Second quarter 2026 results

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Speeches by Sergio P. Ermotti, Group Chief Executive Officer, and Todd Tuckner, Group Chief Financial Officer

Including analyst Q&A session

Transcript.
Numbers for slides refer to the second quarter 2026 results presentation. Materials and a webcast replay are available at www.ubs.com/investors

Sergio P. Ermotti

Slide 3 – Key messages

Thank you, Sarah and good morning, everyone.

Almost three years ago, we presented our first set of consolidated results.

From the beginning, I made it clear that the acquisition of Credit Suisse was not a gift that we received, but rather, a prize that we would all have to fight to win.

As expected, the journey was not a straight line. It required a lot of hard work from my colleagues at UBS and painful decisions. Now these efforts are paying off, and the extraordinary patience and support of our shareholders is starting to be rewarded.

In the first half of the year, we achieved a return on CET1 capital of around 17%. While the year is not over, we are close to achieving the same level of profitability UBS had prior to the acquisition, underscoring our efforts over the last three years.

Just as importantly, we laid the foundation to drive sustainable value creation and long-term growth while providing enhanced capabilities to our clients and even better opportunities for our people.

The second quarter provided further evidence of the power of our globally diversified franchise and our potential.

Markets remained remarkably resilient and client sentiment was constructive, supported by growing confidence in the long-term outlook for global growth and continued investment in AI and emerging technologies.

Against this backdrop, our integrated One Bank model remains a key driver of growth as we deliver the full breadth of our capabilities across the firm to clients, deepening relationships and reinforcing our competitive position.

This was reflected in another quarter of robust inflows onto our Global Wealth and Asset Management platforms, which drove Group invested assets to a record of 7.3 trillion.

The value of collaboration is most evident in the performance of our APAC and Americas regions this quarter where we achieved several revenue records across our franchises. Profit before tax doubled in APAC and grew by 85% in the Americas.

In Switzerland, we granted or renewed around 40 billion Swiss francs of loans to businesses and households, and we saw broad-based growth across all our businesses booked in Switzerland. And for the first full quarter in which we were operating on UBS platforms.

The Investment Bank delivered another quarter of exceptional returns while maintaining risk and capital discipline – a reflection of our strengthened competitive position and the enhanced scale of our platform.

We are also close to substantially completing the integration by the end of the year, as planned. With all clients migrated and the wind-down of Non-core and Legacy nearing completion, more than 90% of legacy business applications are no longer in use. This enables us to accelerate decommissioning and further simplify our operations.

As we realize cost synergies, we continue to strategically invest to drive long-term growth by expanding our technological capabilities, including AI, digital assets and infrastructure. We are empowering our colleagues with the tools and skills needed to accelerate adoption and deliver greater value for clients and help improve productivity in the coming years.

Our performance to date has resulted in healthy capital generation. This has further fortified our balance sheet for all seasons and allows us to continue deploying resources towards profitable growth opportunities to support clients and deliver on our capital return ambitions.

With our latest share repurchase program just finished, we are continuing with another program under which we intend to buy back 3 billion dollars of shares at the latest by the end of the second quarter 2027.

We plan to buy back at least 1 billion over the next three months. The amount and pace will remain subject to our short-term financial performance and outlook, maintaining a CET1 capital ratio of around 14% and further visibility on the deliberations by the Swiss Parliament on the capitalization of foreign subsidiaries.

As we enter the third quarter, market conditions remain broadly constructive, supported by healthy client engagement, the continued broadening of market leadership and historically elevated equity dispersion.

At the same time, ongoing geopolitical developments and volatile energy prices lead to high levels of uncertainty around the inflation and interest rate outlook. This could contribute to changes in macroeconomic conditions, periods of elevated volatility and more measured investor sentiment.

In closing, we entered the second half of the year with considerable momentum and we are well positioned to outperform our 2026 exit-rate return target and achieve our exit-rate cost-income ratio target. But we know that conditions can change quickly, and important work remains.

As a result, we remain firmly focused on what we can control: staying close to clients, completing the integration, executing our growth plans and managing risk with discipline - all while remaining a trusted partner in the communities where we live and work.

With that, let me hand over to Todd.

Todd Tuckner

Slide 5 – Underlying PBT +45% on strong revenue growth and operating leverage

Thank you Sergio, and good morning everyone.

In the second quarter, we delivered reported net profit of 2.8 billion and earnings per share of 87 cents.

On an underlying basis, our pre-tax profit was 3.9 billion, up 45% year on year, and our return on CET1 capital was 16.4%.

Revenues increased by 16% to 13.3 billion and were up 14% across our core franchises.

Operating expenses were 7% higher on stronger revenue performance, and were down 7% when excluding variable compensation, litigation and currency effects.

Overall, we drove 8 percentage points of positive operating leverage, resulting in a cost-income ratio of 70%.

Slide 6 – Net profit 2.8bn driven by PBT growth across our businesses

Moving to slide 6.

Our strong second-quarter results underscore our earnings power, with broad-based growth across each of our core franchises, led by Global Wealth Management and the Investment Bank. This balanced performance reflects continued client momentum, the breadth of our capabilities, and the durable benefits of the integration.

On a reported basis, our pre-tax profit of 3.6 billion included 352 million of revenue adjustments and 645 million of integration expenses. Consistent with our full-year guidance, we expect integration-related expenses

in the second half to be around 750 million, split roughly evenly between the third and fourth quarters, as we complete the remaining work and close out the integration program by year end.

The effective tax rate was 22%, slightly below our full-year guidance of 23%.

Slide 7 – On track to deliver ~13.5bn gross cost saves by YE26

Turning to our cost update on slide 7.

During the second quarter, we delivered further gross cost reductions of 1.1 billion, bringing cumulative savings since the end of 2022 to 12.6 billion. With more than 90% of the cost synergies expected from the acquisition now realized, we remain firmly on track to achieve our 13-and-a-half-billion ambition by the end of this year.

The total headcount at quarter-end was 112 thousand, 4% lower sequentially and approximately 28% below our 2022 baseline.

Over this same period, we've also reduced the Group's operating expenses by 28% when excluding litigation, variable compensation and currency effects.

Building on strong execution in the first quarter, we further progressed our cost actions in 2Q, accelerating the realization of synergies we had expected later this year. Together with strong revenue performance, this has created additional capacity, which we are selectively directing towards investments in growth, technology and operational resilience to strengthen our positioning for the future. At the same time, we remain firmly focused on delivering our underlying cost-income ratio target as of the end of the year.

Slide 8 – Our balance sheet for all seasons is a key pillar of our strategy

Turning to slide 8. As of the end of June, our balance sheet for all seasons consisted of 1.7 trillion in total assets.

Within that, we saw 1% sequential growth in our loan book, while deposit balances were broadly stable.

Credit quality within our loan portfolio remained strong, with credit-impaired exposures of 1%, and a 7-basis-point cost of risk. Group credit loss expense totaled 121 million, largely driven by Stage 3 positions in Personal & Corporate Banking and the Investment Bank.

Our tangible book value per share decreased sequentially by 2% to 26 dollars and 89 cents, primarily as shareholder distributions of 3.4 billion related to the 2025 dividend, and share repurchases in the quarter, more than offset total comprehensive income.

On funding, having completed our AT1 plan by the end of March, we took advantage of favorable market conditions in the second quarter to pre-fund part of our future AT1 needs. Looking ahead, we'll remain opportunistic as market conditions allow.

Overall, we continue to operate with a highly fortified and resilient balance sheet with total loss absorbing capacity of 194 billion, a net stable funding ratio of 115% and an LCR of 177%.

Slide 9 – Capital generation and resource discipline while delivering on returns ambitions

Turning to capital on slide 9. Our CET1 capital ratio at the end of June was 14.4%, and our CET1 leverage ratio was 4.4%.

Our common equity tier 1 capital in the quarter decreased by 0.8 billion, mainly as earnings accretion was more than offset by accruals for future capital returns, including the entirety of the new 3-billion share repurchase program that Sergio highlighted earlier. The buyback accrual reduced our CET1 capital ratio in the quarter by around 60 basis points, with a 20-basis-point impact on our CET1 leverage ratio.

RWA increased by 4 billion, while LRD was lower sequentially by a similar amount, reflecting disciplined resource deployment alongside elevated client activity.

Turning to UBS AG. The parent bank's standalone CET1 capital ratio on a fully applied basis increased sequentially to 14.4%, mainly reflecting dividend payments from its subsidiaries and strong operating performance. This was partially offset by a 1.8 billion dividend accrual in the quarter.

Slide 10 – Global Wealth Management

Turning to our business divisions, and starting on slide 10 with Global Wealth Management.

GWM delivered a pre-tax profit of 2 billion, up 38% year over year, with positive operating jaws of 7 points, and double-digit growth across all regions and revenue lines.

Our performance this quarter once again demonstrates the strength and breadth of our wealth franchise. The combination of leading capabilities, differentiated CIO insight and a truly global footprint positions us to capture an increasing share of the secular growth in global wealth.

Net new assets totaled 36 billion, equivalent to 3% annualized growth, and contributing to a sequential increase in invested assets of 6%.

We continued to see strong demand for our CIO-led solutions, leading to 13 billion of net new fee generating assets and record mandate penetration – clear evidence of the value clients place on our trusted, expert advice. Demand for discretionary mandates remained particularly strong, including for our flagship MyWay solution, with invested assets now exceeding 40 billion, up 75% year on year.

Client sentiment remained constructive during the quarter, supporting continued re-leveraging across regions. Net new loans were 7 billion, mainly driven by Lombard, especially in the Americas and APAC. Net new deposits were 2 billion as inflows into current and savings accounts more than offset outflows in fixed-term deposits.

From a regional perspective, Asia Pacific delivered another quarter of standout performance with pre-tax profit up 48%, a 45% pre-tax margin and double-digit growth across all revenue lines. Asset gathering also remained strong, with annualized growth of 5% in net new assets, and 8% in net new fee-generating assets. Mandate penetration increased by 5 percentage points year on year to a record level, underscoring how the APAC wealth team is broadening client relationships and adding another dimension to its growth through more recurring and diversified revenue streams.

In the Americas, disciplined execution of our strategic priorities continues to drive stronger momentum and profitability. Pre-tax profits grew 47%, with a pre-tax margin of 16%, supported by record quarterly revenues. Net new loans were 3 billion, reflecting continued traction from our enhanced banking capabilities. Strong same-store performance drove positive net new assets of 1 billion, despite around 10 billion of seasonal tax-related outflows.

EMEA delivered another strong quarter, with pre-tax profit increasing 28% and the pre-tax margin reaching 38%, alongside 12 billion of net new assets. Continued and sustained demand for CIO-led solutions drove 9% annualized growth in net new fee-generating assets, helping lift mandate penetration by 5 percentage points year on year and setting a new benchmark for the division.

Our Swiss unit grew its pre-tax profit by 25% and attracted 14 billion in net new assets, reflecting growing client momentum and operating efficiency following the successful completion of the Swiss booking center migration last quarter.

Turning to divisional revenues, which increased by 14%.

Recurring net fee income grew by 11% to 3.7 billion, supported by positive market performance and around 70 billion of net new fee-generating assets over the past 12 months.

Transaction-based income rose 23% to 1.5 billion, marking the 12th consecutive quarter of double-digit year-on-year growth. APAC and the Americas each grew transaction fees by around 30%, fueled by strong client activity in structured products and cash equities. This reflects the power of our integrated client-centric approach, bringing together GWM and the IB to deliver differentiated solutions at scale.

Net interest income of 1.8 billion rose by 12% year over year and 1% sequentially, with the quarter-on-quarter rise largely driven by higher loan volumes.

For 3Q, we expect GWM NII to increase modestly, supported by further lending expansion and higher deposit margins.

We now expect full-year 2026 GWM net interest income to grow by around 10% versus 2025, with strong loan growth, higher US dollar rates than previously assumed, and an improved deposit mix more than offsetting margin compression in lower-rate currencies.

Operating expenses in GWM rose by 6%. When excluding variable compensation, litigation and currency effects, costs declined by 1%.

Slide 11 – Personal & Corporate Banking (CHF)

Turning to Personal and Corporate Banking on slide 11.

P&C delivered a pre-tax profit of 676 million Swiss francs, up 21%, with positive operating leverage of 7 percentage points.

With the final stages of client account migration successfully completed, our Swiss business entered the second quarter fully focused on growth. Strong momentum in both attracting new clients and deepening existing relationships drove positive net new clients, balance sheet expansion across both loans and deposits, and 10% annualized net new investment product growth for the first half.

These higher volumes and client activity levels contributed to a 3% increase in total revenues.

Net interest income increased by 1% year on year and 2% sequentially, driven by higher loan volumes.

We expect continuing lending momentum to support flat to slightly higher P&C NII in the third quarter.

Non-interest revenue increased by 4% led by Personal Banking, where custody and mandate fees benefited from positive markets and strong net new investment product flows.

In Corporate and Institutional Clients, lower activity in structured and syndicated finance largely reflected deal timing slipping into later periods, while trade and export finance remained strong, particularly among clients in the energy sector.

Other revenues this quarter included valuation gains on investments.

Credit loss expense was 61 million Swiss francs, driven by Stage 3 positions. Given ongoing macroeconomic uncertainty, we continue to expect credit losses in the second half to average around 75 million Swiss francs per quarter. Reflecting the first-half outcome, we now expect P&C's full-year CLE to come in below our previous estimate of around 300 million Swiss francs.

Operating expenses declined by 4%, driven by continued synergy realization and disciplined cost management.

Slide 12 – Asset Management

Turning to Asset Management on slide 12.

Pre-tax profit grew by 9% to 237 million with assets under management surpassing 2.2 trillion.

Revenues declined by 2% mainly reflecting the absence of fee contributions from O'Connor following its sale at the end of last year.

Excluding business-exit effects, revenues increased by 5% as fees from higher average invested assets were partly offset by margin pressure and an adverse year-on-year swing in net valuation effects.

Net new money was 6 billion, driven by SMAs, ETFs and Unified Global Alternatives. UGA reached 366 billion of invested assets and attracted 10 billion of new commitments across GWM and AM in the quarter.

Building on this momentum, we recently announced a strategic partnership with MSCI to enhance transparency and support growth by combining our investment expertise and client insights with MSCI's data and analytics capabilities.

Operating expenses declined 6%, reflecting ongoing cost discipline and the lower direct expense base following the O'Connor disposal.

We expect the sale to have broadly similar impacts on third-and fourth-quarter revenue and expense comparisons.

Slide 13 – Investment Bank

Onto slide 13. The Investment Bank delivered excellent results, generating record 2Q revenues, a pre-tax profit of 1.2 billion – more than double the prior-year quarter – and a pre-tax return on equity of over 23%.

Notably, we achieved this performance without materially expanding our balance sheet. While revenues increased 31% to 3.7 billion, RWA and LRD rose only modestly, underscoring the strength of our client franchise and our ability to capture significantly higher activity with disciplined use of financial resources.

Global Banking revenues increased by 33% to 693 million. Capital Markets was a standout, up 55%, with notable strength in LCM, where revenues more than doubled year on year, alongside strong performances in both ECM and DCM.

Advisory revenues were 5% lower primarily reflecting an M&A market increasingly skewed toward a small number of very large transactions, where participation is often influenced by broader client financing relationships.

Looking ahead, our pipeline remains healthy, with strong client engagement and activity building across regions, supported by close collaboration with GWM in originating advisory opportunities. Beyond the very largest deals, we continue to see good momentum across the broader advisory market, particularly in the mid-to-large-cap segment, where our competitive position continues to strengthen.

Global Markets delivered a record second quarter with revenues increasing by 31% to just over 3 billion. Equities led the performance, with revenues up 53% on strong client activity, elevated cash equity volumes and exceptional momentum in Asia Pacific, where Markets achieved a record quarter.

FRC revenues were 21% lower, reflecting a less favorable environment for our business mix than a year ago, and disciplined resource allocation as we selectively shifted balance sheet capacity to capitalize on stronger client momentum in Equities.

Operating expenses increased by 11%, driven by higher personnel expenses.

Slide 14 – Nearing completion of NCL wind-down

On slide 14, Non-core and Legacy generated a pre-tax loss of 52 million while we continued to drive down costs on an accelerated basis.

Excluding litigation, expenses in the quarter declined 72% year on year and 30% sequentially, resulting in cost reductions versus the 2022 baseline of 88%.

Reflecting the pace and scale of cost savings already achieved, we now expect the 2026 exit rate for NCL operating expenses, excluding litigation, to be around 400 million.

Risk-weighted assets in NCL were broadly stable sequentially, reflecting a concentration of smaller, more bespoke positions in the residual portfolio.

Slide 15 – Well positioned to outperform our 2026 exit rate underlying RoCET1 target of ~15% and achieve <70% underlying cost / income ratio

To close, the return on CET1 capital and the cost-income ratio we delivered in the first half of 2026 are important proof points of the earnings power and scalability of our franchise, as well as our continued cost discipline. They also demonstrate how strong client engagement, disciplined execution and capital efficiency are translating into durable operating leverage as we enter the final phases of the integration and position the firm for future growth.

With both metrics already ahead, or within striking distance, of our 2026 exit-rate targets, we are increasingly confident in our ability to meet, and potentially exceed, our financial ambitions.

With that, let's open for questions.

Analyst Q&A (CEO and CFO)

Jeremy Sigee, BNP Paribas

Morning and thanks very much. I wanted to ask a couple of questions about the businesses, please, actually. Firstly, on the Investment Bank, I was going to ask how you balance the growth opportunity versus the balance sheet constraint that you impose on that business, but you're sort of showing us here that actually you can get the revenue growth without expanding the balance sheet. And I just wonder if you could talk about how you achieve that, how do you put through significantly more volume, with a constrained or an unchanged balance sheet in the IB? That's my first question.

And then the second one was just on US Wealth Management. I know it's a familiar theme, but you saw significant further advisor exits in the quarter. I just wondered if you could comment on those exits and, more broadly, where you are in the stabilization of the US wealth management franchise. Thank you.

Todd Tuckner

Hey Jeremy, thanks for those questions. So in terms of the IB, I mean, that is an excellent point you bring up and something, of course, we're very focused on. We operate within our limits. We think that's important to the value proposition that we offer, which is to run an Investment Bank that supports Global Wealth Management and also our corporate and institutional clients. And so for us, resource allocation to the IB and within the IB is really, for us, stock in trade and how we're very focused. You asked about how. I mean, the focus for the business was really on intermediation within Equities, is where we drove a lot of the outperformance that we had in Equities. And so that was certainly a focus. The balance sheet, of course, within Equities was used more sparingly to support prime brokerage financing balances. And, as I also highlighted in my prepared remarks, we also allocate within the IB as we see fit and saw more opportunities in the quarter to drive some of the Markets outperformance, including in intermediation, and move some of the capital allocation away from FRC into Equities.

On your second question, look, we're comfortable with the steps we're taking to drive full-year net new assets in Wealth in the Americas. We also recognize there's a lag effect from previously announced FA movement that will continue to show up in flows for a few quarters. This said, we're actively recruiting and investing in teams aligned with our profitability ambitions. And it's important to note the rotation among financial advisors remains elevated across the industry, given record valuations. But we continue to expect these dynamics to normalize in our book over the course of 2026.

Giulia Aurora Miotto, Morgan Stanley

Hi, good morning. Thank you for taking my questions. My first one is on the buyback, the 3 billion. And how should we read the fact that this goes until June ’27 rather than until year-end? So I would guess if we get

some sort of compromise in Parliament, maybe it can be completed by year end, if not by June? So any comment on how we should think about the buyback would be great.

And then secondly, on the parent capital, the plus 50bps quarter on quarter, any comment on that capital build, please?

Todd Tuckner

Hey Giulia, thanks for the questions. So look, the way the share buyback language was constructed was to do a couple of things. One, we wanted to talk about a commitment of at least 1 billion that we're going to do over the next three months. On the other hand, you know, the program that we just announced today runs for two years. We gave an outlook that we would expect to be done latest by 2Q27. That's going to depend and be determined by, in terms of the timing / pace but also the amount, the things that we've always said. Outperformance supported by markets, our capital ratio of around 14%, but also the deliberations that are ongoing in the Parliament around the Swiss capital issue. So we size that timing. And ultimately, as these developments offer more visibility, then we can update on any changes in our expectations. But that's the way we signposted the timeline on this new program.

In terms of the parent bank and the sequential build in capital, I think it's owing to a couple of things. The first, of course, is the strong operating performance of the Group, which manifests as well in the parent bank among others; also the strong operating performance in its subsidiaries allowing for stronger levels of upstreaming to the parent bank – just even ordinary dividends that we saw, for example, by the Americas in the second quarter and also by the Swiss subsidiary. So Holding [company] revenues were also strong on top of the Operating [company] revenues. The other point, though, that counterbalances that, is that we are pacing the level of dividend accrual that we're upstreaming to the Group. So if you look at our first-half performance in the parent bank, we've generated around 5 billion of profit and we've accrued about 3.5 billion of dividends. So at this point, that's reflective of our managing the parent bank's – on a consolidated basis – tier 1 leverage ratio prudently. So the combination of stronger performance in some, and the way we're thinking about upstreaming to manage the tier 1 leverage ratio at the parent bank on a consolidated basis, contributes to the sequential growth in the parent bank's standalone capital.

Kian Abouhossein, JP Morgan

Yes, good morning. Thanks for taking my questions. Both are related to Asia Wealth. First question is related to ODI rules in China, which kicked in July 1st, just trying to understand if it had an impact on your business and how you think about ODI impact generally on your wealth business in Hong Kong in particular.

And then second question is related to Hong Kong again, where we see material growth in the affluent and also in the high net worth segment where you are maybe not present, especially clearly not in the affluent. Just trying to understand if you have any ambitions to expand in that area, considering the structural growth we're seeing in affluent / high net worth Hong Kong. Thank you.

Todd Tuckner

Thanks a lot, Kian, for those questions. So first on ODI, it's still early, but based on what we're seeing today and the conversations we had, we don't view the evolving framework as a material constraint on the opportunity that we have, nor is it having any, certainly immediate, impact on flows. We see those developments primarily as more of an evolution in transparency and reporting requirements, in particular a consolidation of existing requirements with more focus on enforcement, and specifically on offshore online brokers targeting mainland investors. So we don't see that as a real catalyst for change in affecting client demand for international diversification, and it's certainly not hitting through in our numbers. And I would just add that, given our cross-border framework and our strong compliance mindset and disciplined source of wealth standards, we also believe that we're very well-positioned to navigate that evolving environment.

You asked about Asia flows and affluent ambition. Let me make a couple of points. So first, we're very pleased with the position of our Asia franchise, in addition to first half NNA and NNFGA annualized growth of 7% and 10% respectively, we're continuing to deliver very strong profitability and profitability growth. And we're also growing clients and client assets, as well as broadening the regional contributions to client asset and profitability growth. And also, as I mentioned in my prepared comments, we're broadening client relationships and we're adding another dimension to our growth through more recurring diversified revenue streams. This quarter I mentioned setting a record for mandate penetration in that part of the division. And second, Kian, we're not standing still we're investing selectively in areas such as high net worth advisor capacity, particularly through digital and platform scalability to broaden our growth opportunities. So we believe that the team is doing the right things to continue to grow fast. And we don't see it as a tradeoff between growth and profitability, we believe we can capture both. In terms of the wealth spectrum, that is also quite a focus for the team to continue to invest, as I mentioned, in high net worth and to drive that. At the moment, the mass affluent is less a focus, but we believe as we build out our digital capabilities, that this is something that we can see moving into the various aspects of the wealth spectrum, including potentially the upper part of affluent.

Kian Abouhossein, JP Morgan

That's interesting. May I just ask you one more as we talk about mandate penetration – where are we on mandate penetration in GWM? We haven't had an update for a while.

Todd Tuckner

Overall, we're now at an all-time high across all of the sectors. APAC has come a very long way, if you look at the time series in terms of mandate penetration, and has doubled it over the last two or three years. So it really is broadening out, not only the types of solutions it's bringing to clients' transaction base, but also mandates, as well as across the regions. So there's more geographic diversity within APAC as well. So we're broadening that out. We're broadening out the revenue drivers. And so all of that speaks to quite a bullish view on its growth prospects.

Stefan Stalmann, Autonomous Research

Good morning. Thank you very much for taking my questions. I wanted to start with your very strong performance in Equities trading. It's not quite as good as the US banks, but it's better than your European peers that have reported so far. And you've probably done quite a bit of benchmarking work around this. Maybe you can add a bit of color of where you've seen you've done better or worse than others, maybe where business mix or geographic differences play a role in explaining the relative performance versus peers.

And the second question was about GWM, where you mentioned an 8 billion negative impact on invested assets from exiting certain markets or exiting certain services. Could you maybe explain what that relates to?

Todd Tuckner

So the latter one was just an exit in one part of our business, a relatively small part. And so it impacted AuM, but, because of the exit, it didn't impact on flows in the quarter.

In terms of equity trading and more color there. I'd say our geographical diversification really across the IB is a differentiator for us. And so we're strong really across the globe, and with strong focus this past quarter, of course, at being able to leverage the APAC opportunity that was quite evident in our results. But I think it's the geographic diversity that is a differentiator. And our ability, as I also mentioned, to stay close to clients, the relationships that we have developed, and our ability to generate revenue growth without extending the balance sheet materially really has been a differentiator for equities trading.

Stefan Stalmann, Autonomous Research

I just wanted to follow up on the first point, please. The 8 billion, was that an exit from a particular geography or was it more of a client group? And in which geography would I find that in?

Todd Tuckner

We'll come back on the details on that one, Stefan.

Stefan Stalmann, Autonomous Research

Thank you very much.

Anke Reingen, RBC

Yeah, thank you very much for taking my questions. The first is on your return on core tier 1 capital. So you said you're looking to exceed your targets for 2026. And while I understand you might not want to update 2028 at this stage, I'm just wondering, based on structural progress you made in 2026, are you seeing

potential upside to your 2028 target? Just trying to distinguish between cyclical versus structural progress on the RoE?

And then secondly on Asia, I understand you don't want to comment on intra-quarter momentum, but given some of the weakness in equity markets in the region, are you seeing this as a more material headwind to your Equities performance in the Investment Bank as well as in Wealth Management?

Todd Tuckner

So, on the returns, we're obviously quite pleased with our performance and the momentum we're seeing across the business. We continue to have confidence in our ability to deliver against our ambitions, with the first-half performance that we've delivered. As we mentioned, we're well positioned to achieve our targets, with scope to outperform. Beyond that, specifically in terms of anything regarding 2028, we'll update you as part of our fourth quarter strategic update early next year.

On your question around Asia. The performance – not sure I fully took the question, but I commented in response to Kian's question about the positioning of the Asia wealth business. As well, the IB in Asia performed quite strong and, as Sergio mentioned in his comments, Asia was a standout regional performance. So we see very strong continuing momentum in APAC and we're quite encouraged about the momentum we're seeing in the outlook. I would just add one other point to the prior question from Stefan. Just one other differentiator across Equities is prime brokerage for us, and the financing revenues that we've generated. Even though we've been very disciplined from a resource allocation perspective, I think prime brokerage has been one area that is also differentiating us from certain of our peers.

Andrew Coombs, Citi

Morning. Perhaps one follow-up and then a fresh question on net new money. On the Equities result, you talk about having a diversified geographical mix, but you do over index in Asia versus a number of your peers. And clearly that's had a very strong second quarter because of the index rebalance, given what's happened in Korea and to a lesser extent Taiwan, too. We're now seeing that reverse. So I assume that would point to beneficial for Q3 as well. But beyond that, how sustainable do you think the Equities revenue strength is in Asia?

And then more broadly on net new money – very healthy print in Europe and Asia and the US too. Can you just elaborate on how much of that you think is cyclical, related to the current IPO environment we're seeing, versus how much of that is actually structural? Because you've now integrated Credit Suisse, a lot of the attrition of RMs is easing, and in case you're actually starting to grow again in some regions.

Todd Tuckner

On the Equities strength in Asia and the outlook. Look, I think the benefit of the diversification that we have is that we're well positioned to take advantage, for example, of strong equity markets and client activity levels in Asia, as we saw in the second quarter. But of course, the depth of our business across Europe as well as in the Americas allows us to really take advantage of wherever there are strong markets. So, sure, the very strong performance in volumes that we saw in Asia in the second quarter – and the first quarter, for that matter – is unlikely to continue at that level. But we're well positioned to take advantage, just given our global diversification.

In terms of the Wealth Management question around whether it's cyclical or structural. I would say that while supportive markets have contributed, an increasing share of the performance that we have reflects non-market factors. And this is giving me confidence around the durability and structural strength of our profitable growth trajectory through the cycle in GWM. And the proof points that I've mentioned a couple of times are our record mandate penetration, but also sustained transaction-based revenue outperformance, lending momentum and also deeper client engagement, through the integrated delivery of more and more One UBS capabilities. On that structural versus cyclical question, I do think we're seeing – and that is our strategy – to push more and more into structural, so that the performance that we see is more durable.

Benjamin Goy, Deutsche Bank

Two questions, please, from my side. First, on a different topic: Personal & Corporate Banking. The cost base was stable but clearly down year-on-year. Just wondering now [with] the progress you have done on the integration, whether we should expect a more meaningful step down in cost base in Q3 going forward.

And then another question on Asia – just wondering about your One Bank strategy and what we can comment on the visibility, or the pipeline of inflows. Also thinking about lockups coming after the IPOs in recent months, and how this could support your wealth management franchise too?

Todd Tuckner

On the second one – first, in terms of the lockup issue around IPOs, I think what's important to underscore here is that our GWM performance, in terms of growth and asset acquisition, is not geared toward any one thing. It's quite diversified across the board. And so where there's been, say, a spate of IPOs, of course that's helpful. We think IPOs are foundational to the outlook in Wealth Management. But that said, for us, it's not something we're highly dependent on to drive growth. And as a result, if there are lockups post IPO, we're not pricing in any downturn in net new asset growth as a result of that.

On the cost side. We continue to see meaningful integration-related benefits coming through Wealth and P&C in the second half, including from technology decommissioning, organization simplification and other integration actions. We mentioned the strong execution we had in the first half, including in the second

quarter. And that has meant that some of these benefits were realized earlier than we had previously expected. And, as I mentioned in my prepared remarks, at the same time, we're selectively investing a portion of the capacity that we created into technology and other initiatives, including select advisor hiring, that support growth, productivity and attractive long-term returns. So for us, the clear guardrail remains our exit 2026 underlying cost-income ratio target and we remain firmly focused on delivering it. But, as we finish out the integration, we should still expect to see further benefits on our OpEx line.

Amit Goel, Mediobanca

Hi. Thank you. I've got some follow-up questions, just on the US wealth business. So one was on your commentary about the flows and what we can expect going forward. Previously you've said you expect the net recruiting outflow impacts to materially taper in the second half of this year. Is that still the case? I mean, just based on some of the data, it seems like in Q2 there were still a lot of advisor outflows, so there could still be an impact into Q3?

And then, just when looking at the mix in terms of the quarter. So the net new assets were positive, but then the net new fee-generating assets were negative. When I look at Q2 in prior years, net new fee-generating assets have held up better. And I'm just wondering, what's driving that dynamic? Was there anything in particular this quarter to influence that?

Todd Tuckner

Yeah. So first on the Wealth headcount in the US. So, if you look at the table where we have 2% down year on year and 1% down quarter on quarter, just to sort of orient the point. The other point that's important to mention is that, as I've said several times in the past, the reported headcount numbers reflect the lag in timing, because that's actually when the advisors either come on when recruited, or come off when they move [off] our payroll. So there is a lag in that. But I think what's important, the broader point I would make is that we expect, as we work through the issue – which we continue to do – that this will have a tapering impact, which is why we've been forecasting and guiding on positive net new assets for the year contributing from Wealth in the Americas. And so we expect the trend to continue and we would expect an improving second half as well. We are continuing to maintain that Wealth in the Americas will be a positive contributor to net new assets for the full year 2026.

In terms of net new assets versus NNFGA, nothing I would call out. We've had very strong net new fee-generating asset growth when you look back over the last 12 months. I'd say I wouldn't overread into one quarter versus the other in terms of whether we're indexed more into net new fee-generating assets versus net new assets. So nothing I would take away or no one particular driver that I would call out in explaining the delta between the two metrics. But just, over time, they're both meeting our expectations. And that's really the more important point.

Joseph Dickerson, Jefferies

Hi. Thank you for taking my question and congratulations on a very robust set of results. The question I had is, you've guided the GWM NII to grow by around 10% versus '25. It's interesting because this number is quite some ways ahead of where the market expectations are. Could you kind of break that down a little bit in terms of what is rates versus volumes? Or is this just frankly because you've seen a better result in lending volumes, and deposit margins are remaining robust? I guess what I'm getting at is what element, if any, is differential in interest rates or is it really on volumes?

And then secondly, I guess strategically on Asset Management. If you look at the business, it's not a large part of the Group. How fungible is it with the Group? It's been, I think, slightly underwhelming the past few quarters. Is this a business that you intend to keep strategically? I know there's some, there was speculation over the years about it, but any comment on that business and the strategic rationale with the rest of the Group would be great. Thank you.

Todd Tuckner

Hey, Joe. Let me address the first question. So on GWM, I did mention that the guidance I offered – around 10% up year on year – was, in part, supported by higher rates, but also lending growth and a favorable deposit mix. So, really breaking that down, I would say, now that our outlook would suggest moderately higher US dollar rates, that creates structural tailwind for the business and that comes from loans and also our replicating portfolio as those yields grind higher, and are only partially offset by higher deposit costs that are tempered by our deposit mix remaining healthy. So that's the way I think about it. And it drives the revised year-on-year look.

Sergio P. Ermotti

And so on Asset Management, I would say that, first of all, from a strategic standpoint of view, it fits very well the thematic of us being an asset-gathering centered organization. But also if I look at what we do within Asset Management, I would like to highlight the good momentum in reshaping and restructuring the business; basically disposing of activities that were quite dilutive to our cost-income ratio and really getting it focused with a good progress towards achieving strong relative performance also vis-a-vis our peers. Within that, I see a lot of potential for us to continue to grow.

When you look at our alternative space, we are a top LP in alternatives. You saw the good inflows during the quarter and the good momentum we are having. We are also developing a strong focus on capabilities in passive ETFs. And so from a geographic standpoint of view, we are expanding our capabilities, also our joint ventures with external partners. So I'm very happy to see the good momentum which I believe justifies us continuing to invest into this business and position as a strategic element of our asset gathering center story. So I think it is an integral part of our equity story.

Sarah Mackey

We have no further questions, so I would like to close the call and thank everyone for dialing in and asking their questions today. We look forward to updating you with our third-quarter results, and wishing everyone a good summer holiday. Thank you.

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