rating trigger clauses could result in an immediate cash settlement or the need to deliver additional collateral to counterparties from contractual obligations related to over-the-counter (OTC) derivative positions and other obligations. Based on our credit ratings as of 31 December 2025, in the event of a three-notch reduction we would have been required to provide EUR 0.2bn in cash or other collateral.

## Currency mismatch in the LCR

The LCR is reported in all significant currencies (comprising at least 5% of the total liabilities). UBS Europe SE manages its cross-currency liquidity risk through its internal liquidity risk model Liquidity Stress Testing (LST).

## Derivative exposures and potential collateral calls

The LCR is calculated by considering derivative cashflows, represented on a net basis in accordance with Article 21 of the Regulation (EU) 2015/61 (as amended). Other items that could lead to liquidity outflows include the historical look back approach, which considers the impact of an adverse market scenario on derivatives, and additional collateral requirements in the event of a deterioration in UBS Europe SE's credit rating.

## Concentration of funding and liquidity sources

UBS Europe SE's funding sources are mainly its customer deposits and its going and gone concern capital. The diversified deposit base represents a sticky funding source. There are no covered bond issuances or securitization programs within UBS Europe SE.

# Asset encumbrance

The following tables detail the encumbered and unencumbered assets and collateral of UBS Europe SE as well as the liabilities driving the encumbrance. An asset is considered encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn. The management of UBS Europe SE's liquidity is the responsibility of the Group Treasury function. In its monthly meeting the UBS Europe SE Asset and Liability Committee reviews a summary of the unencumbered and encumbered collateral. The values shown are medians of each individual value calculated based on the four quarterly submissions to the Regulator. The rows are not additive.

### EU AE1 – Encumbered and unencumbered assets

**31.12.25**

| | Carrying Amount of encumbered assets | | Fair value of encumbered assets | | Carrying amount of unencumbered assets | | Fair value of unencumbered assets | |
|---|---|---|---|---|---|---|---|---|
| *EUR m* | | of which notionally eligible EHQLA and HQLA | | of which notionally eligible EHQLA and HQLA | | of which EHQLA and HQLA | | of which EHQLA and HQLA |
| **Assets of reporting institution** | 5,324 | | | | 49,150 | 14,842 | | |
| Equity Instruments | 1,141 | | 1,141 | | 4,668 | | 4,668 | |
| Debt securities | 199 | | 199 | | 5,217 | 5,062 | 5,186 | 5,035 |
| *of which: covered bonds* | | | | | *2,066* | *2,024* | *2,050* | *2,012* |
| *of which: asset-backed securities* | | | | | | | | |
| *of which: issued by general governments* | *199* | | *199* | | *2,577* | *2,495* | *2,572* | *2,494* |
| *of which: issued by financial corporations* | | | | | *2,699* | *2,661* | *2,679* | *2,641* |
| *of which: issued by non-financial corporations* | | | | | *6* | | *6* | |
| Other assets | 4,257 | | | | 39,534 | 10,021 | | |

31.12.24

| | Carrying Amount of encumbered assets | | Fair value of encumbered assets | | Carrying amount of unencumbered assets | | Fair value of unencumbered assets | |
|---|---|---|---|---|---|---|---|---|
| *EUR m* | | of which notionally eligible EHQLA and HQLA | | of which notionally eligible EHQLA and HQLA | | of which EHQLA and HQLA | | of which EHQLA and HQLA |
| **Assets of reporting institution** | 5,177 | | | | 43,777 | 13,340 | | |
| Equity Instruments | 974 | | 974 | | 3,733 | | 3,733 | |
| Debt securities | 164 | | 164 | | 4,886 | 4,858 | 4,821 | 4,790 |
| *of which: covered bonds* | | | | | *1,695* | *1,685* | *1,651* | *1,644* |
| *of which: asset-backed securities* | | | | | | | | |
| *of which: issued by general governments* | *163* | | *163* | | *2,526* | *2,481* | *2,514* | *2,468* |
| *of which: issued by financial corporations* | *1* | | *1* | | *2,232* | *2,218* | *2,173* | *2,159* |
| *of which: issued by non-financial corporations* | | | | | *2* | | *2* | |
| Other assets | 3,901 | | | | 35,630 | 8,893 | | |

## EU AE2 – Collateral received and own debt securities issued

31.12.25

| | | | Unencumbered | |
|---|---|---|---|---|
| | Fair value of encumbered collateral received or own debt issued | | Fair value of collateral received or own debt securities issued available for encumbrance | |
| *EUR m* | | of which notionally eligible EHQLA and HQLA | | of which EHQLA and HQLA |
| Collateral received by the reporting institution | 27,521 | 622 | 8,427 | 6,278 |
| Loans on demand | | | | |
| Equity instruments | 2,521 | 244 | 1,584 | 107 |
| Debt securities | 25,000 | 362 | 7,033 | 6,267 |
| *of which: covered bonds* | *204* | | *593* | *587* |
| *of which: asset-backed securities* | *9* | | *330* | |
| *of which: issued by general governments* | *23,714* | *301* | *4,939* | *4,801* |
| *of which: issued by financial corporations* | *1,087* | *36* | *1,409* | *907* |
| *of which: issued by non-financial corporations* | *141* | *13* | *39* | *21* |
| Loans and advances other than loans on demand | | | | |
| Other collateral received | | | | |
| **Own debt securities issued other than own covered bonds or asset-backed securities** | | | | |
| **Own covered bonds and asset-backed securities issued and not yet pledged** | | | | |
| **Total Assets, collateral received and own debt securities issued** | 33,069 | 622 | | |

31.12.24

| | | | Unencumbered | |
|---|---|---|---|---|
| | Fair value of encumbered collateral received or own debt issued | | Fair value of collateral received or own debt securities issued available for encumbrance | |
| *EUR m* | | of which notionally eligible EHQLA and HQLA | | of which EHQLA and HQLA |
| Collateral received by the reporting institution | 30,329 | 667 | 5,550 | 3,743 |
| Loans on demand | | | | |
| Equity instruments | 2,630 | 310 | 1,347 | 161 |
| Debt securities | 27,620 | 395 | 4,269 | 3,662 |
| *of which: covered bonds* | *189* | *4* | *306* | *306* |
| *of which: asset-backed securities* | *3* | | *364* | |
| *of which: issued by general governments* | *26,671* | *327* | *3,129* | *3,102* |
| *of which: issued by financial corporations* | *1,001* | *39* | *1,199* | *593* |
| *of which: issued by non-financial corporations* | *44* | *2* | *4* | |
| Loans and advances other than loans on demand | | | | |
| Other collateral received | | | | |
| **Own debt securities issued other than own covered bonds or asset-backed securities** | | | | |
| **Own covered bonds and asset-backed securities issued and not yet pledged** | | | | |
| **Total Assets, collateral received and own debt securities issued** | 35,396 | 667 | | |

**EU AE3 – Sources of encumbrance**

| Median of the month end balances during year<br>EUR m | Matching liabilities, contingent liabilities or securities lent | Assets, collateral received and own debt securities issued other than covered bonds and encumbered ABS |
|---|---|---|
| **Carrying amount of selected financial liabilities** | 32,215 | 27,478 |

## Business model impact on asset encumbrance

The majority of the on-balance-sheet assets are not subject to any form of encumbrance as they are mostly cash or receivable assets. Unencumbered 'Other assets' consists of amounts due from reverse repo lending, derivative assets and central bank reserves. A small proportion is made up of assets that cannot be encumbered (tangible/intangible assets, tax assets). The encumbered amount is predominantly collateral provided for margin against derivative contracts on the 'Other assets' row in the EU AE1 template.

The off-balance-sheet collateral received is encumbered when used to cover repurchase agreements and collateral swaps. Compared to 2024 there has been an increase in the median value of encumbered off-balance-sheet collateral due to an increase in reverse repos activities.

The key sources of encumbrance of assets and collateral are secured funding repo, securities lending, as well as derivatives trading. There are no covered bond issuances or securitization programs within UBS Europe SE.

# Net stable funding ratio

The NSFR is a binding requirement that is designed to ensure that long-term assets and off-balance sheet items are adequately met with a diverse set of stable funding instruments. Since the Capital Requirements Regulation II ("CRR2") became binding in Q2 2021, the NSFR has been well above the regulatory minimum. In the year 2025, the ratio decreased from 140.5% (Q1 2025) to 137.3% (Q4 2025). The ratio decrease reflects diminishing NSFR benefits from additional higher long-term funding from intercompany and external issuances, combined with higher client-driven activity in the Investment Bank in Asian markets.

UBS ESE's interdependent assets & liabilities are centrally cleared derivatives with UBS ESE not guaranteeing the performance of the CCP to its clients.

**EU LIQ2 – Net Stable Funding Ratio**

31.12.25

| | Unweighted value by residual maturity | | | | Weighted value |
|---|---|---|---|---|---|
| *EUR m* | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **Available stable funding (ASF) Items** | | | | | |
| Capital items and instruments | 3,853 | 290 | | | 3,853 |
| *Own funds* | *3,853* | *290* | | | *3,853* |
| *Other capital instruments* | | | | | |
| Retail deposits | | 4,067 | | | 3,660 |
| *Stable deposits* | | | | | |
| *Less stable deposits* | | *4,067* | | | *3,660* |
| Wholesale funding: | | 16,822 | 171 | 8,934 | 12,329 |
| *Operational deposits* | | *4,238* | | | *2,119* |
| *Other wholesale funding* | | *12,584* | *171* | *8,934* | *10,210* |
| Interdependent liabilities | | 3,106 | 53 | 29 | |
| Other liabilities: | 700 | 10,320 | 826 | 279 | 692 |
| *NSFR derivative liabilities* | 700 | | | | |
| *All other liabilities and capital instruments not included in the above categories* | | *10,320* | *826* | *279* | *692* |
| **Total available stable funding (ASF)** | | | | | 20,534 |
| **Required stable funding (RSF) Items** | | | | | |
| Total high-quality liquid assets (HQLA) | | | | | 3,408 |
| Assets encumbered for a residual maturity of one year or more in a cover pool | | | | | |
| Deposits held at other financial institutions for operational purposes | | | | | |
| Performing loans and securities: | | 10,090 | 701 | 6,550 | 7,061 |
| *Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut* | | *3,330* | | | |
| *Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions* | | *5,767* | *178* | *1,577* | *2,076* |
| *Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:* | | *837* | *517* | *3,491* | *3,831* |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | | | | |
| *Performing residential mortgages, of which:* | | *2* | *6* | *215* | |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | | | | |
| *Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products* | | *154* | | *1,267* | *1,154* |
| Interdependent assets | | 2,973 | 53 | 29 | |
| Other assets: | | 9,246 | | 2,657 | 2,988 |
| *Physical traded commodities* | | | | | |
| *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | *298* | | *1,637* | *1,645* |
| *NSFR derivative assets* | | | | | |
| *NSFR derivative liabilities before deduction of variation margin posted* | | *2,427* | | | *121* |
| *All other assets not included in the above categories* | | *6,521* | | *1,019* | *1,221* |
| Off-balance sheet items | | 16,943 | 559 | 1,407 | 1,502 |
| **Total RSF** | | | | | 14,959 |
| **Net Stable Funding Ratio (%)** | | | | | 137.3 |

## EU LIQ2 – Net Stable Funding Ratio (continued)

30.9.25

| | Unweighted value by residual maturity | | | | Weighted value |
|---|---|---|---|---|---|
| *EUR m* | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **Available stable funding (ASF) Items** | | | | | |
| Capital items and instruments | 3,723 | 290 | | | 3,723 |
| *Own funds* | *3,723* | *290* | | | *3,723* |
| *Other capital instruments* | | | | | |
| Retail deposits | | 4,159 | | | 3,743 |
| *Stable deposits* | | | | | |
| *Less stable deposits* | | *4,159* | | | *3,743* |
| Wholesale funding: | | 16,751 | 1,794 | 7,109 | 11,494 |
| *Operational deposits* | | *4,680* | | | *2,340* |
| *Other wholesale funding* | | *12,072* | *1,794* | *7,109* | *9,155* |
| Interdependent liabilities | | 3,493 | 64 | 816 | |
| Other liabilities: | 265 | 24,498 | | 291 | 291 |
| *NSFR derivative liabilities* | *265* | | | | |
| *All other liabilities and capital instruments not included in the above categories* | | *24,498* | | *291* | *291* |
| **Total available stable funding (ASF)** | | | | | 19,252 |
| **Required stable funding (RSF) Items** | | | | | |
| Total high-quality liquid assets (HQLA) | | | | | 2,991 |
| Assets encumbered for a residual maturity of one year or more in a cover pool | | | | | |
| Deposits held at other financial institutions for operational purposes | | | | | |
| Performing loans and securities: | | 9,815 | 754 | 6,557 | 7,015 |
| *Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut* | | *3,639* | *9* | | *5* |
| *Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions* | | *5,400* | *164* | *1,824* | *2,308* |
| *Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:* | | *725* | *554* | *3,459* | *3,779* |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | | | | |
| *Performing residential mortgages, of which:* | | *5* | *2* | *231* | |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | | | | |
| *Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products* | | *46* | *24* | *1,043* | *923* |
| Interdependent assets | | 3,521 | 53 | 815 | |
| Other assets: | | 23,030 | | 2,548 | 2,845 |
| *Physical traded commodities* | | | | | |
| *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | *261* | | *1,560* | *1,548* |
| *NSFR derivative assets* | | | | | |
| *NSFR derivative liabilities before deduction of variation margin posted* | | *2,080* | | | *104* |
| *All other assets not included in the above categories* | | *20,689* | | *988* | *1,194* |
| Off-balance sheet items | | 14,810 | 808 | 1,179 | 1,331 |
| **Total RSF** | | | | | 14,182 |
| **Net Stable Funding Ratio (%)** | | | | | **135.8** |

## EU LIQ2 – Net Stable Funding Ratio (continued)

30.6.25

| | Unweighted value by residual maturity | | | | Weighted value |
|---|---|---|---|---|---|
| *EUR m* | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **Available stable funding (ASF) Items** | | | | | |
| Capital items and instruments | 3,741 | 290 | | | 3,741 |
| *Own funds* | *3,741* | *290* | | | *3,741* |
| *Other capital instruments* | | | | | |
| Retail deposits | | 4,281 | | | 3,853 |
| *Stable deposits* | | | | | |
| *Less stable deposits* | | *4,281* | | | *3,853* |
| Wholesale funding: | | 20,078 | 966 | 5,931 | 9,942 |
| *Operational deposits* | | *4,434* | | | *2,217* |
| *Other wholesale funding* | | *15,644* | *966* | *5,931* | *7,725* |
| Interdependent liabilities | | 3,321 | 117 | 394 | |
| Other liabilities: | 726 | 27,869 | | 294 | 294 |
| *NSFR derivative liabilities* | 726 | | | | |
| *All other liabilities and capital instruments not included in the above categories* | | *27,869* | | *294* | *294* |
| **Total available stable funding (ASF)** | | | | | 17,830 |
| **Required stable funding (RSF) Items** | | | | | |
| Total high-quality liquid assets (HQLA) | | | | | 2,443 |
| Assets encumbered for a residual maturity of one year or more in a cover pool | | | | | |
| Deposits held at other financial institutions for operational purposes | | | | | |
| Performing loans and securities: | | 10,987 | 889 | 6,283 | 6,942 |
| *Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut* | | *3,734* | *123* | | *62* |
| *Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions* | | *6,461* | *158* | *1,846* | *2,408* |
| *Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:* | | *680* | *593* | *3,291* | *3,693* |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | | | | |
| *Performing residential mortgages, of which:* | | *5* | *2* | *301* | |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | | | | |
| *Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products* | | *107* | *13* | *844* | *779* |
| Interdependent assets | | 3,424 | 101 | 393 | |
| Other assets: | | 23,819 | 1 | 2,673 | 3,031 |
| *Physical traded commodities* | | | | | |
| *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | *322* | | *1,668* | *1,691* |
| *NSFR derivative assets* | | | | | |
| *NSFR derivative liabilities before deduction of variation margin posted* | | *2,910* | | | *145* |
| *All other assets not included in the above categories* | | *20,588* | *1* | *1,005* | *1,195* |
| Off-balance sheet items | | 14,821 | 469 | 951 | 1,300 |
| **Total RSF** | | | | | 13,716 |
| **Net Stable Funding Ratio (%)** | | | | | 130.0 |

## EU LIQ2 – Net Stable Funding Ratio (continued)

31.3.25

| | Unweighted value by residual maturity | | | | Weighted value |
|---|---|---|---|---|---|
| *EUR m* | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **Available stable funding (ASF) Items** | | | | | |
| Capital items and instruments | 4,166 | 290 | | | 4,166 |
| *Own funds* | *4,166* | *290* | | | *4,166* |
| *Other capital instruments* | | | | | |
| Retail deposits | | 4,282 | | | 3,853 |
| *Stable deposits* | | | | | |
| *Less stable deposits* | | *4,282* | | | *3,853* |
| Wholesale funding: | | 18,302 | 1,444 | 5,837 | 10,249 |
| *Operational deposits* | | *4,452* | | | *2,226* |
| *Other wholesale funding* | | *13,851* | *1,444* | *5,837* | *8,023* |
| Interdependent liabilities | | 2,896 | 126 | 257 | |
| Other liabilities: | 301 | 26,788 | 44 | 289 | 311 |
| *NSFR derivative liabilities* | *301* | | | | |
| *All other liabilities and capital instruments not included in the above categories* | | *26,788* | *44* | *289* | *311* |
| **Total available stable funding (ASF)** | | | | | 18,580 |
| **Required stable funding (RSF) Items** | | | | | |
| Total high-quality liquid assets (HQLA) | | | | | 1,904 |
| Assets encumbered for a residual maturity of one year or more in a cover pool | | | | | |
| Deposits held at other financial institutions for operational purposes | | | | | |
| Performing loans and securities: | | 9,116 | 687 | 6,294 | 6,770 |
| *Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut* | | *3,049* | *133* | | *68* |
| *Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions* | | *5,230* | *72* | *1,757* | *2,185* |
| *Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:* | | *740* | *477* | *3,373* | *3,745* |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | | | | |
| *Performing residential mortgages, of which:* | | *2* | *5* | *312* | |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | | | | |
| *Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products* | | *94* | | *851* | *771* |
| Interdependent assets | | 3,160 | 108 | 253 | |
| Other assets: | | 26,640 | 1 | 2,826 | 3,246 |
| *Physical traded commodities* | | | | | |
| *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | *443* | | *1,817* | *1,922* |
| *NSFR derivative assets* | | | | | |
| *NSFR derivative liabilities before deduction of variation margin posted* | | *2,429* | | | *121* |
| *All other assets not included in the above categories* | | *23,768* | *1* | *1,008* | *1,203* |
| Off-balance sheet items | | 14,631 | 762 | 953 | 1,302 |
| **Total RSF** | | | | | 13,222 |
| **Net Stable Funding Ratio (%)** | | | | | 140.5 |

# Leverage ratio

The following tables set out the leverage ratio and related disclosures in accordance with Article 451 of the CRR. The increase in the Leverage Ratio Denominator is mainly driven by inventory and new loan facilities over the year, partly offset by the decrease in derivatives and central bank balances in line with the balance sheet.

**EU LR2 – LRCom: Leverage ratio common disclosure**

| *EUR m* | 31.12.25 | 31.12.24 |
|---|---|---|
| **On-balance sheet exposures (excluding derivatives and SFTs)** | | |
| On-balance sheet items (excluding derivatives, SFTs, but including collateral) | 37,819 | 35,793 |
| Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework | | |
| (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | (1,854) | (1,917) |
| (Adjustment for securities received under securities financing transactions that are recognised as an asset) | | |
| (General credit risk adjustments to on-balance sheet items) | | |
| (Asset amounts deducted in determining Tier 1 capital) | (430) | (420) |
| **Total on-balance sheet exposures (excluding derivatives and SFTs)** | 35,535 | 33,457 |
| **Derivative exposures** | | |
| Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin) | 1,801 | 3,052 |
| Derogation for derivatives: replacement costs contribution under the simplified standardised approach | | |
| Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions | 10,013 | 10,757 |
| Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach | | |
| Exposure determined under Original Exposure Method | | |
| (Exempted CCP leg of client-cleared trade exposures) (SA-CCR) | (1,532) | (1,149) |
| (Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach) | | |
| (Exempted CCP leg of client-cleared trade exposures) (original Exposure Method) | | |
| Adjusted effective notional amount of written credit derivatives | 384 | 933 |
| (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | (384) | (912) |
| **Total derivatives exposures** | 10,282 | 12,681 |
| **Securities financing transaction (SFT) exposures** | | |
| Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions | 21,577 | 26,138 |
| (Netted amounts of cash payables and cash receivables of gross SFT assets) | (15,648) | (21,168) |
| Counterparty credit risk exposure for SFT assets | 1,103 | 1,781 |
| Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR | | |
| Agent transaction exposures | | |
| (Exempted CCP leg of client-cleared SFT exposure) | | |
| **Total securities financing transaction exposures** | 7,032 | 6,751 |
| **Other off-balance sheet exposures** | | |
| Off-balance sheet exposures at gross notional amount | 19,978 | 17,766 |
| (Adjustments for conversion to credit equivalent amounts) | (16,875) | (15,087) |
| (General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures) | | |
| **Off-balance sheet exposures** | 3,103 | 2,679 |
| **Excluded exposures** | | |
| (Exposures excluded from the total exposure measure in accordance with point (c ) of Article 429a(1) CRR) | | |
| (Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet)) | | |
| (Excluded exposures of public development banks (or units) - Public sector investments) | | |

## EU LR2 – LRCom: Leverage ratio common disclosure (continued)

| *EUR m, except where indicated* | 31.12.25 | 31.12.24 |
|---|---|---|
| (Excluded exposures of public development banks (or units) - Promotional loans):<br>- Promotional loans granted by a public development credit institution<br>- Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State<br>- Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution) | | |
| (Excluded passing-through promotional loan exposures by non-public development banks (or units)):<br>- Promotional loans granted by a public development credit institution<br>- Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State<br>- Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution) | | |
| (Excluded guaranteed parts of exposures arising from export credits ) | | |
| (Excluded excess collateral deposited at triparty agents ) | | |
| (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR) | | |
| (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR) | | |
| (Reduction of the exposure value of pre-financing or intermediate loans ) | | |
| **(Total exempted exposures)** | | |
| **Capital and total exposure measure** | | |
| **Tier 1 capital** | 3,709 | 3,839 |
| **Total exposure measure** | 55,952 | 55,567 |
| **Leverage ratio** | | |
| Leverage ratio | 6.6 | 6.9 |
| Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%) | 6.6 | 6.9 |
| Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) | 6.6 | 6.9 |
| Regulatory minimum leverage ratio requirement (%) | 3.0 | 3.0 |
| Additional own funds requirements to address the risk of excessive leverage (%) | 0.2 | |
| *of which: to be made up of CET1 capital (percentage points)* | *0.2* | |
| Leverage ratio buffer requirement (%) | | |
| Overall leverage ratio requirement (%) | 3.2 | 3.0 |
| **Choice on transitional arrangements and relevant exposures** | | |
| Choice on transitional arrangements for the definition of the capital measure | | |
| **Disclosure of mean values** | | |
| Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | 15,736 | 8,655 |
| Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | 5,929 | 4,970 |
| Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 65,759 | 59,252 |
| Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 65,759 | 59,252 |
| Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 5.6 | 6.5 |
| Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 5.6 | 6.5 |

The following table reconciles the leverage ratio exposure amount to the balance sheet assets.

**EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures**

| *EUR m* | 31.12.25 | 31.12.24 |
|---|---|---|
| Total assets as per published financial statements | 54,143 | 55,344 |
| Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation | | |
| (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference) | | |
| (Adjustment for temporary exemption of exposures to central banks (if applicable)) | | |
| (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR) | | |
| Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting | | |
| Adjustment for eligible cash pooling transactions | | |
| Adjustments for derivative financial instruments | 611 | (598) |
| Adjustment for securities financing transactions (SFTs) | 1,100 | 1,774 |
| Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 3,662 | 3,273 |
| (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital) | | |
| (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c ) of Article 429a(1) CRR) | | |
| (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR) | | |
| Other adjustments | (3,564) | (4,227) |
| **Total exposure measure** | 55,952 | 55,567 |

The table below sets out the split of balance sheet assets.

**EU LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)**

| *EUR m* | 31.12.25 | 31.12.24 |
|---|---|---|
| **Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:** | 35,965 | 34,088 |
| Trading book exposures | 8,807 | 6,278 |
| Banking book exposures, of which: | 27,158 | 27,810 |
| *Covered bonds* | *687* | *729* |
| *Exposures treated as sovereigns* | *12,963* | *14,885* |
| *Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns* | *225* | *101* |
| *Institutions* | *4,475* | *3,976* |
| *Secured by mortgages of immovable properties* | | |
| *Retail exposures* | | |
| *Corporates* | *7,859* | *7,029* |
| *Exposures in default* | *64* | *49* |
| *Other exposures (eg equity, securitisations, and other non-credit obligation assets)* | *884* | *1,041* |

The company's capital management framework includes an integrated approach to manage Capital, RWA and Leverage via Limits, Early Warning Indicators and Targets, and through regular monitoring, planning and reporting.

The leverage ratio is reported on a daily basis against Management Board approved and conservatively defined Limits, Early Warning Indicators and Targets and is reported in conjunction with other capital metrics to the UBS Europe SE ALCO and Management Board on a regular basis. Material movements in own funds or leverage ratio denominator are investigated and analyzed. These assist the UBS Europe SE ALCO and Management Board in assessing whether any actions or mitigation plans should be put in place. The LRD management is closely aligned with ESE's Balance sheet planning as integral part of the overall capital planning process.

The amount of exposures calculated in accordance with Article 429a (1) (g) of the CRR is disclosed in template EU LRCom. The remaining specific disclosure requirements of Article 451 (1) (c) of the CRR are not applicable.

# Interest rate risk in the banking book

The disclosures below were drafted in accordance with the EBA guidelines 2022/14 which sets out the minimum standards for the measurement, management, monitoring and control of interest rate risks in the banking book.

## Sources of interest rate risk in the banking book

Interest rate risk in the banking book (IRRBB) arises primarily from client deposits and lending products in Global Wealth Management. The inherent interest rate risks are generally transferred from Global Wealth Management to Regional Treasury, to be managed centrally.

This allows for the netting of interest rate risks across different sources, while leaving the originating businesses with commercial margin and volume management. The residual interest rate risk is mainly hedged with interest rate swaps, some of which are in designated hedge accounting relationships. High-quality liquid assets classified as financial assets at fair value not held for trading are hedged with derivatives accounted for on a mark-to-market basis.

## Risk management and governance

IRRBB is measured using a set of metrics, the most relevant of which being:
- Interest rate sensitivities to parallel shifts in yield curves, calculated as changes in the present value of future cash flows irrespective of accounting treatment. These are also the key risk factors for statistical and stress-based measures, such as value-at-risk and stress scenarios (including Economic Value of Equity (EVE) sensitivity) and are measured and reported with a daily frequency.
- Net interest income (NII) sensitivity assesses the change in NII over a set time horizon compared with the baseline NII, which is calculated assuming that interest rates in all currencies develop according to their market-implied forward rates and under the assumption of constant business volumes and no specific management actions.

UBS Europe SE actively manages IRRBB, with the objective of reducing the volatility of NII, while keeping the EVE sensitivity within set risk limits approved by Management Board. The sensitivity of EVE and NII is also assessed under stressed market conditions, by applying a suite of parallel and non-parallel interest rate scenarios. In addition, IRRBB is monitored as part of the ICAAP assessment. The Europe SE Asset and Liability Committee (ALCO) acts as the primary oversight body for the management of IRRBB, with the Management Board approval of the risk appetite is provided through the Risk Control Committee (RCC) at least annually.

## Key modeling assumptions

The cash flows from client deposits and lending products used in the calculation of EVE sensitivity exclude commercial margins and other spread components and are discounted using risk-free rates. Whereas own debt issuances are discounted using UBS's funds transfer curve. Capital instruments are modelled to the first call date.

NII sensitivity, which includes commercial margins, is calculated over a one-year time horizon assuming constant balance sheet structure and volumes along with stable foreign exchange rates.

The average repricing maturity of non-maturing deposits (NMDs) and loans is determined via a replication portfolio strategy that protects the product margin. As required by the regulatory guidelines, non-operational NMDs from financial institutions are not actively replicated. The average repricing maturity assigned to actively replicated NMDs stands at 8.2 months (with the longest maturity being 8 years). The average repricing maturity of the overall NMDs portfolio (actively and non-actively replicated) stands at 4.5 months.

The optimal replicating portfolio is determined at a granular currency- and product-specific level by simulating and applying a real-world market rate model to historically calibrated client rate and volume models.

Prepayment rights of fixed term loans granted by law were identified as a potential source of option risk in ESE, but based on an annual assessment this option risk is classified as non-material and therefore not considered in EVE.

## Economic value and net interest income sensitivity

The interest rate risk sensitivity figures presented in the table below represent the impact under the six interest rate regulatory shock scenarios on the theoretical present value of the banking book, as well as the impact under the two parallel shock scenarios on the net interest income of the banking book. As prescribed by the regulatory guidelines, this impact only includes material currencies, weighting of positive changes, and excludes the management target duration of equity.

As of 31 December 2025, the most adverse interest rate scenario is the "Parallel up" scenario, resulting in a change of the Economic Value of Equity (EVE) of negative EUR 171m.

The worst change in regulatory reported EVE in relation to Tier 1 capital was 4.6%, which is well below the regulatory threshold for an outlier bank.

The most adverse interest rate scenarios with regards to NII over the next 12 months was the "Parallel down", resulting in a potential change of negative EUR 51m representing 1.4% of Tier 1 capital, well below the regulatory threshold for an outlier bank.

**EU IRRBB1 – Interest rate risks of non-trading book activities[1]**

| | Delta EVE – Change of economic value of equity | | Delta NII – Change of Net interest income | |
|---|---|---|---|---|
| *EUR m* | **31.12.25** | 31.12.24 | **31.12.25** | 31.12.24 |
| Parallel up | **(171)** | (161) | **24** | 26 |
| Parallel down | **84** | 83 | **(51)** | (66) |
| Steepener | **(14)** | (19) | | |
| Flattener | **(20)** | (14) | | |
| Short-term up | **(71)** | (62) | | |
| Short-term down | **18** | 16 | | |
| Maximum | **(171)** | (161) | **(51)** | (66) |

1 Economic value and NII measures do not include UBS Europe SE's minor subsidiaries. The impact of the subsidiaries is deemed immaterial.

# Contacts

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