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UBS Europe SE

Financial Statement, Management Report and Complementary Disclosure as of 31 December 2025

Independent Auditor's Report

To UBS Europe SE, Frankfurt am Main

Audit Opinions

We have audited the annual financial statements of UBS Europe SE, which comprising the balance sheet as of December 31, 2025, and the income statement for the fiscal year from January 1 to December 31, 2025, as well as the notes, the presentation of the recognition and measurement policies. In addition, we have audited the management report of UBS Europe SE for the fiscal year from January 1 to December 31, 2025. In accordance with German legal requirements, we have not audited the content of the parts of the management report referred to in the section "Other information" of our auditor's report.

In our opinion, based on the findings of our audit,

- the accompanying financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the December 31, December 2025 and of its financial performance for the financial year from January 1 to December 31, 2025 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the parts of the management report mentioned in the section "Other information".

Pursuant to § 322 (3) sent. 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW) [Institut der Wirtschaftsprüfer in Deutschland]. Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Fee and commission income in the Global Wealth Management division

Related information in the financial statements and management report

As of December 31, 2025, commission income amounted to EUR 1,443 million, with a significant portion attributable to income from the provision of wealth management services in the Global Wealth Management division. An explanation of commission income is provided in the notes under the section "Management and Brokerage Services." Further details are provided in the Management Report in the sections on the "Global Wealth Management" division.

Facts and Audit Risks

The Company's wealth management services include custody and asset management, fund distribution, and securities commission business, and constitute the core business of UBS Europe SE. The recognition of revenue related to commission income from these services was of particular significance in our audit, given the relevance of the revenue to the financial statements as a whole, the terms regularly agreed upon individually with clients, and the fact that the services are provided in various European branches, some of which have different business processes.

Audit Approach and Findings

As part of the annual financial statement audit, we first assessed the adequacy and effectiveness of the Company's relevant internal controls regarding the recognition of commission income from wealth management services at the major branches in Germany, Italy, France, and Luxembourg. In doing so, we specifically evaluated the company's processes and controls regarding the recording and modification of terms agreed with clients, as well as the calculation of revenue resulting from the services, taking into account the implemented IT systems.

Using substantial analytical audit procedures, we subsequently assessed the plausibility of the trend in commission income in the Global Wealth Management division. In addition, we used representative samples to verify the correct recording of individual commission income based on client statements and the underlying contractual terms.

Based on the audit procedures we performed, we have no objections regarding the recognition of commission revenue generated from wealth management services in the Global Wealth Management division.

Other Information

The legal representatives are responsible for the other information. The other information comprises the following component of the management report, which has not been audited for content:

- the statement on corporate governance pursuant to Section 289f(4) of the German Commercial Code (HGB) (information on the proportion of women) contained in the section "Non-Financial Performance Indicators" of the management report, as well as
- the information outside the management report to which reference is made in the sections "Non-Financial Performance Indicators" and "Non-Financial Statement."

Our audit opinions on the financial statements and the management report do not extend to the other information, and accordingly, we do not express an audit opinion or any other form of audit conclusion on this matter.

In connection with our audit, we have a responsibility to read the other information and, in doing so, to assess whether the other information:

- contain material inconsistencies with the financial statements, the management report, or our knowledge obtained during the audit, or
- otherwise appear to be materially misstated.

Responsibilities of the executive directors and the supervisory board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal controls as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal controls relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal controls of these arrangements and measures.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate,

to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional disclosures pursuant to Article 10 of the EU Audit Regulation

We were elected as auditors by the Annual General Meeting on May 23, 2025. We were engaged by the Supervisory Board on May 23, 2025. We have been the auditor of UBS Europe SE, Frankfurt am Main, without interruption since the financial year 2024.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The auditor responsible for the audit is Mr. Steffen Neuweiler."

Frankfurt am Main, 5 May 2026

Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

In the original German version signed by:

Markus Morfeld Wirtschaftsprüfer (German Public Auditor)	Steffen Neuweiler Wirtschaftsprüfer (German Public Auditor)

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4. Other disclosures in accordance with Sec. 26a (1) Sentence 2 and 4 KWG

5. Report of the Supervisory Board for 2025

Balance sheet of UBS Europe SE as at 31 December 2025

Assets				31.12.2025	31.12.2024
EUR thousand					
Cash reserve					
a)	Cash on hand		56		74
b)	Balances with central banks		263,302		294,314
	thereof: with Deutsche Bundesbank	*109,630*			*139,512*
				263,358	294,388
Due from banks					
a)	payable on demand		6,663,216		6,645,580
b)	other amounts due		24,601,297		33,019,290
				31,264,513	39,664,870
Due from customers				9,106,812	7,206,465
	thereof: secured by real estate property lines		*324,410*		*292,516*
Debt securities and other fixed-income securities					
a)	Money market securities		471,595		1,159,451
	aa) issued by the public sector	471,595			771,193
	thereof: eligible as collateral with Deutsche Bundesbank	*247,076*			*286,319*
	ab) issued by other borrowers	0			388,258
	thereof: eligible as collateral with Deutsche Bundesbank	*0*			*0*
b)	Bonds and debt securities		5,979,359		4,010,364
	ba) issued by the public sector	2,119,053			1,183,107
	thereof: eligible as collateral with Deutsche Bundesbank	*2,119,053*			*1,183,107*
	bb) issued by other borrowers	3,860,306			2,827,257
	thereof: eligible as collateral with Deutsche Bundesbank	*3,792,154*			*2,744,102*
				6,450,954	5,169,815
Shares and other variable-yield securities				3	3
Trading portfolio				9,761,424	7,880,694
Equity investments				2,171	776
	thereof: in banks		*0*		*0*
	thereof: in financial services institutions		*0*		*0*
Shares in affiliates				65,721	65,721
	thereof: in banks		*0*		*0*
	thereof: in financial services institutions		*0*		*0*
Trust assets				38,106	5,913
	thereof: trust loans		*0*		
Intangible assets					
b)	Purchased franchises, industrial and similar rights and assets and licenses in such rights and assets		6,057		9,104
c)	Goodwill		77,273		89,881
				83,330	98,985
Property and equipment				53,263	45,107
Other assets				4,406,908	5,170,799
Prepaid expenses				5,734	5,907
Total assets				61,502,298	65,609,443

Balance sheet of UBS Europe SE as at 31 December 2025

Liabilities			31.12.2025	31.12.2024
EUR thousand				
Liabilities to banks				
a) payable on demand		3,740,015		4,232,387
b) with an agreed term of period of notice		22,317,182		25,720,043
			26,057,197	**29,952,430**
Liabilities to customers				
b) other Liabilities				
ba) payable on demand		15,343,031		15,629,234
bb) with an agreed term of period of notice		2,986,501		4,798,446
			18,329,532	**20,427,680**
Securitized liabilities				
a) debt securities issued		1,515,858		267,487
			1,515,858	**267,487**
Trading portfolio			**3,735,021**	**3,367,881**
Trust liabilities			**38,106**	**5,913**
thereof: trust loans		*0*		*0*
Other liabilities			**4,567,208**	**4,285,109**
Deferred income			**6,278**	**2,109**
Provisions				
a) Provisions for pensions and similar obligations		305,596		333,617
b) Tax provisions		87,532		67,002
c) Other provisions		388,698		348,546
			781,826	**749,165**
Subordinated liabilities			**3,116,959**	**3,153,476**
Fund for general banking risks			**81,926**	**60,431**
thereof: special reserve pursuant to Sec. 340 e (4) HGB		*81,926*		*60,431*
Equity				
a) Subscribed capital		446,001		446,001
b) Capital reserves		2,568,622		2,330,049
c) Revenue reserves				
cd) Other revenue reserves	46,429	46,429		46,429
d) Net retained profits		211,335		515,283
			3,272,387	**3,337,762**
Total liabilities and equity			**61,502,298**	**65,609,443**
Contingent liabilities				
b) Guarantees		210,414		186,424
			210,414	**186,424**
Other obligations				
c) Irrevocable loan commitments		3,346,045		1,417,158
			3,346,045	**1,417,158**

Income statement of UBS Europe SE for the financial year 2025

EUR thousand				2025	2024
Interest income from					
a) Lending and money market transactions		1,844,742			1,946,147
thereof: negative interest income from lending and money market transactions	*45*				*159*
b) Fixed-income securities and government-inscribed debt		132,644			130,632
			1,977,386		2,076,779
Interest expense			2,089,859		2,152,037
thereof: negative interest expense	*3,555*				*2,362*
				-112,473	-75,258
Current income from					
a) Shares and other variable-yield securities		97,685			91,190
b) Equity investments		45			281
c) Investments in affiliated companies		9,368			8,434
				107,098	99,905
Income from profit pools, profit transfer or partial profit transfer agreements				**1,739**	0
Commission income			1,443,427		1,246,031
Commission expense			435,490		432,342
				1,007,937	813,689
Net trading income / expense				**193,455**	167,775
thereof: Expenses from the allocation to the fund for general banking risks			*21,495*		*18,642*
Other operating income				**192,267**	159,553
General administrative expenses					
a) Personnel expenses					
aa) Wages and salaries		570,272			504,398
ab) Social security contributions, pensions and other benefit costs		75,475			53,050
thereof: for pensions	*4,179*				*4,819*
			645,747		557,448
b) Other administrative expenses			522,125		489,605
				1,167,872	1,047,053
Amortization, depreciation and write-downs of intangible assets and property and equipment				**30,083**	29,352
Other operating expenses				**49,281**	56,512
Write-downs and allowances on demands due and certain securities as well as allocations to provisions for possible loan losses				**0**	0
Income from write-up of amounts due and certain securities as well as from the reversal of provisions for possible loan losses				**8,213**	8,327
Write-downs and allowances on equity investments, shares in affiliates and securities classified as fixed assets				**0**	0
Income from write-ups on equity investments, shares in affiliates and securities classified as fixed assets				**322**	510
Result from ordinary activities				**151,322**	41,584
Income taxes				**49,604**	25,507
thereof: deferred taxes			*0*		
Other taxes not disclosed under item 12				**383**	794
Net income for the year				**101,335**	15,283
Profit carryforward from previous years				**0**	0
Withdrawals from the capital reserve				**110,000**	500,000
Net retained profit				**211,335**	515,283

Notes

Notes

General

The financial statements for the fiscal year 2025 of UBS Europe SE, headquartered in Frankfurt am Main, Bockenheimer Landstraße 2-4, and registered in the commercial register of Frankfurt am Main Local Court under HRB no. 107046, were prepared in accordance with the provisions of the HGB ["Handelsgesetzbuch": German Commercial Code], the AktG ["Aktiengesetz": German Stock Corporation Act] and in compliance with the RechKredV ["Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute": German Bank and Financial Services Institutions Accounting Directive]. The structure of the balance sheet and income statement follows the forms prescribed by the RechKredV.

UBS Europe SE is not publicly traded ("capital market-oriented" as defined by Sec. 264d HGB) and has therefore opted not to prepare a cash flow statement or a statement of changes in equity.

With effect from January 1, 2025 (merger effective date), all of the businesses of Credit Suisse (Italy) S.p.A. were transferred to UBS Europe SE on the basis of a merger plan dated June 13, 2024. The transfer took place by way of a cross-border merger by absorption in accordance with Art. 2501 et seq. of the Italian Civil Code and Art. 17-40 of Legislative Decree ["*decreto legislative*"] No. 19/2023 (for the purpose of Italian law) and sections 305 et seq. of the German Transformation Act ["Umwandlungsgesetz", UmwG]. The merger became legally effective upon entry in the Frankfurt Commercial Register as the commercial register responsible for UBS Europe SE on January 2, 2025. The assets and liabilities of Credit Suisse (Italy) S.p.A. have been transferred to the balance sheet of UBS Europe SE at the carrying amounts resulting from the balance sheet of Credit Suisse (Italy) S.p.A. as of December 31, 2024 (closing balance sheet) ["Buchwertfortführung": continuation at book values]. In total, assets and liabilities amounting to EUR 204.2m (before intra-group consolidation) were transferred. The transferred business will be fully recognized in UBS Europe SE's income statement for the 2025 financial year as of 1 January 2025. In addition, 172 employees of Credit Suisse (Italy) S.p.A. have been taken over.

Under a merger agreement dated November 5, 2025, all business of Credit Suisse Deutschland GmbH was transferred to UBS Europe SE. The transfer took place by way of a merger by acquisition ["Verschmelzung durch Aufnahme"] pursuant to section 2 of the German Transformation Act (UmwG). The merger took place with retroactive effect from 1 May 2025 and became legally effective upon entry in the Frankfurt am Main Commercial Register on December 1, 2025. The assets and liabilities of Credit Suisse Deutschland GmbH have been transferred to the balance sheet of UBS Europe SE at the carrying amounts resulting from the balance sheet of Credit Suisse Deutschland GmbH as of April 30, 2025 (closing balance sheet). In total, assets and liabilities of EUR 147.2m (before intra-group consolidation) were transferred. As of May 1, 2025, the transferred transactions will be fully recognized in the income statement of UBS Europe SE for the 2025 financial year. A total of five employees of Credit Suisse Deutschland GmbH were taken over in 2025, but the takeover took place before the merger date.

Both 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 required EU banks that are subsidiaries of third-country groups to establish a single EU Intermediate Parent Undertaking (IPU).

As part of the consolidation of the European asset management business in UBS Asset Management (Europe) S.A., the asset management business in UBS Europe SE, French branch, was sold to UBS Asset Management (Europe) S.A. with effect from 1 July 2025.

UBS Europe SE also acquired the Corporate Function business from Credit Suisse Deutschland GmbH prior to the merger as a further integration measure as part of a business transfer agreement. This agreement included the transfer of employees for consideration and the associated intangible assets such as customer contracts, qualifications, expertise and experience. To improve organizational efficiency and regulatory responsibilities, UBS Europe SE, French branch, has acquired client relationships from UBS La Maison de Gestion S.A., Paris, with effect from 1 December 2025. In addition, an agreement was reached with Credit Suisse Europe S.A., French branch, on the assumption of liabilities against cash settlement.

Accounting and valuation principles

The accounting and valuation principles have not changed in principle compared to the prior year.

The items of the cash reserve are stated at their nominal amount.

Amounts due from banks and customers are reported at their nominal amount, with differences between the issuing amount and the nominal amount deferred over the respective term. Sufficient provision was made for identifiable and general risks in the lending business. A general bad debt allowance was set up in an appropriate amount to account for the general credit risk. The approach follows the concept of "expected loss". The calculation of expected loss for on and off-balance transactions is based on the parameters probability of default (PD), exposure at default (EAD) and loss given default (LGD). Write-downs and allowances are offset with income from write-ups in the profit and loss statements.

Securities held in the liquidity portfolio are measured at amortized cost according to the strict lower of cost or market principle. They are also included in the valuation of interest rate transactions at present value in accordance with IDW AcP ["IDW Stellungnahme zur Rechnungslegung BFA 3": Aspects of valuing interest rate transactions of the banking book (interest rate book) at net realizable value].

Securities of the investment portfolio are measured at amortized cost according to the modified lower of cost or market principle, provided that there is no permanent impairment.

Changes in the value of securities of the liquidity portfolio are recorded either as write-downs of and allowances on amounts due and certain securities as well as allocations to provisions for possible loan losses or as income from the write-up of amounts due and certain securities as well as from the reversal of provisions for possible loan losses. For securities of the investment portfolio, changes in the value are recognised either as write-downs of and allowances on equity investments, shares in affiliates and securities classified as fixed assets or income from write-ups on equity instruments, shares in affiliates and securities classified as fixed assets.

Financial instruments of the trading portfolio are measured at fair value minus a risk charge. The risk charge is calculated on the basis of the regulatory value-at-risk approach in such a way that the anticipated maximum loss from the trading portfolio will not be exceeded with a 99% probability over a holding period of 10 days. A historical observation period of one year is used.
If financial instruments are traded on an active market, the market price is used as fair value. Where no market prices are available on an active market, fair value is determined by various methods, including valuation models. Both the valuation methods and models selected and the parameters used depend on the individual product and are in line with market standards. The change in fair value of financial instruments of the trading portfolio compared to the last reporting date or the acquisition costs (valuation gains/losses) is recorded as net income or net loss from the trading portfolio.

Current interest income and expenses from the trading business are shown as interest income in accordance with IDW RS BFA 2 (note 75). Dividend income from the trading portfolio is reported as current income from shares and other variable-yield securities.

Securities lending transactions do not involve the derecognition of securities loaned or the recognition of securities borrowed, as the risk arising from the security and the corresponding beneficial ownership remains with the lender.

Repos and reverse repos are reported in accordance with Sec. 340 b HGB. Claims and liabilities from repos and reverse repos with central and bilateral counterparties and due on a daily basis are offset and reported on a net basis. Beyond that, an amount of EUR 15.6bn with centrals and bilateral counterparties were not offset and reported on a gross basis due to a limited duration.

Equity investments and shares in affiliates are valued at acquisition cost or their lower fair value if the decline in value is expected to be permanent.

Trust assets and liabilities result from investments in private equity funds held in trust. They are recognized at the lower of cost or market principle.

Intangible assets, goodwill and property and equipment are recognized at acquisition and production cost and depreciated or amortized on a straight-line basis over their expected useful lives. Interests on borrowings are not capitalized. Low-value assets are either fully expensed in the year of acquisition (with a net acquisition cost of up to and including EUR 250), or depreciated on a straight-line basis by five years (assets costing more than EUR 250 up to and including EUR 1,000).

Prepaid expenses and deferred income include payments which will be recognized in the income statements in future fiscal years.

The option provided by Sec. 274 (1) Sentence 2 HGB is applied, meaning that no deferred tax assets are recognized. The excess of deferred tax assets primarily resulted from tax loss carryforwards in various tax jurisdictions and deductible temporary differences in the balance sheet items "Provisions for pensions and similar obligations", "Other assets", "Property and equipment" and "Intangible assets" in various tax jurisdictions that are not offset by material taxable temporary differences on the liability side. Deferred taxes are measured using the respective national and company-specific tax rates at the expected realization date. The applicable tax rate for German branches is 31.9% comprising corporate income tax of 15.0% plus 5.5% solidarity surcharge plus an average trade tax rate. Deferred taxes in foreign branches are calculated with the applicable statutory tax rates which are in the range of 12.5% and 30.0%. In the context of the BEPS negotiations, OECD agreed on the introduction of a global minimum tax. This was implemented in Germany with the introduction of the MindStG ["Mindeststeuergesetz": German Minimum Taxation Act]. It is applicable for all financial reporting years beginning after the 31 December 2023. UBS Europe SE is fundamentally affected by the new minimum tax law due to its size and, as the group owner, will assume the reporting obligations. For the year 2025, no additional minimum tax is expected.

Liabilities are stated at the settlement value with differences between the issuing amount and the settlement amount deferred over the respective term.

The pension and similar obligations are calculated in an actuarial report (using the projected unit credit method) applying the 2018 G mortality tables of Dr. Heubeck. They are discounted using the average market interest rate published by Deutsche Bundesbank for the past ten fiscal years. Freely available reserves were retained for the difference in profit which would have arisen if discounting had been carried out using the average market interest rate for the last 7 fiscal years. In accordance with Art. 246 (2) sentence 2 HGB, plan assets to cover pension obligations are measured at fair value and netted against the provisions created for this purpose.

In determining the settlement value for provisions, all identifiable risks and uncertain liabilities were taken into account in accordance with prudent business judgment.

The settlement value of the other provisions is calculated taking future price and cost increases into account. Provisions with a residual term of more than one year are discounted at the average market interest rate of the last 10 fiscal years for their respective residual terms as determined by Deutsche Bundesbank.

Subordinated liabilities are stated at the settlement value.

Forward and other derivative transactions were used both to hedge the fair value of positions and for trading purposes. Trading portfolio is measured at fair value minus a risk charge. Derivatives of the non-trading portfolio are valued at the prices and interest rates on the balance sheet date. Derivative transactions hedged are reported according to Sec. 254 HGB. Derivative transactions entered into to hedge the Bank's interest rate risk are included in the valuation of interest rate transactions in the banking book at net realizable value (IDW AcP BFA 3).

Cash collaterals provided in the derivatives business (initial and variation margin) are reported under other assets; cash collaterals received in this context are accordingly disclosed under other liabilities. Option premiums as well as accrued interest income from interest rate swaps are also recognized under other assets or other liabilities.

Foreign currency receivables and liabilities were valued at the ECB mean exchange rate on the balance sheet date. If the ECB does not publish mean rates, currency positions are valued at market rates. Unsettled spot exchange and forward exchange transactions were valued using the respective mean spot or forward rate on the balance sheet date. The majority of the foreign currency transactions are hedged by concluding matching offsetting transactions in the same currency. Expenses and income from currency translation is recorded in line with Sec. 340h HGB. The result is reported in the income statement under "other operating income" or "other operating expenses" respectively.

Contingent liabilities are reported under the balance sheet statement at their nominal amount, less accruals if necessary.

The disclosure of negative interest income or expenses in the profit and loss statement depends on the host contract. Negative interest rates related to financial assets will lower the interest income and negative interest for financial liabilities reduces the interest expenses.

Valuation of interest rate transactions in the banking book at net realizable value

The principle of prudence enshrined in German commercial law must be applied for all interest rate financial instruments in the banking book by recognizing a provision pursuant to Sec. 340a in conjunction with Sec. 249 (1) Sentence 1 Alt. 2 HGB (provision for potential losses) for any net obligation from the valuation of the interest component of the entire interest position. The Bank applied the IDW AcP ["IDW Stellungnahme zur Rechnungslegung] BFA 3": Aspects of valuing interest rate transactions of the banking book (interest rate book) at net realizable value] issued on 16 October 2017 for the valuation of interest rate transactions at net realizable value.

Under the present value method, a provision must be recognised if the carrying amount is greater than the present value of the banking book. The present value is also reduced by administrative and risk costs. As of the balance sheet date, there was no net obligation. No provisions were therefore recognized.

Hedge Accounting

In the past, the Bank had issued structured financial instruments in the form of certificates. The repayable amount of these instruments is dependent on the performance of stock indices, foreign currencies or other individual securities which are embedded as derivatives in the instrument along with the underlying instrument. The market risks relating to the issued instruments were fully hedged by offsetting transactions with UBS AG, London Branch. The Bank designated offsetting transactions with the UBS AG branch in London which serve to hedge repayment claims as hedges together with the instrument issued according to Sec. 254 HGB. In the Bank's financial statements, the underlying instrument and embedded derivative are reported together under securitized liabilities. Furthermore, the Bank had issued note loans, which were also fully hedged by offsetting transactions with UBS AG, London Branch, and designated as hedging transactions. These transactions are reported as liabilities to customers/banks. Hedges, which were valued using the net method, were accounted for at the issue price taking accrued interest and discounts into account.

The critical terms match method is used to measure the effectiveness of the micro hedges on the basis of matching components such as nominal amounts, disbursement value, maturity, interest payment dates and repayment structure in the underlying and the hedging instruments.

Hedged items are recognized at amortized cost, with the offsetting transactions reported at identical amounts.

Notes to the balance sheet

Maturity structure of amounts due from banks and customers

Maturity structure		
EUR thousand	**31.12.2025**	**31.12.2024**
Other amounts due to banks	**24,601,297**	**33,019,290**
with a residual term of		
three months or less	23,500,035	32,768,710
more than three months and up to one year	869,720	44,040
more than one year and up to five years	10,118	10,237
more than five years	221,424	196,303
Amounts due to customers	**9,106,812**	**7,206,465**
with a residual term of		
three months or less	3,173,177	1,921,736
more than three months and up to one year	1,212,030	1,066,017
more than one year and up to five years	1,533,298	1,807,573
more than five years	296,877	204,978
with an indefinite term	2,891,430	2,206,161

Amounts due from affiliates and companies with participating interest

Amounts due from affiliates		
EUR thousand	**31.12.2025**	**31.12.2024**
Amounts due from bank	12,655,429	13,436,508
thereof: due from UBS AG	*12,489,727*	*13,064,258*
Amounts due from customers	28,855	7,109

There are no amounts due from companies in which participating interests are held.

Securities

The marketable securities are divided as follows:

Securities				
		Listed		**Not listed**
EUR thousand	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Debt securities and other fixed-income securities	4,810,614	3,151,320	1,640,340	2,018,495
Shares and other variable-yield securities	0	0	3	3
Equity investments	0	0	0	0
Shared in affiliates	0	0	0	0
Total	**4,810,614**	**3,151,320**	**1,640,343**	**2,018,498**

Debt securities and other fixed-income securities with a book value of EUR 1,408.2m are due in the year 2026. The debt securities and other fixed-income securities are all allocated to the liquidity portfolio and measured according to the strict lower of cost or market principle at cost or the lower fair value.

Trading portfolio

EUR thousand	**31.12.2025**	**31.12.2024**
Trading assets	**9,761,424**	**7,880,694**
Derivative financial instruments	1,880,314	2,535,139
Debt securities and other fixed-income securities	129,023	56,868
Shares and other variable-yield securities	7,752,703	5,290,532
Risk charge	-616	-1,845
Trading liabilities	**3,735,020**	**3,367,881**
Derivative financial instruments	1,971,357	2,477,394
Liabilities (from short sales)	1,763,663	890,487

Equity investments and shares in affiliates

As part of the merger of Credit Suisse Deutschland GmbH into UBS Europe SE, shares in CREDIT SUISSE ASSET MANAGEMENT Real Estate GmbH, Frankfurt, were acquired. These shares were sold with effect from November 1, 2025. The sale resulted in a profit of EUR 1.3m.

Equity investments pursuant to Sec. 285 No. 11 HGB			
Company	**Capital in EUR k**	**Share of capital**	**Net income in EUR k**
UBS Fiduciaria SpA, Mailand*	11,096	100,0%	-2,223
UBS Private Equity Komplementär GmbH, Frankfurt am Main**	71	100,0%	5
UBS La Maison de Gestion S.A.S., Paris*	9,748	100,0%	11,867
UBS Courtage Assurance S.A.S., Paris*	15,846	100,0%	7,137

*Financial Statement as of 31.12.2025
**Financial Statement as of 31.12.2024

Trust assets and liabilities

The trust assets consists solely in the form of participations, while the trust liabilities consist solely of liabilities to customers.

Statement of changes in fixed assets

Changes in fixed assets					
EUR thousand	**Equity investments**	**Shares in affiliates**	**Goodwill**	**Other intangible assets**	**Property and equipment**
Book value 01.01.2025	**776**	**65,721**	**89,881**	**9,104**	**45,107**
Acquisition or production cost					
Opening balance	776	65,721	205,718	31,218	129,980
Additions	1,412	2,803	5,588	447	19,858
Disposals		2,803		1,185	3,777
Reclassifications					
Translation differences			1,459		278
Closing balance	2,188	65,721	212,765	30,480	146,339
Cumulative write-downs					
Opening balance			115,837	22,114	84,873
Additions	17		18,667	2,652	8,274
Write-ups					
Disposals				343	229
Translation differences			988		158
Reclassifications					
Closing balance	17		135,492	24,423	93,076
Book value 31.12.2025	**2,171**	**65,721**	**77,273**	**6,057**	**53,263**

Intangible assets, goodwill and property and equipment

The goodwill resulting from the takeover of Nordea's Luxembourg-based private banking business in 2018 has an expected remaining useful live of three years.

A goodwill of EUR 27.3m was acquired within the course of the merger of UBS (France) S.A. to UBS Europe SE. The merger became effective on 1 January 2023. Another goodwill amounting to EUR 5.3m stems from the acquisition of the German Latin America-Wealth Management business from Deutsche Bank AG in the same reporting year. Both assets have an expected remaining useful live of eight years.

In the 2024 and 2025 financial years, UBS Europe SE acquired various business units in Germany, Italy, France and the Netherlands of Credit Suisse Deutschland AG, Frankfurt am Main, Credit Suisse Bank (Europe) S.A., Madrid, and Credit Suisse (Luxembourg) S.A., Luxembourg, as part of business transfer agreements. These transactions resulted in goodwill of EUR 11.9m in 2024 and goodwill of EUR 0.1m in 2025. A further goodwill of EUR 5.5m was created in 2025 through the acquisition of client relationships of UBS La Maison de Gestion S.A., Paris, by UBS Europe SE, France branch. All of these assets are depreciated over a 10-year period.

All of the other intangible assets comprise purchased software. As of the end of fiscal year, property and equipment exclusively comprise furniture, fixtures and office equipment.

Other assets

Other assets mainly comprise receivables from variation/initial margins (EUR 3,736.0m), collateral payments in connection with the clearing of derivatives (EUR 298.2m), receivables from the tax office (EUR 109.7m), consolidated settlements (EUR 71.3m) and interest accruals for derivatives (EUR 47.1m).

Prepaid expenses

Prepaid expenses contain income from advance payments of non-staff operating costs (EUR 5.7m).

Maturity structure of liabilities to banks and customers

Maturity structure		
EUR thousand	**31.12.2025**	**31.12.2024**
Liabilities to banks	**22,317,182**	**25,720,043**
with an agreed term or notice period of		
three months or less	15,077,995	21,784,962
more than three months and up to one year	1,092,809	3,433,106
more than one year and up to five years	6,145,757	501,975
more than five years	621	0
Liabilities to customers	**2,986,501**	**4,798,446**
with an agreed term or period of notice of		
three months or less	2,595,540	3,781,497
more than three months and up to one year	157,019	799,251
more than one year and up to five years	12,518	21,394
more than five years	221,424	196,304

Liabilities to affiliates and companies with participating interest

Liabilities to affiliates		
EUR thousand	**31.12.2025**	**31.12.2024**
Liabilities to banks	16,796,182	16,103,209
thereof: liabilities to UBS AG	*16,527,798*	*15,750,266*
Liabilities to customers	225,682	217,407

There are no liabilities to companies in which participating interests are held.

Debt securities issued

Debt securities issued with a book value of EUR 1,457.2m are due in the year 2026.

Other liabilities

Other liabilities primarily comprise liabilities from variation/initial margins (EUR 4,123.4m), liabilities to the tax office (EUR 76.5m), negative replacement values (EUR 59.3m), accruals of interest for derivatives (EUR 49.5m) and intragroup settlements (EUR 29.9m). In addition, the item includes restricted assets related to EU-sanctioned clients in the amount of EUR 45.6m, which were acquired as part of the merger of Credit Suisse (Luxembourg) S.A. into UBS Europe SE. The amount included in this item in the previous year was credited to customer accounts after approval by the Luxembourg Ministry of Finance and is therefore included in liabilities to customers. The amounts are still blocked.

Deferred income

Deferred income primarily contains include revenues received that represents future earnings in the amount of EUR 6.3m.

Provisions for pensions and similar obligations

The provisions recognized relate almost exclusively to obligations for employees of the parent company in Germany. The pension obligations assumed in the previous year as part of the merger of Credit Suisse (Luxembourg) S.A. to UBS Europe SE were outsourced and sold to a third party in the current financial year. As part of the merger of Credit Suisse Deutschland GmbH to UBS Europe SE on May 1, 2025, net pension obligations of EUR 50.0m were assumed. These pension obligations were carved-out in the Q3 2025 as part of a pension buyout and sold to a third party.

In July 2021, UBS Europe SE implemented a new defined benefit plan for its employees in Germany joining post 19 June 2018. Furthermore, new contributions for employees that joined until 19 June 2018 will also move to the new pension plan (with some special regulations). The plan is hosted off-balance sheet by an external fiduciary (Contractual Trust Arrangement) and is funded including a premium guarantee. The plan is a security linked contribution orientated benefits plan, the retirement benefits will be the result of the investment of the contributions at the capital markets.

The other existing defined benefit pension plans remain active for all eligible employees. All retirement plan eligibilities which have been accumulated up to the implementation of the new plan will remain unchanged.

The actuarial interest rate used is based on information from the publications of the Deutsche Bundesbank as of 31 December 2025. The following parameters were used to calculate the pension provisions:

Actuarial assumptions

	31.12.2025	31.12.2024
Interest rate	2.06%	1.90%
Salary and income threshold progression rate	6.01%	5.57%
Pension increases		
for old commitments	2.00%	2.00%
for new commitments	1.00%	1.00%
Average turnover men	5.40%	6.90%
Average turnover women	3.90%	5.60%

* issued before 1 January 1999

In accordance with Sec. 253 (6) HGB, the difference arising between discounting using a 10-year average interest and a 7-year average interest rate has to be calculated as of the reporting date. The 7-year average discount rate with a remaining term of 15 years in the amount of 2.22% as published by Deutsche Bundesbank is used to present the comparative amounts for the purpose of calculating this difference. The resulting pension provision and deferred compensation provision amount to EUR 180.0m and EUR 120.6m, respectively.

Applying the corresponding 10-year average interest rate with a remaining term of 15 years in the amount of 2.06%, the pension provision and the deferred compensation provision would amount to EUR 183.3m and EUR 122.3m, respectively. This leads to a difference for pensions and deferred compensation of EUR 5.0m. Since this amount is negative, it does not affect the payout restrictions related to Sec 253 (6) HGB.

In accordance with Sec. 246 (2) sentence 2 HGB, the plan assets held to cover pension obligations from the pension plan 2021 are netted against the provisions created for this purpose. The historical cost of the plan assets amounted to EUR 8.2m, the following values were recorded for these items before offsetting:

EUR thousand	31.12.2025	31.12.2024
Settlement amount	9,543	6,958
Fair value of the plan assets	9,543	6,958

Other provisons

Other provisions include the following main items:

EUR thousand	31.12.2025	31.12.2024
Bonuses	173,577	148,783
Restructuring and severances	63,960	65,556
Legal risks and damages claims	43,583	31,314
VAT	32,235	32,829
Accrual for untaken holidays	24,046	20,110
Audit and consulting	16,614	13,185
Early retirement obligations	12,104	14,964
Buildings	6,991	2,283
Storage costs	4,084	3,695
Fee reimbursement claims from retrocessions	900	800
Total	**378,094**	**333,519**

Subordinated liabilities

All subordinated liabilities are issued to the parent entity UBS AG. Terms of the subordinated liabilities are as follows:

Currency	Nominal amount	Interest Rate	Due date	Capital
EUR	290,000,000.00	Euribor 3M + 466 BP	indefinite	Additional Tier 1 Capital
EUR	310,000,000.00	Euribor 3M + 403 BP	indefinite	Additional Tier 1 Capital
EUR	200,000,000.00	Euribor 3M + 128 BP	14 June 2027	MREL eligible
EUR	400,000,000.00	Euribor 3M + 198 BP	20 June 2027	MREL eligible
EUR	975,000,000.00	Euribor 3M + 127 BP	27 February 2028	MREL eligible
EUR	275,000,000.00	Euribor 3M + 103 BP	14 May 2029	MREL eligible
EUR	400,000,000.00	Euribor 3M + 74 BP	5 February 2031	MREL eligible
USD	300,000,000.00	SOFR + 134 BP	3 November 2032	MREL eligible

The interest rate contains a floor component at reference rate Euribor with 0.00%. Any option of extraordinary termination persists to the issuer exclusively according to CRR regulation. Interest income for subordinated liabilities was EUR 133.5m in the financial year 2025.

Fund for general banking risk

The Bank allocated an amount of EUR 21.5m from the net income of the trading portfolio pursuant to Sec. 340 e (4) HGB to the fund for general banking risks in the reporting year 2025.

Subscribed capital and shares

The subscribed capital of EUR 446,001,086 is divided into 446,001,086 registered shares with a par-value of EUR 1.00.

Capital and revenue reserves

The capital reserve pursuant to Sec. 272 (2) No. 1 HGB was reduced by EUR 2.8m due to the presentation of the final closing balance of Credit Suisse (Luxembourg) S.A., which was merged to UBS Europe SE in 2024.

The capital reserve pursuant to Sec. 272 (2) No. 4 HGB increased by EUR 351.4m, of which an amount of EUR 204.2m resulted from the merger of Credit Suisse (Italy) S.p.A. and an amount of EUR 147.2m resulted from the merger of Credit Suisse Deutschland GmbH to UBS Europe SE. At the same time, an amount of EUR 110.0m was withdrawn from the capital reserve in accordance with Section 272 (2) No. 4 of the German Commercial Code (HGB) in the financial year and allocated to the retained profit. Following this, capital reserves amount to EUR 2,568.6m.

Luxembourg tax legislation allows a reduction of the net worth tax liability if a dedicated reserve equal to five times the net worth tax liability is recognized; this reserve must not be distributed within the next five years. The non-distributable reserve is part of the capital reserves recognized in accordance with Sec. 272 (2) No. 1 HGB in the equity of UBS Europe SE; it amounts to EUR 64.9m as of 31 December 2025.

In June 2025, the entire net retained profit reported for fiscal year 2024 was distributed to the shareholder. The revenue reserves are unchanged at EUR 46.4m.

Contingent liabilities and other obligations

Contingent liabilities comprise guarantees provided, thereof EUR 25.6m in favour of credit institutions of UBS Group.

All other obligations are irrevocable loan commitments, of which EUR 1.8 bn is fully secured by an unconditional guarantee from UBS AG. In previous years, irrevocable loan commitments secured by the unconditional guarantee from UBS AG were not. There is no significant call risk. The risk of a claim under contingent liabilities is estimated on the basis of credit risk parameters.

In Q3 2022, UBS Europe SE completed the sale of its domestic Wealth Management business in Spain. The sale of the wealth management business was performed through a hive-down and sale ["Ausgliederung zur Übernahme"] under section 133 of the German Transformation Act ["Umwandlungsgesetz" - UmwG]. The structure creates a statutory obligation for the participating legal entities such that they are jointly and severally liable for all liabilities (including the client assets held for custody / collaterals) of the transferor entity that are established prior to the hive-down and sale for a period of up to five years. UBS AG, Switzerland, provided a contractual guarantee to UBS Europe SE to cover 50% of the potential obligations that might arise from this transaction up to a maximum of EUR 250m. The maximum amount has been reduced to EUR 100m in 2023. The total amount of liabilities transferred to the purchaser, for which UBS Europe SE is jointly and severally liable, was reduced to EUR 8.1m as of June 30, 2025.

In the third quarter of 2025, UBS AG and UBS Europe SE entered into an agreement pursuant to which both parties are jointly and severally liable for any violations of the Commodity Exchange Act (CEA) or the corresponding regulations of the Commodity Futures Trading Commission (CFTC) committed by employees of UBS Europe SE in the context of "Affiliate Support Activities" on behalf of UBS AG.

In Q4 2025, the merger of Credit Suisse Deutschland GmbH with UBS Europe SE became legally effective. Prior to the merger, Credit Suisse Deutschland GmbH had outsourced its pension obligations as part of a pension buyout and sold them to a third party. According to section 133 of the German Transformation Act ["Umwandlungsgesetz" - UmwG], the legal entities involved in the transaction are jointly and severally liable for the transferred obligations, which assume responsibility for the fulfilment of the commitments for a period of 5 or 10 years for the pension obligations. In order to meet any potential obligations arising from the transaction, the contingent liabilities from the merger were incorporated into an indemnity agreement of UBS AG, Switzerland, in favour of UBS Europe SE. In addition, the pension plan assets are managed under a Contractual Trust Arrangement (CTA) under the supervision of two independent external trustees. The total amount of pension obligations transferred for which UBS Europe SE is jointly and severally liable amounted to EUR 161.6m as of December 31, 2025; the other obligations carried over amounted to EUR 10.8 m as of the reporting date.

Also in Q4 2025, UBS Europe SE, Luxembourg Branch, completed the carve-out of pension liabilities assumed as part of the merger of Credit Suisse (Luxembourg) S.A. to UBS Europe SE in 2024. As part of the transaction, a legal obligation arises for the legal entities involved, which establishes joint and several liability for the transferred pension obligations for the lifetime of the beneficiaries. The total amount of transferred pension obligations for which UBS Europe SE is jointly and severally liable amounts to EUR 8.7m as of 31 December 2025.

Repurchase agreements

The book value of assets reported on the balance sheet and sold subject to a repurchase agreement amount to EUR 269.9m.

Foreign currency assets and liabilities

Foreign currency assets totaled EUR 17,832.6m, foreign currency liabilities totaled EUR 18,339.2m and foreign currency position below the line item totaled EUR 231.9m.

Notes to the income statement

Current income from shares, equity investments and investments in affiliated companies

Current income from shares, equity investments and investments in affiliated companies is primarily attributable to dividend payments from the trading portfolio of EUR 97.7m. Furthermore, the dividend payment of EUR 3.9m received from UBS La Maison de Gestion S.A.S., Paris, France and EUR 4.8m from the UBS Courtage Assurance are included.

Administrative and agency services

The following services were provided for third parties:

- Custody account management
- Wealth management
- Fund brokerage
- Consulting on equity investments and mergers
- Securities commission business

The income from these services is included in commission income.

Other operating income

This item primarily contains group allocations (EUR 156.4m), reversals of provision (EUR 22.3m) and rental income (EUR 2.1m). In addition, the item includes the gain from the transfer of the French asset management business to UBS Asset Management (Europe) S.A. in the amount of EUR 6.0m and the gain from the sale of CREDIT SUISSE ASSET MANAGEMENT Real Estate GmbH in the amount of EUR 1.3m.

Other operating expenses

This item mainly includes currency translation expenses (EUR 10.6m), payments and provision allocations in connection with customer complaints resulting in court proceedings (EUR 21.0m) as well as expenses of (EUR 6.9m) from unwinding discounts on provisions as of 31 December 2025 (thereof pension obligations and deferred compensation of (EUR 5.9m). In addition, an expense of EUR 2.6m incurred in connection with the sale of the pension obligations of UBS Europe SE, Luxembourg branch.

Geographical breakdown of income

Geographical breakdown

EUR thousand				**31.12.2025**
	Net interest income	**Current income from shares, equity investments and investments in affiliated**	**Net commission income**	**Other operating income**
Denmark	6	0	0	12
Germany	1,327,097	97,730	887,634	72,509
France	190,379	8,726	144,957	43,430
Ireland	1	0	998	4
Italy	30,499	642	164,109	25,189
Luxembourg	428,260	0	214,601	27,756
Netherlands	13	0	5,154	3,087
Poland	50	0	0	1,393
Portugal	69	0	999	12
Sweden	59	0	17,239	1,566
Switzerland	0	0	0	5,298
Spain	953	0	7,736	12,011
Total UBS Europe SE	**1,977,386**	**107,098**	**1,443,427**	**192,267**

Net income or net expense from trading book positions relates exclusively to Germany.

Other disclosures for the fiscal year 2025 is contained in the country-specific reporting in accordance with Sec. 26a KWG ["Kreditwesengesetz": German Banking Act].

Other notes

Proposal for the appropriation of net retained profit

The closing balance sheet of UBS Europe SE for 2025 reports a net retained profit of EUR 211.3m. The Management Board proposes the distribution of the full amount of the net retained profit reported as of 31 December 2025 to the shareholder. This corresponds to a dividend of EUR 0.47 per share, for 446,001,086 shares.

Other financial obligations

Other financial obligations include rent obligations for the premises used for the Bank's head office and branches. The lease agreement for its head office (the Opernturm building in Frankfurt) was transferred from UBS Beteiligungs-GmbH & Co. KG to UBS Europe SE as of 1 April 2022 including the existing subleasing agreements. This lease agreement was extended in October 2022 until September 2035. Rent obligations until 2035 for all buildings come to EUR 214.9m, EUR 71.6m of which relates to the Opernturm building.

Obligations for subsequent capital contributions may occur from the membership in the deposit protection schemed of "Bundesverband deutscher Banken" and "Entschädigungseinrichtung deutscher Banken GmbH" ("EdB").

Contingent liabilities

There were no further contingent liabilities as of 31 December 2025.

Derivative financial instruments at fair value

The table below shows the book values of the derivative financial instruments measured at fair value, that are recognized as trading assets and trading liabilities.

Derivative financial instruments measured at fair value

EUR thousand			**31.12.2025**
			Fair Value
	Nominal amount	**positive**	**negative**
Currency transactions			
Foreign currency forward transactions	39,482	3,053	3,270
Interest/Currency swaps	70,714,950	1,479,515	1,536,842
Foreign currency options	11,096	661	675
Other foreign currency transactions	4,148	420	6,105
Total	**70,769,676**	**1,483,649**	**1,546,892**
Interest rate transactions			
Forward transactions	205,616	19	41
Interest rate swaps	0	1,600	1,600
Total	**205,616**	**1,619**	**1,641**
Equity/Index-related transactions			
Equity/Index options	537,085	17,383	68,234
Equity/Index swaps	15,478	235	235
Other contracts	5,027	19,402	18,173
Total	**557,590**	**37,020**	**86,642**
Other transactions			
Credit derivatives	231,000	1,637	1,637
Commodity related contracts	4,638,843,168	297,207	296,121
Other contracts	11,437,974	59,182	38,413
Total	**4,650,512,142**	**358,026**	**336,171**

Hedges

The Bank issued structured financial instruments which are offered in the form of certificates. The Bank also issues plain vanilla products, which it offers its customers as note loans. For the structured products, the repayment value is linked to the performance of the underlying instruments. For the plain vanilla products, the Bank pays a fixed rate of interest. The Bank has concluded offsetting transactions with UBS AG, London Branch, to hedge its repayment and individual payment obligations under the financial instruments it has issued. The Bank uses these offsetting transactions to hedge against its entire market, foreign currency and interest rate risk from all issues. The issue position are grouped together with the offsetting transactions to form hedges. A total volume of EUR 16.1m (book value) is hedged with these transactions.

No currency risks were hedged by the valuation units as of the reporting date. Hedges protect against interest rate risks with a fair value of EUR 18.1m. The average term to maturity for these offsetting transactions is five years.

It is corporate policy to hedge all financial instruments at group banks.

Derivatives used as hedges for issuing transactions

Derivatives used as hedges for issuing transactions

EUR thousand			**31.12.2025**
			Fair Value
	Nominal amount	**positive**	**negative**
Equity/Index swaps	3,493	0	3,466

Derivative financial instruments not measured at fair value

The table below shows the volume of derivative financial instruments of the banking book.

Derivative financial instruments not measured at fair value

EUR thousand			**31.12.2025**
			Fair Value
	Nominal amount	**positive**	**negative**
Currency transactions			
Foreign currency forward transactions	25,895,817	40,558	76,960
Interest/Currency swaps	28,069,303	215,794	193,711
Foreign currency options	377,765	689	5,267
Other foreign currency transactions	38,587	73	7
Total	**54,381,472**	**257,114**	**275,945**
Interest rate transactions			
Interest options	0	0	0
Total	**0**	**0**	**0**
Equity/Index-related option	2	20,295	20,395
Equity/Index-swaps	6,997	193	3,659
Other	145	5,619	5,619
Total	**7,143**	**26,107**	**29,673**
Other transactions			
Other contracts	836,339	20,518	20,548
Total	**836,339**	**20,518**	**20,548**

Fair value is determined by various methods. Foreign currency forward transactions are valued on the basis of market-based spot exchange rates, whereas options are valued with standard market option price models and swap contracts are valued using discounted cash flow models. Both the valuation models selected and the parameters used depend on the individual product and are in line with market standards.

Derivatives and forward transactions used in the agency business

Derivatives and forward transactions used in the agency business			
EUR thousand			31.12.2025
			Fair Value
	nominal amount	positive	negative
Currency transactions			
Foreign currency forward transactions	58,627,657	244,835	283,902
Interest/Currency swaps	336,825,898	8,237,930	8,237,918
Foreign currency options	50,169,022	206	206
Total	**445,863,465**	**8,490,852**	**8,529,907**
Interest rate transactions			
Forward transactions	531,176	18,763	18,763
Interest options	224,988,888	2,167,217	2,167,217
Interest swaps	0	2,534	2,534
Total	**225,520,064**	**2,188,514**	**2,188,514**
Equity/Index-related transactions			
Equity/Index options	26,778,042	2,191,457	2,152,027
Equity/Index swaps	10,057,380	392,645	392,645
Other	2,553,765	163,300	163,300
Total	**39,389,187**	**2,747,402**	**2,707,972**
Other transactions			
Credit derivatives	537,133	7,126	7,143
Other	1,221,943	47,122	47,480
Total	**1,759,076**	**54,248**	**54,623**

Auditor's fees

The auditor Forvis Mazars GmbH & Co. KG invoiced EUR 2.3m for the audit of the financial statements in the financial year. The auditor invoiced EUR 0.5m for other confirmation services (auditing in accordance with the German Securities Trading Act and auditing activities in relation to financial statements).

Related party disclosure

The parent company UBS AG, having its registered office in Zurich, UBS Group AG and all affiliated companies, joint ventures and associates of the UBS Group were identified as related parties of UBS Europe SE.

Persons related to key management personnel (members of the Management Board, general managers and Supervisory Board members) of UBS Group, UBS AG in Zurich and UBS Europe SE and their immediate family members are treated as related persons.

The following financial transactions are performed with related parties:

- Money market transactions, investing in and raising funds
- Forward transactions in equities, foreign currency, bonds and structured products
- Options in equities, bonds and foreign currency
- Equity and interest rate swaps
- Securities lending
- Securities transactions (reverse repos)
- Nostro/Vostro accounts
- Credit facilities
- Guarantees
- Procurement/provision of intragroup services

Significant events after the balance sheet date

Further transactions will also take place in 2026 as part of the integration of the business of the former Credit Suisse Group AG. Otherwise, the Bank is not aware of any significant events occurring after the end of the fiscal year which have not been taken into account in the balance sheet or income statement.

Group affiliation

UBS Europe SE is included in the scope of consolidation of UBS Group AG, Zurich. In accordance with section 292 of the German Commercial Code ["Handelsgesetzbuch"], UBS Europe SE therefore opts not to prepare subgroup consolidated financial statements.

UBS Group AG, Zurich, prepares exempting consolidated financial statements and a Group management report. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). These are the consolidated financial statements for the largest group of companies. The consolidated financial statements and the Group management report for 2025 of UBS Group AG, Zurich, are available on the UBS website and is published by UBS Europe SE, Frankfurt am Main, in the electronic Company register ["Elektronisches Unternehmensregister"] as exempting consolidated financial statements.

In addition, UBS Europe SE is included in the consolidated financial statements of UBS AG, Zurich, which are also prepared in accordance with IFRS. These are the consolidated financial statements for the smallest group of companies. The consolidated financial statements of UBS AG, Zurich, are available on the UBS website.

Disclosure

The disclosure report for the year ended 31 December 2025 is published on the UBS Europe SE website at *ubs.com/de/en/ubs-germany/financial-reports.html.*

Governing bodies
Supervisory Board

Prof. Dr. Reto Francioni
Chair
Fully qualified lawyer, Brugg, Switzerland

Gregor Pottmeyer
Deputy Chair, Frankfurt, Germany

Silke Alberts*
Chair of the Works Council, UBS Europe SE, Frankfurt, Germany

Jean-Marc Lehnertz*,
Depositary Risk & Framework Team Head, UBS Europe SE, Luxembourg

Jonathan (Bobby) Magee
Consultant, Guildford, United Kingdom

Beatriz Martin Jimenez
Group Chief Operating Officer, President UBS EMEA & UK Chief Executive, UBS AG, London Branch, United Kingdom

Christine Novakovic
Head Global Wealth Management EMEA, UBS AG, Zurich, Switzerland

Natasha Meaney
Head Compliance & Investigations, UBS AG, London Branch, United Kingdom

Francesco Stumpo*
Wealth Management IT Application Delivery, UBS Europe SE, Milan, Italy

*Employee representatives

In accordance with the resolution of the ordinary General Meeting dated 17 May 2024, remuneration totaling EUR 240k was paid in 2025 for the fiscal year 2024 to the employee representatives on the Supervisory Board. Remuneration totaling EUR 740k was paid to the independent members of the Supervisory Board.

Management Board

Tobias Vogel
Chairman of the Board
Head Global Wealth Management and Head Asset Management, UBS Europe SE, Frankfurt, Germany

Georgia Paphiti (until 28th February 2026)
Chief Financial Officer, UBS Europe SE, Frankfurt, Germany

Pierre Philippe Chavenon
Chief Risk Officer, UBS Europe SE, Frankfurt, Germany

Dr. Denise Bauer-Weiler
Head Group Compliance, Regulatory & Governance, UBS Europe SE, Frankfurt, Germany

Filippo Bianco
Head Investment Bank, UBS Europe SE, Frankfurt, Germany

Miriam Godoy Suarez
Chief Operating Officer, UBS Europe SE, Frankfurt, Germany

Remuneration for the members of the Management Board amounted to EUR 11.2m in the fiscal year. The amount includes the basic salary, variable remuneration and other remuneration for the period during which they were a member of the Management Board.

EUR 3.9m was paid to former members of the Management Board and their survivors; the pension provisions for this group were EUR 60.2m on 31 December 2025.

Employees

The average number of employees during the fiscal year was 2,770, thereof 1,225 female and 1,545 male employees.

As of 31 December 2025, the headcount was 2,649 and 23 employees were on parental leave.
The distribution of employees was as follows:

Employees

	31.12.2025	31.12.2024
… by locations		
Denmark	8	9
Germany	731	740
France	419	421
Italy	398	397
Ireland	6	5
Luxembourg	586	641
Netherlands	20	19
Poland	376	339
Portugal	11	11
Sweden	27	29
Switzerland	2	2
Spain	65	68

Employees

	31.12.2025	31.12.2024
… by business division		
Asset Management	0	7
Global Wealth Management	925	1,033
Investment Bank	383	365
Operating office	835	752
Non-Core and Legacy	3	2
Other	503	522

Frankfurt / Main, 30 April 2026

UBS Europe SE - Management Board

Tobias Vogel

Miriam Godoy Suarez

Pierre Chavenon

Dr. Denise Bauer-Weiler

Filippo Bianco

Management Report

Business Report

Divisions and organization

UBS Europe SE based in Frankfurt am Main was created in 2016 by merging several European wealth management subsidiaries of UBS group. UBS Europe SE is one of the leading financial services providers for wealth management in Europe, leveraging strong cross-divisional synergies with the Investment Bank and Asset Management, which does not form part of UBS Europe SE.

The bank is a direct 100% subsidiary of UBS AG, Zurich. Its organizational structure includes the business divisions of Global Wealth Management (GWM), Investment Bank (IB), Asset Management (AM), and Group Functions (GF).

As a universal bank within the scope of the German Banking Act (KWG) and as an SE under European law, its administrative bodies are the Management Board, the Supervisory Board (including Committees), and the Annual General Meeting.

UBS Europe SE encompasses eleven branches (Denmark, France, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Spain, Sweden, and Switzerland), including the company's headquarters in Germany.

As part of the consolidation of the European asset management business into UBS Asset Management (Europe) S.A. (formerly UBS Fund Management (Luxembourg) S.A.), the asset management business in France was sold to UBS Asset Management (Europe) S.A. with effect from 1 July 2025.

In the first quarter of 2023, UBS Group AG announced its plans to acquire Credit Suisse Group AG. The merger of Credit Suisse Group AG and UBS Group AG was successfully completed on 12 June 2023. To comply with EU IPU requirements, Credit Suisse (Luxembourg) S.A. and Credit Suisse (Italy) S.p.A. were integrated into UBS Europe SE; the client migrations were completed in October 2024 (Luxembourg) and January 2025 (Italy). With effect from 1 December 2025, Credit Suisse Deutschland GmbH was merged into UBS Europe SE.

Global Wealth Management

Global Wealth Management is the core business of UBS Europe SE and offers clients a wide range of solutions. The Wealth Management business aims to strengthen the relationship with clients and help them to manage their financial and personal goals. As a globally awarded wealth manager UBS offers clients tailored investment offerings, analysis and ideas as well as access to industry specialists. The CIO provides the UBS House View, identifying investment opportunities designed to protect and increase our clients' wealth over generations. Our product specialists deliver investment solutions, including our flagship investment mandates, innovative long-term themes and sustainable investment offerings. Clients benefit from our comprehensive expertise, including wealth planning, investing, philanthropy and family advisory services.

The core product offering essentially consists of UBS Manage, the tailored solution for discretionary portfolio management; UBS Transact, the mandated solution for clients seeking access to financial-market brokerage and custody services as well as generic investment research; and UBS Advice, the individually tailored traditional investment advisory service. With a market-access agreement for professional clients, access is provided to non-advisory professional services. These include direct access to IB product specialists (such as Sales Coverage) or to institutional investment opportunities.

UBS Europe SE also offers wealth planning services that give access to a wide range of solutions to meet the needs of our clients related to succession, financial, retirement and relocation planning while ensuring that their financial and personal goals can be achieved.

Within UBS Europe SE, specialists from Global Wealth Management and the Investment Bank are working together to support special clients, such as German SMEs in question of entrepreneurial planning. Due to the "Guided Architecture" clients of UBS Europe SE have access to a wide range of products and services from UBS and third-party providers.

UBS Europe SE acts as a strategic business partner for Financial Intermediaries (FIM) across Europe and Latin America. It offers them

professional investment advisory services, a global banking infrastructure and tailored solutions, helping FIM to advise their end-clients more effectively.

Investment Bank

UBS Europe SE is committed to deliver through its Investment Bank division the best-in-class services and solutions to corporate, wealth management and institutional clients through an integrated, solutions-led approach. It consists of two business divisions: Global Banking and Global Markets, which are supported by Investment Bank Research.

Global Banking provides client coverage, advisory, debt and equity capital market solutions and financing solutions for corporate, financial institution, financial sponsor clients and clients of UBS's Global Wealth Management businesses.

Global Markets is an active participant in capital markets flow activities, including sales, trading, and market-making across a range of securities. From origination and distribution to managing risk and providing liquidity in foreign exchange, rates, credit and precious metals, the Investment Bank helps clients to realize their financial goals. Each business unit is organized by product.

The Investment Bank is committed to deliver excellent performance with corporate and institutional clients driving ability to add value across the Group. The Investment Bank's key priority is providing seamless client service and high-quality execution through disciplined growth in the capital-light advisory and execution businesses, while accelerating its digital transformation.

Strategy

UBS key levelers to drive profitability

UBS Europe SE's strategy is centered on its leading Global Wealth Management and Investment Bank businesses in Europe. UBS Europe SE focuses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth and profitability outlook. The partnership between the Global Wealth Management business and other divisions is a key differentiating factor and a source of competitive advantage.

UBS Europe SE aims to drive higher and superior returns by growing each of its businesses and leveraging its unique, integrated and complementary business portfolio and geographic footprint in Europe.

Acquisition of Credit Suisse

In March 2023, UBS Group AG announced its intention to acquire former competitor Credit Suisse. As of 12 June 2023, UBS completed the acquisition of Credit Suisse (Credit Suisse Group AG was merged into UBS Group AG and the combined entity operates as a consolidated banking group).

Following the group-wide merger, and in accordance with Chapter 2.5 as well as Nos. 24 and 25 of the European Banking Authority (EBA) Guidelines on monitoring the threshold and other procedural aspects for establishing an Intermediate Parent Undertaking (IPU) under Article 21b of Directive 2013/36/EU (EBA/GL/2021/08), UBS Europe SE began drafting a plan to meet the EU IPU requirements. This plan provides for a two-year period to achieve IPU compliance, starting on 12 June 2023. On 24 August 2023, UBS Europe SE applied for and received a two-year transition period from the ECB in order to de-risk its structure, merge and migrate the Wealth Management entities by the second quarter of 2025, and wind down most CS NCL positions outside UBS Europe SE.
With the relinquishment of the Credit Suisse Bank (Europe) S.A. license on 30 April 2025, IPU implementation was completed on time and thus successfully achieved ahead of the 12 June 2025 deadline. This followed previously executed IPU compliance steps: the merger of Credit Suisse Servizi Fiduciari Srl, the merger of Credit Suisse (Luxembourg) S.A, the return of the Credit Suisse Deutschland GmbH license, and the merger of Credit Suisse (Italy) S.p.A..
The business strategy of UBS Europe SE remains unchanged.

- For Wealth Management, there is no change to the strategy: continue to be the leading Wealth Manager for (Ultra)High Net Worth- and Global Family & Institutional Wealth clients in Europe
- For the Investment Bank, there is no change to the strategy: UBS Europe SE continues to operate a capital-light business model focused on advice and execution. The remaining Investment Bank positions are expected to be transferred to UBS Europe SE, where this aligns to the existing UBS Europe SE booking model and risk appetite
- Non-Core and Legacy businesses will be wound down as economically as possible outside UBS Europe SE, while controlling risks and associated costs

The target state legal entity structure in Europe continues to be UBS Europe SE with a branch network.

Key pillars for growth

Global Wealth Management

UBS Europe SE's Global Wealth Management business benefits from significant scale in an industry with attractive growth prospects, increasingly high barriers to entry and its leading position and market penetration. The business is adjusting its coverage across the client spectrum to deliver more tailored services and solutions. It is reorganizing itself to be closer to clients, in order to increase time spent with them, empowering regions, improving responsiveness and speed to market, as well as delivering on all the firm's capabilities through expanded strategic partnerships with the Investment Bank and Asset Management (outside of UBS Europe SE, part of UBS Asset Management (Europe) S.A.). Furthermore, the business is expanding its product offering while becoming more efficient, leveraging scale through partnerships and optimizing processes to increase productivity.

Priorities:
– Be the primary wealth manager for (Ultra)High Net Worth- and Global Family & Institutional Wealth clients in Europe
– Leverage leading investment advice, lending and wealth planning capabilities to clients
– Further enhance business opportunities and client satisfaction through cross-divisional synergies with Investment Bank and Asset Management (outside of UBS Europe SE)

Investment Bank

The Investment Bank's key priority is disciplined growth in the capital-light advisory and execution businesses while accelerating its digital transformation. Together with other business divisions and through external partnerships the aim is to deliver market-leading digital research and banking capabilities to clients.

Priorities:
– Global Banking: Focus resources on selected markets, sectors & clients, defending traditional business whilst scaling up non-traditional businesses including private markets
– Global Markets: Holistic client focus and positioning as a top liquidity provider with differentiated content, bespoke solutions and dynamic resource allocation
– Cross-divisional partnership opportunities with Global Wealth Management and Asset Management (outside of UBS Europe SE).

Treasury

At UBS Europe SE, Treasury is responsible for establishing and maintaining a comprehensive governance and control frameworks for capital and liquidity & funding management. It produces and maintains plans for balance sheet, capital and funding (including a contingency funding plan), proposes and monitors financial resource limits and other indicators.

Priorities:
– The goal is to bring return on CET1 (RoCET1) up to >10% over the next three years by targeted measures such as capital optimization, and further diversifying UBS Europe SE's funding resources.

Service-aligned Operating Model

The service-aligned operating model of the GWM division comprises four regional service areas: GWM Front Support Organization, GWM Event Lifecycle Management, GWM Settlement, and GWM Operational Client Services & Reporting

– Front Support Organization: Central point of contact supporting Client Advisors/Client Account Managers as well as managing services throughout the entire lifecycle of client and credit administration.
– Event Lifecycle Management: Processing activities and development of services that do not belong to the Order Room, including the supervision of activities performed by other parties in connection with the execution of our processes.
– GWM Settlement: Building on the former Securities Processing & Payments area; activities related to the processing and development of Order Room services, such as monitoring services provided by external parties. The service area additionally continues to cover certain Operations processes of the Investment Bank.
– GWM Operational Client Services & Reporting: Tax reporting activities and regulatory reporting, depository bank services, derivatives and collateral processing, payment processing and liquidity management, asset master data management, as well as euro clearing.

Key Strategic Imperatives

"One UBS" Collaboration

The collaboration between the business divisions is crucial for the success of the UBS Europe SE strategy and offers competitive advantages. The cooperation opens up opportunities to further increase revenue and to meet client needs even more effectively. To further advance these synergies and strengthen the position as a leading wealth manager in continental Europe, important levers to promote the "One UBS" cooperation have been identified. These include, among others, training, incentive systems, "One UBS" reporting, and specific communication initiatives.

Sustainability

UBS Europe SE is guided by the ambition to be a leader in sustainability. This is reflected in the firm's vision to be the bank for the next generation. To help UBS Europe SE realize that vision, the sustainability and impact strategy is based on three overarching strategic pillars: Protect, Grow and Attract.

Protect

As part of continued commitment to protect UBS Europe SE's clients' assets and those of the firm, UBS Europe SE is focused on managing its business by aligning to the sustainable long-term Group strategy and evolving standards. The bank maintains a strong control and risk framework to support its risk management processes and product offering, as well as complying with regulatory requirements. In addition, UBS Europe SE has a climate transition plan in place to support clients in the transition to a low-carbon world and to reduce their exposure to transition risks while also mitigating related risks to UBS.

Grow

UBS Europe SE continues to expand its sustainability and impact product offering across all business divisions to meet clients' evolving needs and to support them through the world's transition to a low-carbon economy. Innovation in product development, client reporting and engagement, as well as exploring artificial-intelligence-driven use cases to streamline processes are key to delivering competitive solutions.

Attract

UBS Europe SE aspires to be the bank of choice for clients and employees alike, maintaining top quartile sustainability ratings and positioning itself as the go-to employer through engagement and education programs.

Digitalization

Digitization is a central strategic lever for UBS Europe SE to enable long-term success and growth. Building on a fast-follower strategy, UBS Europe SE, together with UBS Group AG, is developing a transformation that integrates both established digital solutions such as modern communication channels and innovative technologies such as GenAI, Agentic AI and Digital Assets. The goal is to offer clients seamless, personalized, and increasingly digital interactions, while supporting employees through more efficient, automated, and more resilient processes. UBS Europe SE continuously works on a company-wide digital transformation, ensuring a structured implementation with clear governance as well as the guarantee of consistent operational stability.

Talent, conduct and culture

UBS Europe SE believes that the right strategy and a strong culture drive strong performance. This culture is grounded in the "three keys to success". UBS's Pillars, Principles and Behaviors underscore the bank's strategy and culture, defining what UBS Europe SE stands for as a firm. It guides every employee in terms of what UBS aims for and provides a universal guide for decision making. To unlock the company's potential, UBS has made these principles its guiding principle for its day-to-day operations, investment decisions, management methods and the design of the employee experience. Furthermore, UBS Europe SE attaches great importance to a diverse workforce and inclusive culture based on meritocracy. This is crucial in order to meet the equally diverse client's needs.

Management systems

Planning for the legal entity UBS Europe SE is performed on an annual basis and covers a period of three years. The plan is based on group reporting systems and is broken down by branch and by division.

For Wealth Management the legal entity plan is based on the divisional targets for revenues, costs, head count and growth of Net New Money. For other divisions the planning is based on a backward-looking view and adjusted for known items. Any known cost or revenue items are taken into account for the planning.

The key reporting system for Wealth Management is Performance Segment Report (PSR). The PSR is a web-based tool – key figures such as income, costs, invested assets and net new money can be queried combined with various product information. Revenues are split according to the income lines 'recurring', 'transaction-driven' and 'interest', costs according to personnel and general/administrative costs. The PSR is updated monthly and can be queried for different business units (e.g. GFIW Germany, FIM Germany, Germany Domestic, Latam Hamburg). The PSR also shows cost allocations from UBS Group AG. This allows the profitability (profit before tax/PbT) of the business unit to be determined.

Another control element in the Global Wealth Management division is the web-based tool GWM-Insight. Here, the financial ratios can be broken down to individual client advisors. In GWM-Insight, some data such as transaction income, net new money and assets under management are updated weekly.

For Global Markets UBS Neo is the main tool to monitor profitability based on REVs (Real Economic Value is used in Global Market Business Unit. It is the NPV of the client trade at the point in time the trade is booked in the FO Risk Management System). For market environment analysis in the Global Markets space, Coalition data is used.

For Global Banking, Banker Portal plays a central role in the management of the business and provides important client and deal-related information to Advisory, Equity Capital Markets (ECM), Debt Capital Markets (DCM) und Leveraged Capital Markets (LCM), Corporate Lending and Structured Financing. The tool provides aggregate views of opportunities, actuals, pipeline, and meetings, while also informs the user of fee pool and market share information.

In addition, for the analysis of the market environment and the competitive positioning Dealogic data is used for Global Banking. Dealogic is a financial markets platform offering integrated content, analytics, and technology via a service to financial firms. From origination to distribution and investors, the Dealogic platform provides a connection across banking, capital markets, sales and trading, and institutional investing. Dealogic content is used by global financial publications for analysis of investment banking trends, activity, and wallet share, including an interactive and real-time scorecard of the world's financial markets.

Economic report

Financial performance indicators

The key financial performance indicators (KPIs) of UBS Europe SE are aligned with the business objectives, focusing on drivers of direct increases in efficiency and profitability. Hence, all levels of divisions' functional organizational structure (segment, location and team level) are covered.

The following financial performance indicators are reported:

Cost-Income-Ratio

The Cost-Income-Ratio is defined as operating expenses in relation to total revenues.

Revenues for the 2025 financial year amount to EUR 1,398.6m compared to EUR 1,174.5m in the previous year and have thus increased by around 19% compared to the previous year. Overall, costs rose to EUR 1,247.2m compared to EUR 1,132.9m in the previous year and are thus around 10% higher compared to the previous year. Overall, the cost/income ratio based on HGB figures results to 89% (prior year 96%).

The budget for the current financial year is based on consolidated IFRS figures and stipulated a cost/income ratio of 85%. Cost/Income ratio according to IFRS is 87%.

Profit before tax

The consolidated profit before tax according to IFRS for UBS Europe SE is reported as financial performance indicator. For the financial year 2025 the profit before tax results to EUR 177m which is 8% below the plan of EUR 192m.

The bank discloses the profit before tax by division and by location in the internal management information system: while the branches in Germany (EUR +118m), Sweden and the Netherlands (EUR +1m) were above plan, the other branches were unable to achieve their target figures (Luxembourg EUR -59m, Italy EUR -44m, Spain EUR -16m, France EUR - 15m and Ireland EUR -1m).

The Global Wealth Management division's profit before tax was slightly below the previous year's result (-10%), while the Investment Banking significantly increased its profit before tax (+120%). The Asset Management division generated earnings before taxes of EUR 6 million.

Return on CET1

The Return on CET1 (RoCET1) according to IFRS is 5% for the financial year 2025. That means that the key figure corresponds with the planned value.

Invested Assets

Invested assets increased from EUR 226.7bn to EUR 251.4bn in the financial year.

Non-financial performance indicators

In order to provide a more holistic view on our performance and on the sustainability of our results, the following section on non-financial performance indicators is provided.

MyImpact is the performance management process at UBS which consists of three elements outcome focused objectives, continuous feedback and year-end reviews. The process considers both contribution and behavior and supports our corporate vision and our corporate targets. It features aspirational objectives aligned to strategic priorities and regular coaching conversations to support employees' development. It also includes an integrated feedback app which enables employees to easily give and receive meaningful feedback "in the moment".
We apply compensation principles reflecting a pay-for-performance approach. The evaluation of individual performance reflects both "the what" (contribution) and "the how" (behavior). We also factor in adherence with laws, rules, regulations, the Code, policies or procedures.

Behaviors and risk culture objectives are pre-populated for all employees. In addition, there is also a people management objective for line managers. This is to ensure we all stay aligned on the UBS behaviors, the code of conduct and ethics of UBS and our risk management culture and the line management principles.

Setting high quality objectives promotes accountability, clarifies everyone´s impact, drives excellence, and aligns everyone's efforts. The individual performance against these objectives will influence the individuals reviews and rewards.

In addition to the behavior and risk objectives, the categories of the performance objectives illustrate the importance of non-financial factors to UBS Europe SE. These include:
- Client Focus
- Financial
- Job Specific
- People/Team
- Risk

We are committed to being a diverse and inclusive workplace based on meritocracy, and we aim to build a culture of belonging, where all employees are recognized and valued, and where everyone can be successful and thrive. We aim to hire and retain the best people for the right roles, to deliver for our clients, our businesses, our shareholders and the communities we serve. 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. It is also critically important to us that we respect an environment where all our employees are treated fairly and able to reach their potential.

For information and data on sustainability, please refer to 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 "www.ubs.com/ubs-ag-consolidated."

Furthermore, transparency is the foundation framework through which we enable leaders to deliver the Workforce Inclusion strategy, and everyone is held responsible. We leverage various communication channels and line manager objectives to drive awareness, benchmarking, thought leadership and feedback to inform the strategy, and data monitoring with respective characteristics, including management dashboards and toolkits, to support our entire workforce.

Pursuant to Article 76 (4) und Article 111 (5) AktG ["Aktiengesetz": German Stock Corporation Akt] in conjunction with the FührposGleichberG ["Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst": German Act on the Equal Participation of Women and Men in Management Positions] aspirational goals for the ratio between male and female employees on the Supervisory Board, the Management Board and the two management levels below the Management Board have been defined. For 2021 to 2025, the Management Board of UBS Europe SE set new ratios of 27% of females for the first management level and 28% of females for the second management level below the Management Board. As of 31 December 2025, the representation of females on the UBS Europe SE Supervisory Board was 44% and on the UBS Europe SE Management Board 50%, exceeding the minimum female representation threshold of 33% for Supervisory and Management Board. As of the same date, the representation of females on the first management level of UBS Europe SE was 27%, and 31% on the second management level.

Non-financial report

UBS Group AG has issued a seperate non-financial group report and published it in accordance with Article 114 WpHG ["Wertpapierhandelsgesetz": Securities Trading Act]. The report contains a consolidated Global Reporting Initiative (GRI) document, providing a disclosure on environmental, social and governance (ESG) factors and including the disclosures on non-financial information required by German law implementing the EU directive 2014/95 ["CSR-Richtlinie-Umsetzungsgesetz"/CSR-RUG]. The GRI document is available in English under the Annual Report 2025 – UBS AG for filing in the EU, in particular the section "Information on UBS AG standalone and UBS Europe SE consolidated pursuant to Art. 8 of the EU Taxonomy Regulation", available at www.ubs.com/ubs-ag-consolidated. UBS Europe SE is therefore exempted from the issuance of a non-financial report in accordance with Article 289b HGB and refers to the GRI document for details on the mentioned subjects.

Overall economic environment

The global economy grew by around 3.5% in 2025 despite recurring geopolitical uncertainties and ongoing trade tensions, slightly stronger than in the previous year and close to the long-term average. Slightly weaker growth in the US was offset by an increase in the Eurozone and a stable growth rate in China (5%). Inflation cooled significantly to 3.3%, down from 5.7% in 2024, accompanied by interest rate cuts by central banks.

The US economy grew by 2.2% in 2025, driven by private consumption and solid investments, especially from the technology sector. Inflation (CPI) fell further to 2.7%, and the US Federal Reserve lowered the key interest rate by 75 basis points.

The Eurozone recorded GDP growth of 1.5% in 2025, stronger than in the previous year, supported by falling inflation as well as a slight recovery in consumption and investment spending. Germany posted one of the lowest growth rates among the major member states, with annual growth of 0.2% - burdened not least by the headwinds stemming from higher US import tariffs. Growth in the Eurozone was largely driven by France (0.9%), Italy (0.7%), and Spain (2.8%). Switzerland also benefited from stable domestic demand, which buffered the export industry's strain caused by higher tariffs. While the ECB lowered interest rates to the level considered neutral (2%), the Swiss National Bank's policy rate fell to 0%.

Strong global profit growth, lower interest rates, and investments in artificial intelligence pushed global equity markets (MSCI ACWI) up by 22.4%. The S&P 500 rose only 17.9% due to US import tariffs, while the MSCI Europe and MSCI Switzerland achieved returns of 18.7% and 15.8% respectively, significantly supported by the announcement of substantial fiscal spending in Germany. Emerging market equities rose by 30.6% (in USD), and the MSCI China gained 28.1%, supported by fiscal measures and AI-related innovations.

For bond markets, 2025 was shaped by three additional interest rate cuts by the US Federal Reserve, which steepened yield curves over the course of the year. Toward year-end, yields in the short-term segment therefore adjusted downward. As a result, the yield on two-year US Treasuries declined from 4.25% to 3.5%. At the same time, concerns about the sustainability of US government debt persisted, causing very long-term yields to remain high and virtually unchanged throughout the year. In Germany and Japan, long-term yields instead rose during the year, driven by higher government spending.

Business in 2025

In 2025, UBS Europe SE completed the merger with Credit Suisse Italy S.p.A., the merger of Credit Suisse Deutschland GmbH, and the carve-out of the asset management business into UBS Asset Management (Europe) S.A. The bank also demonstrated the strength of its core businesses and the ability of its management to generate growth and complete strategic projects despite challenging market conditions. Both aspects underscore that its business mix and overall business model are robustly positioned, enabling UBS Europe SE to generate sustainable earnings even in demanding environments.

Financial result of UBS Europe SE for the year 2025

UBS Europe SE is managed on the basis of consolidated IFRS figures. Based on that, UBS Europe SE generated a pre-tax profit of EUR 177m in 2025.

- Profit before tax for 2025 is at EUR 177m, approx. 19% above previous year (EUR 148m)
- Profit before tax for Global Wealth Management was EUR 57m, approx. 9% below previous year (EUR 63m)
- Profit before tax for the Investment Bank was EUR 110m, approx. 117% above previous year (EUR 50m)
- Profit before tax for Asset Management was EUR 6m, compared with a loss before tax of EUR 1m in the previous year
- Profit before tax for von Personal & Corporate Banking was EUR 5m, approx. 27% above previous year (EUR 4m)
- Loss before tax for Non-Core Legacy was EUR 25m, compared with EUR 0m in the previous year
- Profit before tax for Group Items was EUR 24m, approx. 26% below previous year (EUR 32m)

Revenues in Global Wealth Management amounted to EUR 802m in 2025, representing an 18% increase compared with the previous year. The growth in revenues resulted from an increase in client assets under management from both existing and new clients. This was driven by the integration of Credit Suisse Italy S.p.A. in January 2025 as well as by positive market performance.

In the Investment Bank, revenues reached EUR 440m in 2025, 27% higher than in the previous year. Growth in Global Banking was mainly attributable to successful transactions in Mergers & Acquisitions (M&A), Debt Capital Markets (DCM), and Leveraged Capital Markets (LCM). Higher revenues in Global Markets were driven by strong performance in the Financing business and in Derivatives & Solutions (D&S).

Asset Management recorded revenues of EUR 8m in 2025, EUR 1m higher than in the previous year. Following the carve-out of the Asset Management business in France in July 2025, no Asset Management activities remain.

Revenues in Non-Core and Legacy amounted to EUR 4m in 2025, EUR 6m below the previous year's result.

Finally, revenues in Group Items totaled EUR 163m in 2025, an increase of 14% compared with the previous year.

Overall operating expenses in 2025 amounted to EUR 1,252m, compared with EUR 1,045m in 2024. The 20% increase is attributable to ongoing integration activities, which are expected to be completed in 2026.

Financial position

Net assets

The bank's net assets are in order. The balance sheet total increased to EUR 61.5bn for the current year (prior year: EUR 65.6bn).

Key items were receivables from credit institutions (51% of total assets) and customer receivables (15%). Further items affecting net assets are described below.

Cash reserve

As of the balance sheet date 2025, the credit balance with central banks was EUR 0.3bn (prior year: EUR 0.3bn), thereof EUR 0.1bn (prior year: EUR 0.1bn) with Deutsche Bundesbank.

Receivables from credit institutions and customers

Total receivables from banks decreased by EUR 8.4bn compared to the previous year. The deposit facility with Deutsche Bundesbank decreased by EUR 3.0bn while receivables from repurchase agreements are EUR 5.5bn lower compared to the previous year. Receivables from customers increase by EUR 1.9bn.

	31.12.2025 *EUR million*	31.12.2024 *EUR million*	Change *EUR million*	 %
Receivables from credit institutions	31,265	39,665	-8,400	-21.2%
Receivables from customers	9,107	7,206	1,900	26.4%
Total receivables	**40,371**	**46,871**	**-6,500**	**-13.9%**

The following overview shows the geographical split of receivables and liabilities to credit institutions and customers.

Breakdown by country

EUR million	Receivables from credit institutions	Receivables from customers	Liabilities to credit institutions	Liabilities to customers
Denmark	0	0	0	0
Germany	29,961	3,212	25,572	4,907
France	214	1,951	50	747
Ireland	0	0	0	0
Italy	24	1,048	19	1,197
Luxembourg	995	2,894	394	11,478
Netherlands	3	0	0	0
Poland	1	0	0	0
Portugal	6	0	0	0
Sweden	7	0	0	0
Switzerland	1	0	1	0
Spain	53	0	20	0
Total	**31,265**	**9,107**	**26,057**	**18,330**

Trading assets

Trading assets include shares and other variable yield securities amounting to EUR 7.8bn and positive replacement values from derivatives amounting to EUR 1.9bn.

Securities

Debt securities and other fixed-income securities increased by EUR 1.3bn compared to the previous year

	31.12.2025 *EUR million*	31.12.2024 *EUR million*	Change *EUR million*	 %
Money market instruments, bonds and debt securities from public issuers	2,591	1,954	636	32.6%
Money market instruments, bonds and debt securities from other issuers	3,860	3,216	645	20.1%
Debt and other fixed-income securities	**6,451**	**5,170**	**1,281**	**24.8%**
Shares and other variable-yield securities	**0**	**0**	**0**	**0.0%**
Total securities	**6,451**	**5,170**	**1,281**	**24.8%**

Liabilities to credit institutions and customers

Total liabilities decreased by EUR 6.0bn compared to the prior year value. The intercompany liabilities increased by EUR 0.7bn.

	31.12.2025 *EUR million*	31.12.2024 *EUR million*	Change *EUR million*	 %
Liabilities to credit institutions	26,057	29,952	-3,895	-13.0%
Liabilities to customers	18,330	20,428	-2,098	-10.3%
Total liabilities	**44,387**	**50,380**	**-5,993**	**-11.9%**

Equity

The bank's subscribed capital is at EUR 446,001,086 and is divided into 446,001,086 registered shares. The capital reserve pursuant to Sec. 272 (2) No. 1 HGB was reduced by EUR 2.8m due to the presentation of the final closing balance of Credit Suisse (Luxembourg) S.A., which was merged to UBS Europe SE in 2024. The capital reserve pursuant to Sec. 272 (2) No. 4 HGB increased by EUR 351.4m, of which an amount of EUR 204.2m resulted from the merger of Credit Suisse (Italy) S.p.A. and an amount of EUR 147.2m resulted from the merger of Credit Suisse Deutschland GmbH to UBS Europe SE. At the same time, an amount of EUR 500.0m was withdrawn from the capital reserve in accordance with Section 272 (2) No. 4 HGB in the financial year and allocated to the retained profit. Following this, capital reserves amount to EUR 2,568.6m.

Profit reserves remained unchanged amounting to EUR 46.4m.

The Common Equity Tier 1 (CET 1) ratio according to Article 92 CRR was 19.52% (prior year: 23.01%).

Valuation of interest rate transactions in the banking book at net realizable value

There was no obligation as of 31 December 2025. Therefore provisions were not recognized.

Liquidity

UBS Europe SE was solvent at all times during the fiscal year. The Liquidity Coverage Ratio (LCR) introduced on 1 October 2015 and the Net Stable Funding Ratio (NSFR) introduced on 28 June 2021 have to be fulfilled. According to the Delegated Regulation 2015/61 as of 10 October 2014 the miminum ratio is 100% for 2018. As of 31 December 2025, the LCR for UBS Europe SE amounted to 142.4% (prior year: 134.6%).

According to the Regulation (EU) 575/2013 as amended by (EU) 2019/876 Capital Requirement Regulation 2(CRR2) the minimum Net Stable Funding Ratio (NSFR) of 100% is to be maintained from 28 June 2021. As of 31 December 2025, the NSFR for UBS Europe SE amounted to 137.3% (prior year: 125.5%).

Result of operations

The financial year 2025 resulted in a net profit of EUR 101.3m after EUR 15.3m in the previous year.

Net interest result totaled EUR -112.5m. The decrease is due to higher funding costs for trading activities within the investment bank business. Net commission income is EUR 1,007.9m, which was around 24% higher compared to the previous year. The increase is due in particular to the increase in net commissions from corporate finance (+60%) and asset management (+20%). Net trading income was positive with EUR 193.5m and was around 15% higher than the previous year's figure.

Regarding costs, the most significant items were personnel expenses with EUR 645.7m. Other administrative expenses amount to EUR 522.1m. Largest part of the other administrative expenses with 59.5% are intragroup charges, particularly for IT and management services.

The bank is working to foster efficiency to recuperate the economic result.

The following table shows the profit before tax split by branches before consolidation of intra-group expenses and income:

EUR thousand	**2025**
Denmark	-2,392
Germany	123,640
France	14,490
Ireland	-126
Italy	-40,090
Luxembourg	51,114
Netherlands	480
Poland	894
Portugal	2,180
Sweden	4,184
Switzerland	261
Spain	-3,697
Total UBS Europe SE	**150,939**

The result of Germany includes treasury activities for all branches.

Opportunities and risk report

Opportunities and risks

Acquisition of Credit Suisse and Impact on UBS Europe SE

In March 2023, UBS Group AG announced its intention to acquire former competitor Credit Suisse Group AG. As of 12 June 2023, UBS completed the acquisition of Credit Suisse.

To comply with the EU IPU requirements, Credit Suisse (Luxembourg) S.A. and Credit Suisse (Italy) S.p.A. were integrated into UBS Europe SE; the client migrations were completed in October 2024 (Luxembourg) and January 2025 (Italy), respectively. With effect from 1 December 2025, Credit Suisse Deutschland GmbH was merged into UBS Europe SE.

Industry trends

Client expectations

With technological progress, clients are increasingly changing the way they live and work, and thus their expectations of financial service providers. Shaped by experiences with companies outside the financial sector, they now expect technology-based, data-driven solutions that combine convenience, personalization, and community experiences. To meet these rising expectations, UBS Europe SE continuously develops its digital offerings and modernizes interactions along the entire client journey. In doing so, the global network and expertise, UBS Research, tailored solutions, and the global platform are leveraged to serve a broad and diverse client base even more comprehensively.

Wealth transfer

Demographic and socioeconomic developments continue to generate shifts in wealth. Over the next 20 to 25 years, USD 83.5 trn of wealth will be transferred to the "next gen" composed of individuals currently between the ages of 20 and 50. This will be an influential driver of future growth for UBS.

In addition, the "next generation" is characterized by a longer investment horizon and a greater willingness to take risks. At the same time, the desire not only to generate returns with one's own assets, but also to create a positive social impact, is coming to the fore. Additionally, the proportion of very wealthy women has increased due to an increased proportion of successful female entrepreneurs and the transfer of wealth between generations.

New competitors

The competitive environment is undergoing change: in addition to new players in wealth management, increasingly specialized providers are emerging that focus on individual elements of the value chain. However, a fundamental unbundling of this value chain or of direct client relationships has not yet been observed. With regard to long-term developments, UBS Europe SE assumes that large platform companies, in particular, could further intensify competition.

In parallel, the trend toward cooperation between new market participants and established banks continues. Technological progress and innovation enable banks to respond flexibly to new challenges and further develop their service offerings in line with current market needs. The close collaboration between the various business divisions forms the foundation for UBS Europe SE to provide its clients with even more comprehensive access to financing, global capital markets, and tailored portfolio solutions.

Consolidation

Many regions and businesses in the financial services sector are still highly fragmented. Further consolidation is expected, with key drivers being ongoing margin pressure, a push for cost efficiencies and increasing scale advantages resulting from the fixed costs of technology, and regulatory requirements. UBS Europe SE continuously screens for potential targets to benefit from industry consolidation dynamics.

Regulation and Supervision

Regulatory authorities continue to focus on key topics such as prudential regulation and anti-money laundering (AML). In both areas, new EU regulations have been in force since 2024. At the same time, other topics are gaining relevance, such as digital innovation, environmental, social and governance aspects (ESG), as well as emerging risks such as non-bank financial intermediation (NBFI). UBS Europe SE no longer falls within the scope of the new EU regulations on corporate sustainability due diligence due to the increase of the minimum employee threshold to 5,000. Furthermore, from 2026 UBS Europe SE must ensure that data-governance frameworks for AI systems comply with the requirements of the EU AI Act; however, for high-risk systems, the European Commission has proposed extending the deadline to December 2027. The EU Regulation on Digital Operational Resilience (DORA) requires compliance with requirements on ICT risk management, incident reporting, resilience testing, third-party risk management, and information sharing since January 2025.

The harmonized EU requirements for anti-money-laundering under the AML Regulation will apply from 2027, while the new EU Anti-Money Laundering Authority (AMLA) will become fully operational from 2028. The revised Capital Requirements Directive (CRD6) will affect cross-border lending to EU companies from 2027. The reformed European Market Infrastructure Regulation (EMIR) requires, from June 2025, the use of active accounts at EU central counterparties (EU CCPs) as well as the clearing obligation for certain derivatives within the EU.

It is assumed that geopolitical developments will continue to influence the political agenda. Persistent political uncertainties and geopolitical tensions are, in UBS Europe SE's expectation, likely to continue to affect the provision of cross-border financial services.

Overall, UBS Europe SE believes that, through further development of its business model and proactive management, it will remain well positioned to address upcoming changes in the regulatory environment.

Digitalization

The digitalization of the financial services industry continues to gain momentum, driven by the pursuit of greater operational efficiency, enhanced security, and increasingly personalized services. A central technological driver is the rise of generative AI (GenAI), which has the potential to fundamentally transform areas such as customer service, fraud detection, and operational automation. At the same time, emerging technologies such as distributed ledger technology (DLT) are expected to continue maturing over the coming years, especially as numerous countries have already launched pilot programs for central bank digital currencies (CBDCs). Another significant trend involves embedded financial services, which are integrated directly into non-financial platforms and provide users with on-demand access to financial products. For financial institutions, this means aligning even more consistently with fully digital or digitally enhanced service models and increasingly interconnected ecosystems. These developments are also reshaping the composition of the workforce: there is a growing need for highly qualified specialists in order to remain competitive against technology-driven companies.

The wealth management sector is also increasingly adopting digital solutions to meet the expectations of a tech-savvy clientele and workforce. Future-oriented, AI-supported platforms could enable wealth managers to offer data-driven investment strategies and real-time insights. Hybrid advisory models that combine human expertise with robo-advisors are becoming the standard. Blockchain and tokenization are playing a transformative role by enabling fractional ownership of illiquid assets, streamlining processes through smart contracts, and offering innovative investment opportunities that are particularly attractive to the next generation of wealthy clients, who are set to inherit substantial assets.

Investment banks are leveraging digital technologies to optimize their operations and improve decision-making processes. Organizations are moving beyond isolated RPA use cases and automating entire workflows by integrating RPA with other tools such as AI and cloud platforms. GenAI is emerging as a transformative trend, enabling advanced capabilities such as personalized client interactions, automated reporting, and enhanced financial analysis. Distributed-ledger technology (DLT) enables secure on-chain transactions, supports decentralized finance (DeFi) applications through smart contracts, and fosters innovation in supply-chain transparency and cross-border payments - enabling more efficient and trust-based ecosystems.

Sustainability

For the industry as a whole, global sustainability-oriented public and exchange-traded fund assets grew to a new high of USD 3.9trn as of the end of December 2025, supported by strong market performance over the course of the year. Sustainable investments accounted for 12% of all fundraising in private markets in 2025. From the private markets assets raised, most were allocated to energy transition infrastructure funds. Multiple industry surveys conducted throughout the year consistently confirmed sustained investors interest and a commitment to sustainable investing.

Sustainability policy and regulation underwent a recalibration in 2025, aiming to balance growth, resilience and energy security with previously defined goals around decarbonization, protection of natural capital, social inclusion and economic development. Fragmentation continues to pose challenges for global firms like ours; greater alignment on global standards – particularly in reporting and risk management – will be essential to support effective capital allocation.

In this evolving macroeconomic and regulatory landscape, UBS Europe SE helps clients achieve their sustainability and impact objectives. The transition to a lower carbon economy, and the associated risks and opportunities, remains a priority for many clients – driven by their own ambitions, as well as by regulatory requirements. In parallel, sustainable investing continues to diversify into private markets.

Risk management and methods

UBS Europe SE uses a risk management and risk controlling approach that is both qualitative and quantitative in nature.

The choice of quantitative and/or qualitative measures is dependent on the nature of the respective risk and whether it is managed as part of the day-to-day business (operational level) or on a strategic level. While non-financial risks are mainly limited qualitatively by policies and process descriptions, the bank's financial risks are mainly steered by quantitative limits and complementary indicators.

The overall rules and standards of the internal risk management and risk controlling for significant risks including the qualitative and quantitative limits are defined within the risk strategy of UBS Europe SE based on a regular risk identification process in alignment with the strategic business plan. The risk appetite is expressed via strategic risk appetite statements as well as by defining limits and complementary indicators.

In general, all material risks are covered in the Internal Capital Adequacy Assessment Process (ICAAP) normative and economic views. Further, liquidity risk is efficiently steered and monitored in the Internal Liquidity Adequacy Assessment Process (ILAAP) framework (see section of liquidity and funding risk).

Furthermore, UBS Europe SE has implemented a stress testing framework, which conducts scenario-, sensitivity-, portfolio- as well as reverse stress tests for all relevant risks.

Credit risk

Credit risk is the risk of incurring a loss as a result of a failure by a counterparty (including issuers) to meet its contractual obligations. Credit risk comprises counterparty 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.

Issuer risk is a counterparty default risk arising from both trading and banking book activities. Issuer risk in trading book arises from IB market making activities, whereas issuer risk in the banking book comes from securities held in the liquidity buffer managed by Group Treasury.

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 IB lending commitments out of the banking book, which are entered into by UBS Europe SE (or its legal predecessors), are 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 WM 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 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 in the Investment Bank business activities is largely driven by the 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 IB 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.

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 Management Board of UBS Europe SE 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 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 that may be unobservable or only indirectly observable, such as volatilities and correlations.

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.

The 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.

Liquidity and funding risk

Liquidity risk is the risk that UBS Europe SE is unable to meet business-as-usual or stress cash/collateral flows. Funding risk is the risk that UBS Europe SE is unable to borrow funds to support the bank's current business and desired strategy.

The Liquidity and Funding Risk Management Framework defines the liquidity and funding risk management approach for UBS Europe SE.

UBS Europe SE has identified liquidity and funding risk drivers, through discussions with the business, legal, risk and other stakeholders, covering its business by reviewing the primary and consequential impact of its business activities to liquidity and funding. Treasury and MTRC reassess all liquidity and funding related risks as part of the Internal Liquidity Adequacy Assessment Process (ILAAP). The material liquidity and funding risk drivers for ESE are unsecured outflows and off-balance sheet and contingent outflows.

In addition to regulatory metrics, UBS Europe SE measures liquidity and funding risks using a set of internal stress tests covering the risk drivers affecting UBS Europe SE, different stress scenarios, time horizons and both ILAAP perspectives (economic and normative) supported by Reverse Stress Testing. The output of internal liquidity and funding stress tests are managed in aggregate via limits and other constraints.

The Risk Appetite Statement of the entity, which defines the Management Board's tolerance to liquidity and funding risks arising from ESE's business activities, is translated quantitatively into Risk Appetite limits. In addition, UBS Europe SE also monitors its liquidity and funding position through other constraints such as Early Warning Indicators (EWI).

Treasury and MTRC monitor the liquidity and funding position of UBS Europe SE through reporting based on internal and regulatory liquidity risk metrics. The Asset & Liability Committee (ALCO) and the Management Board are also informed about the liquidity and funding situation through regular reporting. Treasury performs day-to-day liquidity and funding management and oversees business activity/strategy through the financing planning process and business-level goals. This ensures that appropriate business activities/strategies and preventive measures are taken to avoid breaches.

UBS Europe SE continues to maintain a Contingency Funding Plan to ensure that sufficient liquidity is available to meet payment obligations in a liquidity and funding stress.

UBS Europe SE adheres to the ILAAP regulatory requirements. The key output of the ILAAP is the Management Board's assessment of UBS Europe SE's liquidity adequacy, formalized through the respective statement.

Legal risk

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

UBS Europe SE operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and legal proceedings, including litigation, arbitration and regulatory and criminal investigations.

Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where UBS Europe SE may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which UBS Europe SE believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. In some cases UBS Europe SE is subject to confidentiality obligations that preclude such disclosure.

Specific litigation matters and external investigations are described below, including matters that the Management Board believes to be of significance due to potential financial, reputational and other effects. A significant proportion of the value in dispute for UBS Europe SE is attributable to the consequences of the Madoff investment fraud. Potential payment obligations of UBS Europe SE as the successor to UBS (Luxembourg) S.A., which could arise from Madoff related litigation are indemnified by UBS AG up to a contractually defined maximum amount. The indemnity agreement with UBS Europe SE has turned the original litigation risk into a counterparty risk involving UBS AG. As a consequence UBS Europe SE's concentration risk towards the group has increased. In order to appropriately monitor the enhanced concentration risk a "collateral posting process" has been implemented in addition to the already existing monitoring processes. According to the collateral posting process UBS AG needs to provide additional collateral in case its long term

credit rating falls below a pre-defined threshold. In addition, the specific litigation risk is monitored by the Legal department on a continuous basis.

Apart from the aforementioned Madoff related litigation cases, UBS Europe SE was involved in civil litigation cases in various jurisdictions where it operates. It has established provisions for legal risks and damage claims amounting to EUR 43.4m for these cases.

UBS Europe SE and relevant UBS-individuals are also subject to certain investigations by public authorities in various countries, which may result in reputational and financial impact.

Measures to reduce legal and reputational risk

Legal risks are curtailed at various stages of work processes by measures put in place by Legal and Compliance among other departments. Main preventive measures include the operational framework as well as the involvement of Legal in the drafting of standard forms and contracts. Non-standardized contracts and/or disclaimers require review and sign-off by the Legal department. Outside legal counsel may only be retained by the Legal department or a unit authorized by the Legal department. During the processing of legal proceedings, the bank regularly reviews whether a provision needs to be recognized or adjusted for specific events. Legal reports on significant developments in existing and new litigation cases to the Risk and Capital Committee of UBS Europe SE on a regular basis.

In individual cases the Legal department and the Compliance department have provided information and specific recommendations on how to lower the risk with regard to operational processes, documentation or product design based on experience gained from processing complaints, actions filed and other events.

Sustainability and Climate Risk

Sustainability and Climate Risk (SCR) is defined as the risk that UBS Europe SE negatively impacts, or is impacted by, climate change, nature, human rights, and other environmental, social, governance (ESG) matters. SCR may manifest as credit, market, liquidity, business and non-financial risks for UBS Europe SE, 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.

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 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 UBS AG Annual Report.

Non Financial Risk

Non Financial Risk (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 is an inherent part of UBS Europe SE's activities. The firm's overall objective is to manage its businesses and associated NFR, balancing the interests of its clients, employees, suppliers, communities and investors, and protecting the safety and soundness, including the financial position and reputation of the firm.

Conduct risk

Conduct risk is considered as a root cause, contributing to Operational risk, Compliance risk and Financial Crime risk. It is defined as the risk that the conduct of the firm or its individuals unfairly impacts clients or counterparties, undermines the integrity of the financial system, or impairs effective competition to the detriment of consumers.

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 or misused model outputs and reports. Model risk may result from several sources: inputs, methodology, implementation, and use.

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.

At an individual model level, models with severity 1 validation issues are not approved by Model Risk Management & Control (MRMC) prior to effective model risk mitigation via compensating controls or validation issue remediation. At an aggregated model portfolio level, UBS Europe SE defines metrics to monitor aggregated model risk. For these metrics, triggers were set, and breaches are investigated, escalated, and addressed.

The Model Governance Committee (MGC) reviews the metrics defined for the monitoring of model risk on a quarterly basis and reports the outcome to the Risk Control Committee (RCC) via the monthly risk report.

All relevant stakeholders must complete a computer-based model governance training. Completion is tracked according to UBS Europe SE standards.

IT risk

The general threat landscape related to cyberattacks continued to intensify in 2025. This applies both to the volume of potential attacks and to their variance, complexity, and depth. Despite this increase, no significant impacts from cyberattacks on our company were identified in 2025.

To effectively address this growing threat environment, UBS Europe SE has made substantial investments in cybersecurity in recent years. These investments, particularly in the infrastructure of core security controls, underscore the strong commitment to protecting our systems and data. The robustness of UBS Europe SE's security architecture was most recently confirmed in 2024 through the successful completion of the first Cyber Resilience Stress Test conducted by the European Central Bank. The resulting insights, as well as the largely achieved compliance with the DORA-relevant information and communication technology requirements in 2025, demonstrate the effectiveness of the measures implemented.

DORA, initiated by the European Union, strengthens digital resilience in the financial sector. The globally increasing number of cyberattacks and IT disruptions with potentially systemic impacts highlights the importance of this regulation. UBS Europe SE continued to work intensively in 2025 on the sustainable operational embedding and ongoing enhancement of its DORA-related processes.

In 2025, UBS Europe SE consistently continued its cloud strategy to ensure operational stability, resilience, and cost-efficient scalability. The benefits of this strategy again became apparent during further integration steps with Credit Suisse. Close collaboration and structured data exchange between the UBS and Credit Suisse ecosystems enabled smooth integrations and migrations. The established cloud structures proved to be a key success factor, significantly accelerating and simplifying system integration and data exchange.

At the same time, the core banking system of UBS Europe SE, French branch, was upgraded to ensure that the software remains up to date. A new user interface was deployed to improve the user experience, and end-of-life and vulnerability issues were addressed to strengthen system security and operational stability.

Another central focus in 2025 was the continued implementation of the digitalization and AI adoption strategy. Significant progress was achieved through concrete implementation initiatives. The introduction of new technologies simultaneously required adjustments to the risk and governance framework to adequately address emerging potential non-financial risks and proactively meet future regulatory requirements, particularly in the context of DORA. This holistic approach enabled UBS Europe SE to successfully achieve its objectives in digitalization and AI adoption, drive innovation in a targeted manner, and ensure appropriate risk management.

Reputational risk

Reputational risk is the risk of a negative perception of the company or damage to UBS's reputation from the point of view of clients, investors, regulators, employees or society, which may result in potential financial losses and/or loss of market share. A reputational risk rated as 'high' can also lead to litigation, negative reactions from key stakeholders and negative media coverage for UBS. Reputational risk is considered in all business activities, transactions and decisions and is therefore considered an impact and not a "risk cluster".

Therefore, reputational risk can be a consequence of losses in all risk categories. Relevant incidents that can trigger such a loss typically relate to sanctions due to non-compliance with regulatory requirements. In 2025, there were no material incidents in terms of reputational risk to customers, investors, regulators, employees or society. In addition, customer complaints were generally inconspicuous as an indicator of customer-related reputational risks.

With regard to reputational risk, the relationship with supervisory authorities is characterised by transparency. In 2025, there were no significant events related to reputational risks in exchanges with regulators.

Outsourcing risk

Outsourcing risks arise when third-party services are used and external companies or service providers are engaged to perform the certain activities and processes.

UBS Europe SE faces a certain degree of concentration risk in the area of outsourcing, as several critical processes have been outsourced to intra-group service providers. However, this risk is considered low because the outsourced services are provided within the group and are supported by robust contingency planning, regular performance monitoring and comprehensive risk assessment. The majority of outsourcing is provided by other subsidiaries of UBS, in particular UBS Business Solutions AG, a wholly-owned subsidiary of UBS Group AG. Leveraging the Group-wide infrastructure and expertise enables UBS Europe SE to meet regulatory requirements, further strengthen service management and at the same time exploit efficiency potential. At the same time, it is ensured that critical shared services remain reliably available even in the event of an incident.

Despite the outsourcing, UBS Europe SE retains full local end-to-end responsibility and uses the group-wide third-party risk management (TPRM) framework and the associated tools.

In the area of external outsourcing, the risk is also assessed as low. Commissioning a large number of different third-party providers reduces the risk of failure of individual critical services. In addition, the risk is further mitigated through structured exit plans, regular risk assessments and comprehensive monthly service monitoring.

In 2025, there were no deviations in the provision of services that would have had a significant negative impact on the operating activities of UBS Europe SE. The processes implemented in Third-Party Risk Management for the governance and control of outsourced activities are based on the requirements of MaRisk and the EBA Guidelines.

The bank's operating strategy continues to prioritize the use of intra-group outsourcing, in particular services from UBS Business Solutions AG. As a result, the Group's existing competence centers can be effectively used for uniform business and risk monitoring. The Group infrastructure is also used to realize economies of scale and to ensure standardization and harmonization of business models across different locations.

To efficiently manage outsourcing, UBS Europe SE has established dedicated teams and governance structure (1st and 2nd line) to fully meet regulatory requirements. In addition, all staff involved in outsourcing activities at UBS Europe SE have been trained to safely implement the requirements of MaRisk and the EBA Guidelines in their day-to-day operations.

The requirements for outsourcing are gradually being replaced by the new Third-Party Risk Management (TPRM) framework. Driven by the European Central Bank (ECB), BaFin is currently revising the existing requirements to eliminate redundancies and inconsistencies.

DORA entered into force on January 17, 2025. In order to avoid duplication between the existing outsourcing requirements and the new ICT-related rules, the ECB decided in January 2025 to lift the requirement to regularly report outsourcing arrangements for supervised institutions, including UBS Europe SE. However, the obligation to inform the ECB before concluding new or amended outsourcing agreements and in the event of non-performance remains in place.

In July 2025, the European Banking Authority (EBA) launched a public consultation on the draft "Guidelines on the sound management of third-party risk". These draft guidelines focus on third-party arrangements in the field of non-ICT-related services provided by external service providers and their subcontractors. They are revising and updating the 2019 EBA Guidelines on Outsourcing to ensure their consistency with DORA. According to the ECB, the publication of the revised Guidelines on Third-Party Risk Management is currently expected in July 2026.

As part of the implementation of DORA, BaFin has announced the gradual decommissioning of the Banking Supervisory Requirements for IT (BAIT) by December 2026. The MaRisk (8th amendment of 29 May 2024) remains valid. It is expected that the next update of MaRisk will no longer include additional requirements on IT, communication and technology topics.

Overall statement non-financial risk

UBS Europe SE's NFR exposure is systematically monitored, assessed and reported by Operational Risk Control (ORC), Compliance and Financial Crime Prevention respectively, in line with the holistic NFR Framework. The NFR Framework establishes the requirements for the management and control of NFR. The minimum governance standards for NFR management include the NFR definition, NFR taxonomy (i.e. systematic categorization of NFR at UBS Europe SE), NFR appetite, (i.e. the amount of acceptable NFR exposure), and roles and responsibilities along the three lines of defense.

The NFR Framework is managed on enterprise level, considering UBS Europe SE including its branches and subsidiaries, and on individual branch/subsidiary level, if required. UBS Europe SE's governance bodies are fully updated on the Operational, Compliance and Financial Crime risk exposure and mitigation actions on a monthly basis.

During 2025 the Operational risks management and control was mainly focused on the efficient identification and mitigation of potential Operational risks derived from the Credit Suisse integration including, but not limited to, inherited Cyber risk exposure, on the close monitoring and assessing of potential risks deriving from the convulse geopolitical environment, as well as in properly and sustainably remediating Operational risks deriving from internal controls failures.

The UBS Europe SE NFR Framework has proved to be efficient to properly address the exposure to Operational risks with no material operational discontinuation or events with significant materialized damages, achieving a very stable Operational risk profile during the year. The same can be stated for the management of the financial crime related risks. In addition to the absence of major risk events, the active mitigation of the risks stemming from the integration of Credit Suisse contributed to a moderate risk profile in 2025 as did the overall robust framework which was confirmed by internal and external audits.

Business risk

Business risk refers to the potential decrease in income resulting from lower volumes, reduced margins, or other factors that negatively affect business performance. This risk arises when declining income is not matched by a corresponding reduction in expenses. The business risk model estimates stressed losses under adverse conditions, reflecting the possible negative impact on earnings from lower-than-expected business volumes or margins due to internal or external factors, such as client attrition or a drop in assets under management (AuM).

Business risk affects earnings from invested and custody assets in Global Wealth Management and Asset Servicing, as well as from the Investment Bank business, and generally leads to reduced business performance regardless of the underlying cause. UBS Europe SE primarily generates earnings through advisory and mandate fees, as well as fees from brokerage, equity/debt underwriting, and corporate finance. Its main costs are personnel expenses and general and administrative expenses across Global Wealth Management, Investment Bank and Group Functions.

For GWM, fees may depend on either transaction activity or asset volumes as well as mix of products. During periods of stress, asset-related fees are at risk as asset values or volumes decline, while transaction volumes may temporarily rise before falling as markets recover. UBS Europe SE regularly monitors and reports income and expenses by division to track earnings from fees and interest

margins. To mitigate business risk, the strategy emphasizes broad diversification of revenue sources across business and treasury functions, rather than focusing on niche products.

Pension risk

Pension risk is the risk of a negative impact on UBS Europe SE's capital position as a result of deteriorating funded status from decreases in fair value of assets held in the defined benefit pension funds and/or changes in the value of defined benefit pension obligations due to changes in the actuarial assumptions (e.g. discount rate, life expectancy, rate of pension increase) and / or changes to plan designs.

Pension risk is monitored by measuring liabilities by actuarial revaluation and the development is closely monitored in the normative and economic perspective against the risk appetite.

Risk position

The bank's own funds pursuant to Article 72 Capital Requirements Regulation (CRR) amounted to EUR 3,709.0m (prior year: 3,839.0m), which corresponds to a CET1 capital ratio of 19.52% (prior year: 23.01%) and an overall ratio of 23.29% (prior year: 27.27%). The capital requirements according to Regulation (EU) No 575/2013 CRR have been fulfilled at all times during the fiscal year.

The bank's risk-weighted assets as of the balance sheet date break down as follows:

Risk-weighted assets

EUR million	31.12.2025	31.12.2024
Credit risk	11,516	10,113
Settlement and delivery risk	31	25
Market risk	509	706
Operational risk	2,799	2,428
Credit value adjustments	1,073	808
Risk-weighted assets total	**15,926**	**14,079**

Summary presentation of the risk position

UBS Europe SE carries out a regular risk identification process at enterprise level, at least once a year, to determine the material risks the bank is exposed to.

Within the ICAAP, potential risk exposures for material risks are calculated on a quarterly basis and compared with the own funds available at the respective reporting date. This results in necessary capital ratios after stress in the normative view and in remaining internal capital („excess capital") in the economic view.

Conceptually the ICAAP encompasses a normative as well as an economic view. The normative view aims to prove adherence to regulatory (minimum) ratios in a baseline scenario as well as under severe adverse conditions and simulates a three year forward looking time horizon.

The economic view represents a point in time risk calculation based on internal methodologies under a 99.9% confidence level and a one year forward looking time horizon. Risk exposures are being compared to internal capital in order to prove sufficient capital resources are available.

The following tables show the normative and the economic perspective of ICAAP as of 31 December 2025:

Normative view

	Baseline scenario		Adverse scenario			
	3-year planned capital requirement		3-year adverse capital requirement and cumulative capital impacts			
	Going Concern Capital Requirement = 10.69%		*Minimum Regulatory CET1 Requirementt = 5.63%*			
	Planned RWA	RWA x Capital Requirement	Adverse RWA	Adverse RWA x TSCR	Capital impacts	Total
Credit Risk	13,839	1,479	12,403	698	(100)	798
Market Risk	1,582	169	2,051	115	(17)	133
Operational Risk	2,871	307	2,817	159	(236)	395
Business Risk				-	232	(232)
Funding Risk				-	(336)	336
Pension Risk				-	(51)	51
Total	**18,292**	**1,955**	**17,271**	**972**	**(509)**	**1,481**
Total capital requirement and scenario impact		**1,955**		**972**	**(509)**	**1,481**
Early warning indicator headroom		1,026		323		323
Total early warning indicator level		**2,982**		**1,295**		**1,804**
Capital resources						
Total available capital resources		2,999				2,999
Capital surplus / (deficit) to trigger level		**18**				**1,195**

Economic view (ICAAP)

							31.12.2025
EUR million	WM	IB	AM	GT	Services	NCL	Total
Credit and issuer risk incl. country risk	49	69	0	302	0	1	421
Market risk and Pension risk	4	8	0	155	0	2	169
Operational risk incl. legal risk	391	143	0	15	14	17	580
Funding cost risk incl. FVA	62	0	0	29	0	0	92
Business Risk	246	40	0	-69	74	7	299
Aggregated risk exposure	**752**	**260**	**0**	**433**	**89**	**28**	**1,561**
Early warning indicator headroom							250
Aggregated risk exposure incl. early warning indicator							**1,811**
Capital resources							
Total available internal capital							2,852
Capital surplus/(deficit) vs early warning indicator							**1,041**

Forecast Report

Assumptions on macro-economic environment

Based on continued moderate GDP growth in Europe, UBS Europe SE forecasts a gradual and steady improvement over the coming years. Following GDP growth of 1.5% in 2025, growth of 1.3% is expected for 2026, with a recovery to 1.4% anticipated in 2027. The main drivers behind this development are increased fiscal stimulus measures across the EU, particularly in Germany.

However, momentum within the eurozone is expected to remain uneven: Germany, due to its large industrial sector, is particularly affected by tariffs, while at the same time planning extensive fiscal measures to support the economy. Overall, UBS Europe SE expects Germany to become one of the key growth contributors by 2027, even though long-term structural challenges - including demographic trends, elevated energy prices, and increasing competitive pressure from China - may continue to limit stronger growth.

Inflation has already reached the ECB's 2% target and is expected to remain broadly stable over the next two years as wage growth continues to ease. Against this backdrop, the ECB is expected to maintain its policy rate at 2% until the end of 2026, before a slight increase to 2.25% in 2027 may be warranted to account for inflation risks associated with higher government spending.

According to UBS's current House View, the market environment remains mixed, with several downside risks highlighted - including geopolitical tensions, higher energy prices, a potential escalation of global trade conflicts, weaker global growth, a significant appreciation of the euro, lower-than-expected effectiveness of fiscal measures, and political uncertainty, particularly in France. On the upside, potential growth drivers include deeper-than-expected rate cuts by the ECB, a recovery in global trade, and additional political stimulus.

3-Year strategic plan

With a strong capital base and business model, UBS Europe SE is expected to remain profitable across the planning horizon and reach its profitability goals.

Global Wealth Management is expected to remain a key driver of growth, supported by a continued focus on net new money, market-driven growth in recurring investment management fees, and a steady expansion of the lending business. The planned integration of the Spain business in July 2026 will create additional scale benefits while further strengthening the refinancing base of UBS Europe SE. For Investment Banking, 2026 is expected to mark a year of normalization following the exceptional market conditions of 2025. Global Banking is anticipated to continue benefiting from a solid deal pipeline, while Global Markets aims to achieve a sustainably higher market share over the long term.

Key points over the 3-year planning cycle include:
- Focus on core markets and steady growth YoY
- Integration of the Spanish Wealth Management business by mid-2026
- Cost discipline and optimization
- Sustainable profitability with a targeted profit before tax of EUR 478 million in 2028
- Improvement of the underlying cost-income ratio to below 70% and an increase in the CET1 return to 12% by 2028

Global Wealth Management

Revenues growth in Global Wealth Management post-merger is mostly driven by market performance via recurring fees and transactional revenues. Net interest income is expected to stagnate in the face of falling interest rates.

- Strategic initiatives: acquire new clients/increase share of wallet, pricing and discount review
- Strategic imperatives: increase UBS Manage penetration and improved productivity
- Successful integration: stronger focus on UHNW clients, more One UBS capabilities post integration

UBS Europe SE aims to grow revenues in Global Wealth Management by 7% annually until 2028.

Investment Bank

The expected revenue development anticipates a normalization in Global Markets following a strong year in 2025, as well as a continued recovery in merger-and-acquisition advisory activity within Global Banking.

- Global Banking: An increase in transaction volumes is expected, in line with market consensus, supported by the execution of existing client mandates and a more accommodative monetary policy stance by central banks
- Global Markets: Consolidation and improvement of market share are expected, alongside a normalization of business activity over the planning horizon.

Operating expenses are expected to decline slightly over the planning period due to a continued focus on cost discipline.

UBS Europe SE aims to keep revenues in the Investment Bank broadly stable through 2028.

Group Items and Personal & Corporate Banking

It is expected that revenue will remain stable over the planning horizon in the areas of Group Items and Personal & Corporate Banking.

Overall Statement

The integration with Credit Suisse does not change UBS Europe SE strategy but accelerates its execution. UBS Europe SE expects PbT to reach 478m by 2028 with improved profitability of core business lines.

In summary, UBS Europe SE expects a moderate increase in revenues for the upcoming financial year, driven by the developments and one-off effects described above. In contrast to the expected revenue development, the cost base is expected to decline more significantly. As a result, UBS Europe SE anticipates a substantial increase in profit before tax and a corresponding improvement in the cost-income ratio. In the following years, the bank plans for a continued reduction in the cost base which, together with rising revenues, will lead to an increasing profit before tax. UBS Europe SE aims to achieve a return on CET1 capital (RoCET1) of 12% and a cost-income ratio of 70% by 2028.

Dependency Report according to Article 312 AktG (3) sentence 3

The Management Board of UBS Europe SE has provided a report on the relations with affiliated companies for the fiscal year, which includes the following declaration:
"For all known legal relationships with the obligation to be reported in the Dependency Report according to § 312 with related parties and affiliated entities, UBS Europe SE received appropriate compensation in return. The company has not been prejudiced by any act or omission".

Frankfurt / Main, 30 April 2026

UBS Europe SE
Management Board

Tobias Vogel

Miriam Godoy Suarez

Pierre Chavenon

Dr. Denise Bauer-Weiler

Filippo Bianco

Other disclosures according to Art 26a (1) Sentence 2 and 4 KWG

["Kreditwesengesetz": German Banking Act] for fiscal year 2025
Arts. 89 and 90 of Directive 2013/36/EU

Other disclosures for the financial year 2025

Country-by-Country reporting according to Sec 26a (1) Sentence 2 KWG

Scope of consolidation

UBS Europe SE is included in the scope of consolidation of UBS Group AG, Zurich.

UBS Group AG, Zurich, prepared exempted consolidated financial statements. These are available at UBS Europe SE and are published by UBS Europe SE, Frankfurt am Main, in English language in the Electronic Company register ["Elektronisches Unternehmensregister"].

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

Foreign Branches

UBS Europe SE has foreign branches in the following locations:

- Copenhagen, Denmark
- Paris, France
- Strasbourg, France
- Lyon, France
- Bordeaux, France
- Dublin, Ireland
- Milan, Italy
- Naples, Italy
- Treviso, Italy
- Modena, Italy
- Padua, Italy
- Turin, Italy
- Brescia, Italy
- Florence, Italy
- Bologna, Italy
- Rome, Italy
- Luxembourg, Luxembourg
- Amsterdam, Netherlands
- Krakow, Poland
- Warsaw, Poland
- Lisbon, Portugal
- Stockholm, Sweden
- Opfikon, Switzerland
- Madrid, Spain

Key services

UBS Europe SE offers the following key services:

- Wealth Management and advice for private customers
- Custody business (including custodian bank function)
- Distribution of funds
- Consultancy in Mergers & Acquisitions
- Research in German equities
- Issuance of certificates, promissory note loans and registered bonds

Revenues

UBS Europe SE generated total revenues of EUR 1,426.4m. This amount includes net interest income, net commission income, current income from shares and other variable-yield securities, equity investments and investments in affiliated companies, net trading income and other operating income.

Country-specific information is provided on a gross basis (i.e. before elimination of transactions between branches).

Geographical breakdown of revenues

EUR thousand	2025
Denmark	1,673
Germany	564,738
France	211,923
Ireland	1,004
Italy	222,134
Luxembourg	324,601
Netherlands	9,617
Poland	22,021
Portugal	6,239
Sweden	23,796
Switzerland	5,851
Spain	32,767
Total UBS Europe SE	**1,426,365**

Employees

The number of employees in full-time equivalents was 2,560 in 2025.

Geographical breakdown

	31.12.2025
… by locations	
Denmark	8
Germany	701
France	385
Italy	395
Ireland	5
Luxembourg	567
Netherlands	19
Poland	376
Portugal	11
Sweden	27
Switzerland	2
Spain	64

Net profit for the year

The following table shows the net profit before and after taxes as well as the taxes on profit or loss. Information is provided on a gross basis (i.e. before elimination of transactions between branches.)

EUR thousand	Result before taxes on profit and loss	Taxes on profit and loss	Result after taxes on profit and loss
Denmark	-2,392	0	-2,392
Germany	123,640	35,265	88,375
France	14,490	-2,157	16,646
Netherlands	480	703	-223
Ireland	-126	-12	-113
Italy	-40,090	187	-40,277
Luxembourg	51,114	13,716	37,398
Poland	894	0	894
Portugal	2,180	382	1,798
Sweden	4,184	875	3,309
Switzerland	261	51	210
Spain	-3,697	594	-4,291
Total UBS Europe SE	**150,939**	**49,604**	**101,335**

Public subsidies

UBS Europe SE did not receive any public subsidies in the reporting year.

Disclosure of return on capital (Sec. 26a (1) Sentence 4 KWG)

Return on assets (as ratio of net profit by total assets) for UBS Europe SE is 0.16%.

Report of the Supervisory Board for 2025

English / Englisch

Report of the Supervisory Board for 2025

The Supervisory Board fulfilled all its tasks according to law and according to the articles of association. The Supervisory Board advised and supervised the Management Board on a regular basis and was involved in decisions which were of fundamental importance for the entity.

In 2025, the Management Board regularly informed the Supervisory Board about the business strategy as well as general questions of corporate governance and corporate planning, financial development, profitability and risk management. Important topics and decisions were regularly discussed in meetings between the Chair of the Management Board and the Chair of the Supervisory Board.

In the financial year 2025, the Supervisory Board has had four ordinary and one extraordinary meeting. In these meetings, all relevant issues and topics were discussed, and appropriate decisions were taken. Moreover, all relevant topics and developments on strategies were discussed together with the Management Board. Additionally, the four Supervisory Board committees (Risk Committee, Audit Committee, Nomination Committee and Remuneration Committee) support the Supervisory Board in performing its tasks and functions, in accordance with the Rules of Procedures and the legal requirements. According to the Rules of Procedure of the Supervisory Board, the Supervisory Board performed its annual self-assessment.

The auditor Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Zweigniederlassung Frankfurt am Main, elected as auditors by the Annual General Meeting in the previous year, has audited the financial statement of UBS Europe SE and the Management Report for 2025 and issued their unqualified certification.

The Supervisory Board approvingly acknowledges the result of the auditor. The Supervisory Board follows the assessment of the auditor and does not raise any objections to the final assessment after its own examination and therefore approves the annual financial statement provided by the Management Board. The annual financial statement is adopted respectively.

The Supervisory Board would like to thank all employees who have contributed significantly through their great commitment to this result and the good of the bank.

German / Deutsch

Bericht des Aufsichtsrats für 2025

Der Aufsichtsrat hat im abgelaufenen Jahr die ihm nach Gesetz und Satzung obliegenden Aufgaben wahrgenommen. Er hat den Vorstand regelmäßig beraten, überwacht und war in Entscheidungen von grundlegender Bedeutung für die Bank eingebunden.

Der Vorstand hat dem Aufsichtsrat im Geschäftsjahr 2025 regelmäßig über die Geschäftsstrategie und andere grundsätzliche Fragen der Unternehmensführung und -planung, finanzielle Entwicklung und Ertragslage der Bank sowie das Risikomanagement berichtet. Aktuelle Einzelthemen und Entscheidungen wurden in regelmäßigen Gesprächen zwischen dem Vorstandsvorsitzenden und dem Vorsitzenden des Aufsichtsrats erörtert.

Der Aufsichtsrat trat im Geschäftsjahr 2025 zu insgesamt vier ordentlichen und eine außerordentliche Sitzung zusammen. In diesen Sitzungen wurden alle für den Aufsichtsrat relevanten Themen diskutiert und die notwendigen Beschlüsse gefasst. Die Berichte und Entwicklung der einzelnen Geschäftsbereiche wurden zudem gemeinsam mit der Geschäftsleitung erörtert sowie die strategischen Fragestellungen diskutiert. Weiterhin hat der Aufsichtsrat seine Aufgaben gemeinsam mit den vier bestehenden

Ausschüssen (Risikoausschuss, Prüfungsausschuss, Nominierungsausschuss und Vergütungskontrollausschuss) gemäß den regulatorischen Vorgaben und der Geschäftsordnung wahrgenommen. Entsprechend der Geschäftsordnung des Aufsichtsrats wurde die jährliche Selbsteinschätzung des Aufsichtsrates durchgeführt.

Die von der Hauptversammlung des vergangenen Jahres zum Abschlussprüfer gewählte Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Zweigniederlassung Frankfurt am Main, hat den Jahresabschluss der UBS Europe SE und den Lagebericht für das Geschäftsjahr 2025 geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.

Der Aufsichtsrat nimmt das Ergebnis der Abschlussprüfung zustimmend zur Kenntnis. Er schließt sich dem Ergebnis der Abschlussprüfung an und erhebt auch nach dem abschließenden Ergebnis seiner eigenen Prüfung keine Einwendungen, sondern billigt den vom Vorstand aufgestellten Jahresabschluss der UBS Europe SE. Der Jahresabschluss ist damit festgestellt.

Besonderer Dank gilt allen Mitarbeiterinnen und Mitarbeitern, die durch ihren großen Einsatz maßgeblich zum Wohle der Bank beigetragen haben.

Frankfurt, 13 May / Mai 2026

The Supervisory Board / Der Aufsichtsrat

Prof. Dr. Reto Francioni
Chair of the Supervisory Board / Vorsitzender des Aufsichtsrat

UBS Europe SE is a Societas Europaea registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Frankfurt am Main under HRB 107046. Registered business address: Bockenheimer Landstraße 2-4, OpernTurm, 60306 Frankfurt am Main. The Chairman of Supervisory Board of UBS Europe SE is Prof. Dr. Reto Francioni. The Management Board of UBS Europe SE is composed of Tobias Vogel (Chair), Dr. Denise Bauer-Weiler, Pierre Chavenon, Filippo Bianco and Miriam Godoy Suarez.

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