



UBS Switzerland AG standalone

Interim financial statements for the six months ended 30 June 2022

Table of contents

UBS Switzerland AG standalone interim financial statements

- 1 Income statement
- 2 Balance sheet
- 3 Basis of accounting
- 3 Joint and several liability

Appendix

- 4 Cautionary statement

Contacts

Switchboards

For all general inquiries
ubs.com/contact

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

Investor Relations

Institutional, professional and retail investors are supported by UBS's Investor Relations team.

UBS Group AG, Investor Relations
P.O. Box, CH-8098 Zurich, Switzerland

ubs.com/investors

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

Media Relations

Global media and journalists are supported by UBS's Media Relations team.

ubs.com/media

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

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

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

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

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UBS Switzerland AG standalone interim financial statements

Income statement

	Year-to-date	
CHF m	30.6.22	30.6.21
Interest and discount income ¹	1,656	1,535
Interest and dividend income from trading portfolio	0	1
Interest and dividend income from financial investments	30	36
Interest expense ²	(13)	(67)
Gross interest income	1,673	1,505
Credit loss (expense) / release	(46)	83
Net interest income	1,627	1,588
Fee and commission income from securities and investment business	1,929	1,893
Credit-related fees and commissions	111	95
Other fee and commission income	413	362
Fee and commission expense	(232)	(219)
Net fee and commission income	2,221	2,131
Net trading income	497	391
Net income from disposal of financial investments	1	1
Dividend income from investments in subsidiaries and other participations	13	14
Sundry ordinary income	94	105
Sundry ordinary expenses	(47)	(6)
Other income from ordinary activities	60	114
Total operating income	4,404	4,224
Personnel expenses	1,077	1,155
General and administrative expenses	1,661	1,649
Subtotal operating expenses	2,738	2,804
Depreciation and impairment of property, equipment and software	69	39
Changes in provisions for litigation, regulatory and similar matters, and other provisions	3	(1)
Total operating expenses	2,810	2,842
Operating profit	1,593	1,382
Tax expense / (benefit)	295	262
Net profit / (loss) for the period	1,298	1,121

¹ Interest and discount income includes negative interest income on financial assets of CHF 32m and CHF 70m for the periods ended 30 June 2022 and 30 June 2021, respectively. ² Interest expense includes negative interest expense on financial liabilities of CHF 215m and CHF 158m for the periods ended 30 June 2022 and 30 June 2021, respectively.

Balance sheet

CHF m	30.6.22	31.12.21
Assets		
Cash and balances at central banks	86,800	82,990
Due from banks	4,191	3,951
Receivables from securities financing transactions	2,551	4,958
Due from customers	53,883	54,997
Mortgage loans	162,407	159,569
Trading portfolio assets	1,747	1,833
Derivative financial instruments	2,093	1,901
Financial investments	7,794	9,030
Accrued income and prepaid expenses	254	236
Investments in subsidiaries and other participations	91	96
Property, equipment and software	915	699
Other assets	522	395
Total assets	323,248	320,656
<i>of which: subordinated assets</i>	<i>1</i>	<i>0</i>
Liabilities		
Due to banks	36,335	30,628
<i>of which: eligible as total loss-absorbing capacity</i>	<i>16,707</i>	<i>16,240</i>
Payables from securities financing transactions	446	480
Due to customers	258,157	261,192
Trading portfolio liabilities	322	339
Derivative financial instruments	2,290	1,459
Loans from central mortgage institutions	8,772	8,624
Accrued expenses and deferred income	805	1,056
Other liabilities	1,767	1,872
Provisions	269	271
Total liabilities	309,164	305,919
Equity		
Share capital	10	10
General reserve	11,354	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	1,423	921
Net profit / (loss) for the period	1,298	2,452
Total equity	14,084	14,736
Total liabilities and equity	323,248	320,656
<i>of which: subordinated liabilities</i>	<i>16,723</i>	<i>16,254</i>
<i>of which: subject to mandatory conversion and / or debt waiver</i>	<i>16,723</i>	<i>16,254</i>
Off-balance sheet items		
Contingent liabilities, gross	9,988	10,706
Sub-participations	(771)	(1,101)
Contingent liabilities, net	9,217	9,605
<i>of which: guarantees to third parties related to subsidiaries</i>	<i>17</i>	<i>16</i>
<i>of which: credit guarantees and similar instruments</i>	<i>4,194</i>	<i>3,886</i>
<i>of which: performance guarantees and similar instruments</i>	<i>2,515</i>	<i>2,448</i>
<i>of which: documentary credits</i>	<i>2,491</i>	<i>3,255</i>
Irrevocable commitments, gross	16,653	17,444
Sub-participations	(2)	(3)
Irrevocable commitments, net	16,651	17,441
<i>of which: loan commitments</i>	<i>15,755</i>	<i>16,545</i>
<i>of which: payment commitment related to deposit insurance</i>	<i>896</i>	<i>896</i>
Forward starting transactions¹	732	50
<i>of which: reverse repurchase agreements</i>	<i>487</i>	<i>50</i>
<i>of which: repurchase agreements</i>	<i>245</i>	<i>0</i>
Liabilities for calls on shares and other equity instruments	50	50

¹ Cash to be paid in the future by either UBS or the counterparty.

Basis of accounting

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 2021. 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 2021.

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 2021.

The interim financial statements are unaudited and should be read in conjunction with the audited 2021 standalone financial statements of UBS Switzerland AG, available under "Holding company and significant regulated subsidiaries and sub-groups" at ubs.com/investors.

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, i.e., 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 325bn 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 2022, the joint liability of UBS Switzerland AG for contractual obligations of UBS AG amounted to approximately CHF 4bn, compared with CHF 5bn as of 31 December 2021. 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 2022, 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.

Cautionary Statement | This report and the information contained herein are provided solely for information purposes, and are not to be construed as solicitation of an offer to buy or sell any securities or other financial instruments in Switzerland, the United States or any other jurisdiction. No investment decision relating to securities of or relating to UBS Group AG, UBS AG or their affiliates should be made on the basis of this report. Refer to UBS's Annual Report 2021 on Form 20-F, quarterly reports and other information furnished to or filed with the US Securities and Exchange Commission on Form 6-K, available at ubs.com/investors, for additional information.

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

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

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

ubs.com

