



# UBS Switzerland AG standalone

Interim financial statements for the six months ended 30 June 2021

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# UBS Switzerland AG standalone interim financial statements

## Income statement

	Year-to-date	
<i>CHF million</i>	<b>30.6.21</b>	30.6.20
Interest and discount income <sup>1</sup>	<b>1,535</b>	1,628
Interest and dividend income from trading portfolio	<b>1</b>	0
Interest and dividend income from financial investments	<b>36</b>	69
Interest expense <sup>2</sup>	<b>(67)</b>	(120)
Gross interest income	<b>1,505</b>	1,577
Credit loss (expense) / release	<b>83</b>	(77)
Net interest income	<b>1,588</b>	1,501
Fee and commission income from securities and investment business	<b>1,893</b>	1,775
Credit-related fees and commissions	<b>95</b>	94
Other fee and commission income	<b>362</b>	335
Fee and commission expense	<b>(219)</b>	(437)
Net fee and commission income	<b>2,131</b>	1,767
Net trading income	<b>391</b>	368
Net income from disposal of financial investments	<b>1</b>	30
Dividend income from investments in subsidiaries and other participations	<b>14</b>	16
Sundry ordinary income	<b>105</b>	123
Sundry ordinary expenses	<b>(6)</b>	(5)
Other income from ordinary activities	<b>114</b>	163
Total operating income	<b>4,224</b>	3,799
Personnel expenses	<b>1,155</b>	1,103
General and administrative expenses	<b>1,649</b>	1,588
Subtotal operating expenses	<b>2,804</b>	2,691
Depreciation and impairment of property, equipment and software	<b>39</b>	26
Amortization and impairment of goodwill and other intangible assets	<b>0</b>	263
Changes in provisions and other allowances and losses	<b>(1)</b>	1
Total operating expenses	<b>2,842</b>	2,980
Operating profit	<b>1,382</b>	819
Tax expense / (benefit)	<b>262</b>	165
<b>Net profit / (loss) for the period</b>	<b>1,121</b>	654

<sup>1</sup> Interest and discount income includes negative interest income on financial assets of CHF 70 million and CHF 12 million for the periods ended 30 June 2021 and 30 June 2020, respectively. <sup>2</sup> Interest expense includes negative interest expense on financial liabilities of CHF 158 million and CHF 137 million for the periods ended 30 June 2021 and 30 June 2020, respectively.

## Balance sheet

CHF million	30.6.21	31.12.20
<b>Assets</b>		
Cash and balances at central banks	81,633	81,148
Due from banks	3,810	3,399
Receivables from securities financing transactions	8,048	3,565
Due from customers	53,714	49,894
Mortgage loans	158,736	156,418
Trading portfolio assets	1,782	1,838
Derivative financial instruments	2,157	2,794
Financial investments	11,985	16,425
Accrued income and prepaid expenses	224	228
Investments in subsidiaries and other participations	96	95
Property, equipment and software	614	473
Other assets	493	551
<b>Total assets</b>	<b>323,291</b>	<b>316,829</b>
<i>of which: subordinated assets</i>	<i>0</i>	<i>1</i>
<b>Liabilities</b>		
Due to banks	30,516	30,688
<i>of which: total loss-absorbing capacity eligible</i>	<i>16,261</i>	<i>16,000</i>
Payables from securities financing transactions	785	501
Due to customers	264,905	259,792
Trading portfolio liabilities	446	297
Derivative financial instruments	1,422	1,528
Loans from central mortgage institutions	8,302	8,577
Accrued expenses and deferred income	842	751
Other liabilities	2,401	1,794
Provisions	267	266
<b>Total liabilities</b>	<b>309,886</b>	<b>304,194</b>
<b>Equity</b>		
Share capital	10	10
General reserve	11,353	11,354
<i>of which: statutory capital reserve</i>	<i>11,354</i>	<i>11,354</i>
<i>of which: capital contribution reserve</i>	<i>11,354</i>	<i>11,354</i>
Voluntary earnings reserve	921	0
Net profit / (loss) for the period	1,121	1,271
<b>Total equity</b>	<b>13,405</b>	<b>12,634</b>
<b>Total liabilities and equity</b>	<b>323,291</b>	<b>316,829</b>
<i>of which: subordinated liabilities</i>	<i>16,273</i>	<i>16,022</i>
<i>of which: subject to mandatory conversion and / or debt waiver</i>	<i>16,273</i>	<i>16,022</i>

## Balance sheet (continued)

CHF million	30.6.21	31.12.20
<b>Off-balance sheet items</b>		
<b>Contingent liabilities, gross</b>	<b>10,181</b>	8,961
Sub-participations	(960)	(1,068)
<b>Contingent liabilities, net</b>	<b>9,221</b>	7,893
<i>of which: guarantees to third parties related to subsidiaries</i>	<i>15</i>	<i>14</i>
<i>of which: credit guarantees and similar instruments</i>	<i>2,754</i>	<i>2,443</i>
<i>of which: performance guarantees and similar instruments</i>	<i>2,355</i>	<i>2,402</i>
<i>of which: documentary credits</i>	<i>4,097</i>	<i>3,033</i>
<b>Irrevocable commitments, gross</b>	<b>16,473</b>	17,090
Sub-participations	0	0
<b>Irrevocable commitments, net</b>	<b>16,473</b>	17,090
<i>of which: loan commitments</i>	<i>15,594</i>	<i>16,212</i>
<i>of which: payment commitment related to deposit insurance</i>	<i>879</i>	<i>879</i>
<b>Forward starting transactions<sup>1</sup></b>	<b>0</b>	250
<i>of which: reverse repurchase agreements</i>	<i>0</i>	<i>250</i>
<b>Liabilities for calls on shares and other equity instruments</b>	<b>50</b>	50

<sup>1</sup> Cash to be paid in the future by either UBS or the counterparty.

## Basis of accounting and items impacting comparability

The UBS Switzerland AG standalone financial statements are prepared in accordance with the interim reporting requirements of Swiss GAAP (the FINMA Accounting Ordinance, FINMA Circular 2020/1 "Accounting – banks" and the Banking Ordinance).

The accounting policies are principally the same as for the consolidated financial statements of UBS Group AG outlined in Note 1 to the consolidated financial statements of UBS Group AG included in the UBS Group AG Annual Report 2020. Major differences between Swiss GAAP requirements and International Financial Reporting Standards are described in Note 35 to the consolidated financial statements of UBS Group AG. Further information about the accounting policies applied for the standalone financial statements of UBS Switzerland AG is provided in Note 2 to the UBS Switzerland AG standalone financial statements as of 31 December 2020.

In preparing the interim financial statements for UBS Switzerland AG, the same accounting policies and methods

of computation have been applied as in the annual standalone financial statements as of 31 December 2020.

The interim financial statements are unaudited and should be read in conjunction with the audited 2020 standalone financial statements of UBS Switzerland AG, available under "Holding company and significant regulated subsidiaries and sub-groups" at [ubs.com/investors](https://ubs.com/investors).

In the fourth quarter of 2020, UBS decided not to proceed with the transfer of a portion of Global Wealth Management business booked in Switzerland from UBS Switzerland AG to UBS AG. As a result of this decision, the beneficial ownership of that business was re-transferred from UBS AG to UBS Switzerland AG with an effective date of 31 December 2020. The compensation of UBS AG for its share of the profits for the first six months of 2020 of CHF 212 million is reflected in *Fee and commission expense*.

## Joint and several liability

In June 2015, the Personal & Corporate Banking and Wealth Management businesses booked in Switzerland were transferred from UBS AG to UBS Switzerland AG through an asset transfer in accordance with the Swiss Merger Act. Under the Swiss Merger Act, UBS AG assumed joint liability for obligations existing on the asset transfer date, 14 June 2015, which were transferred to UBS Switzerland AG.

Similarly under the terms of the asset transfer agreement, UBS Switzerland AG assumed joint liability for approximately CHF 325 billion of contractual obligations of UBS AG existing on the asset transfer date, excluding the collateralized portion of secured contractual obligations and covered bonds. UBS Switzerland AG has no liability for new obligations incurred by UBS AG after the asset transfer date. The joint liability

amount declines as obligations mature, terminate or are novated following the asset transfer date.

As of 30 June 2021, the joint liability of UBS Switzerland AG for contractual obligations of UBS AG amounted to approximately CHF 7 billion, compared with CHF 9 billion as of 31 December 2020. Under certain circumstances, the Swiss Banking Act and the Bank Insolvency Ordinance of FINMA authorize FINMA to modify, extinguish or convert to common equity liabilities of a bank in connection with a resolution or insolvency of such bank. As of 30 June 2021, the probability of an outflow under this joint and several liability was assessed to be remote, and as a result, the table above does not include any exposure arising under this joint and several liability.

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**Tables** | Within tables, blank fields generally indicate non-applicability or that presentation of any content would not be meaningful, or that information is not available as of the relevant date or for the relevant period. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. Values that are zero on a rounded basis can be either negative or positive on an actual basis.

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