



30 September 2019 Pillar 3 report

UBS Group and significant regulated subsidiaries and sub-groups

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Introduction and basis for preparation

Introduction and basis for preparation

Scope and location of Basel III Pillar 3 disclosures

The Basel Committee on Banking Supervision (BCBS) Basel III capital adequacy framework consists of three complementary pillars. Pillar 1 provides a framework for measuring minimum capital requirements for the credit, market, operational and non-counterparty-related risks faced by banks. Pillar 2 addresses the principles of the supervisory review process, emphasizing the need for a qualitative approach to supervising banks. Pillar 3 requires banks to publish a range of disclosures, mainly covering risk, capital, leverage, liquidity and remuneration.

This report provides Pillar 3 disclosures for UBS Group and prudential key figures and regulatory information for UBS AG standalone, UBS Switzerland AG standalone, UBS Europe SE consolidated and UBS Americas Holding LLC consolidated in the respective sections under "Significant regulated subsidiaries and sub-groups."

As UBS is considered a systemically relevant bank (SRB) under Swiss banking law, UBS Group AG and UBS AG are required to comply with regulations based on the Basel III framework as applicable to Swiss SRBs on a consolidated basis. Capital and other regulatory information as of 30 September 2019 for UBS Group AG consolidated is provided in the "Capital management" section of our third quarter 2019 report and for UBS AG consolidated in the "Capital management" section of the UBS AG third quarter 2019 report available under "Quarterly reporting" at www.ubs.com/investors.

Local regulators may also require the publication of Pillar 3 information at a subsidiary or sub-group level. Where applicable, these local disclosures are provided under "Holding company and significant regulated subsidiaries and sub-groups" at www.ubs.com/investors.

Significant BCBS and FINMA capital adequacy, liquidity and funding, and related disclosure requirements

This Pillar 3 report has been prepared in accordance with FINMA Pillar 3 disclosure requirements (FINMA Circular 2016/1, "Disclosure – banks") as revised on 16 July 2018, the underlying BCBS guidance "Revised Pillar 3 disclosure requirements" issued in January 2015, the "Frequently asked questions on the revised Pillar 3 disclosure requirements" issued in August 2016, the "Pillar 3 disclosure requirements – consolidated and enhanced framework" issued in March 2017 and the subsequent "Technical Amendment – Pillar 3 disclosure requirements – regulatory treatment of accounting provisions" issued in August 2018.

Frequency and comparability of Pillar 3 disclosures

FINMA has specified the reporting frequency for each disclosure, as outlined in the table on pages 5 and 6 of our 31 December 2018 Pillar 3 report available under "Pillar 3 disclosures" at www.ubs.com/investors.

In line with the FINMA-specified disclosure frequency and requirements for disclosure with regard to comparative periods, we provide quantitative comparative information as of 30 June 2019 for disclosures required on a quarterly basis. Where specifically required by FINMA and / or BCBS, we disclose comparative information for additional reporting dates.

UBS Group

Section 1 Key metrics

Key metrics of the third quarter of 2019

The KM1 and KM2 tables below are based on Basel Committee on Banking Supervision (BCBS) Basel III phase-in rules. The KM2 table includes a reference to the total loss-absorbing capacity (TLAC) term sheet, published by the Financial Stability Board (FSB). The website of the FSB provides this term sheet, at www.fsb.org/2015/11/total-loss-absorbing-capacity-tlac-principles-and-term-sheet.

During the third quarter of 2019, our common equity tier 1 (CET1) capital decreased by USD 0.3 billion to USD 34.7 billion, mainly as a result of accruals for capital returns to shareholders, share repurchases under our share repurchase program, foreign currency translation effects, current tax expense and increases in pension liabilities of non-Swiss pension plans, partly offset by operating profit before tax. Our tier 1 capital increased by USD 0.7 billion to USD 50.7 billion, primarily reflecting two separate issuances of high-trigger loss-absorbing AT1 instruments of AUD 700 million and SGD 750 million, respectively.

→ Refer to “UBS shares” in the “Capital management” section of our third quarter 2019 report for more information about the share repurchase program

The TLAC available as of 30 September 2019 included CET1 capital, additional tier 1 and tier 2 capital instruments eligible under the TLAC framework, and non-regulatory capital elements of TLAC. Under the Swiss systemically relevant bank (SRB) framework, including transitional arrangements, TLAC excludes 45% of the gross unrealized gains on debt instruments measured at fair value through other comprehensive income for accounting purposes, which for regulatory capital purposes is measured at the lower of cost or market value. This amount was negligible as of 30 September 2019, but is included as available TLAC in the KM2 table below.

Risk-weighted assets (RWA) increased by USD 2.5 billion to USD 264.6 billion, mainly due to an increase in credit risk RWA, partly offset by a decrease in market risk RWA. Leverage ratio exposure decreased by USD 9 billion during the quarter, predominantly driven by on-balance sheet exposures. High-quality liquid assets decreased by USD 8.3 billion, primarily driven by a reduction of cash at central banks reflecting higher average funding consumption by the business divisions and reductions in the level of issued debt.

KM1: Key metrics

USD million, except where indicated

	30.9.19	30.6.19	31.3.19	31.12.18	30.9.18 ³
Available capital (amounts)¹					
1 Common equity tier 1 (CET1)	34,673	34,948	34,658	34,119	34,816
1a Fully loaded ECL accounting model	34,635	34,904	34,613	34,071	34,816
2 Tier 1	50,702	49,993	49,436	46,279	45,972
2a Fully loaded ECL accounting model Tier 1	50,664	49,949	49,391	46,231	45,972
3 Total capital	56,396	56,345	56,148	52,981	52,637
3a Fully loaded ECL accounting model total capital	56,358	56,302	56,103	52,933	52,637
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	264,626	262,135	267,556	263,747	257,041
4a Minimum capital requirement ²	21,170	20,971	21,404	21,100	20,563
4b Total risk-weighted assets (pre-floor)	264,626	262,135	267,556	263,747	257,041
Risk-based capital ratios as a percentage of RWA¹					
5 Common equity tier 1 ratio (%)	13.10	13.33	12.95	12.94	13.55
5a Fully loaded ECL accounting model Common equity tier 1 (%)	13.09	13.32	12.94	12.92	13.55
6 Tier 1 ratio (%)	19.16	19.07	18.48	17.55	17.89
6a Fully loaded ECL accounting model Tier 1 ratio (%)	19.15	19.05	18.46	17.53	17.89
7 Total capital ratio (%)	21.31	21.49	20.99	20.09	20.48
7a Fully loaded ECL accounting model total capital ratio (%)	21.30	21.48	20.97	20.07	20.48
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	1.88	1.88
9 Countercyclical buffer requirement (%)	0.10	0.09	0.10	0.08	0.05
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.21	0.22	0.21	0.21	0.21
10 Bank G-SIB and/or D-SIB additional requirements (%)	1.00	1.00	1.00	0.75	0.75
11 Total of bank CET1-specific buffer requirements (%) ¹	3.60	3.59	3.60	2.71	2.68
12 CET1 available after meeting the bank's minimum capital requirements (%) ¹	8.60	8.83	8.45	8.44	9.05
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	901,914	911,379	910,993	904,598	915,066
14 Basel III leverage ratio (%) ¹	5.62	5.49	5.43	5.12	5.02
14a Fully loaded ECL accounting model Basel III leverage ratio (%) ¹	5.62	5.48	5.42	5.11	5.02
Liquidity coverage ratio					
15 Total HQLA	167,916	176,173	186,038	173,389	176,594
16 Total net cash outflow	122,025	121,314	121,521	127,352	130,750
17 LCR ratio (%)	138	145	153	136	135

¹ Based on BCBS Basel III phase-in rules. ² Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ³ In line with the change of the presentation currency of UBS Group AG's and UBS AG's consolidated and standalone financial statements from Swiss francs to US dollars in October 2018, prior-period disclosures were translated to US dollars at the respective spot rates prevailing on the relevant reporting dates.

KM2: Key metrics – TLAC requirements (at resolution group level)¹

USD million, except where indicated

	30.9.19	30.6.19	31.3.19	31.12.18	30.9.18 ²
1 Total loss-absorbing capacity (TLAC) available	88,197	87,388	87,477	83,740	81,711
1a Fully loaded ECL accounting model TLAC available	88,159	87,344	87,433	83,692	81,711
2 Total RWA at the level of the resolution group	264,626	262,135	267,556	263,747	257,041
3 TLAC as a percentage of RWA (%)	33.33	33.34	32.69	31.75	31.79
3a Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)	33.31	33.32	32.68	31.73	31.79
4 Leverage ratio exposure measure at the level of the resolution group	901,914	911,379	910,993	904,598	915,066
5 TLAC as a percentage of leverage ratio exposure measure (%)	9.78	9.59	9.60	9.26	8.93
5a Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model Leverage exposure measure (%)	9.77	9.58	9.60	9.25	8.93
6a Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?			No		
6b Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?			No		
6c If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognized as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognized as external TLAC if no cap was applied (%)					N/A – Refer to our response to 6b.

¹ Resolution group level is defined as the UBS Group AG consolidated level. ² In line with the change of the presentation currency of UBS Group AG's and UBS AG's consolidated and standalone financial statements from Swiss francs to US dollars in October 2018, prior-period disclosures were translated to US dollars at the respective spot rates prevailing on the relevant reporting dates.

Section 2 Risk-weighted assets

Our approach to measuring risk exposure and risk-weighted assets

Depending on the purpose, the measurement of risk exposure that we apply may differ. Exposures may be measured for financial accounting purposes under International Financial Reporting Standards (IFRS), for deriving our regulatory capital requirements or for internal risk management and control purposes. Our Pillar 3 disclosures are generally based on measures of risk exposure used to derive the regulatory capital required under Pillar 1. Our risk-weighted assets (RWA) are calculated according to the Basel Committee on Banking Supervision (BCBS) Basel III framework, as implemented by the Swiss Capital Adequacy Ordinance issued by the Swiss Federal Council and by the associated circulars issued by the Swiss Financial Market Supervisory Authority (FINMA).

For information about the measurement of risk exposures and RWA, refer to pages 9–12 of our 31 December 2018 Pillar 3 report available under “Pillar 3 disclosures” at www.ubs.com/investors.

RWA development in the third quarter of 2019

The OV1 table below provides an overview of our risk-weighted assets (RWA) and the related minimum capital requirements by risk type. The FINMA template includes rows that are currently not applicable to UBS and therefore have been left empty.

During the third quarter of 2019, RWA increased by USD 2.5 billion to USD 264.6 billion, mainly due to an increase of USD 5.0 billion in credit risk RWA, partly offset by a decrease of USD 1.8 billion in market risk RWA.

The flow tables for credit risk, counterparty credit risk and market risk RWA in the respective sections of this report provide further details regarding the movements in RWA in the third quarter of 2019. More information about capital management and RWA, including details of movements in RWA during the third quarter of 2019, is provided on pages 55–56 of our third quarter 2019 report, available under “Quarterly reporting” at www.ubs.com/investors.

OV1: Overview of RWA

USD million	RWA		Minimum capital requirements ¹
	30.9.19	30.6.19	30.9.19
1 Credit risk (excluding counterparty credit risk)	119,969	114,991	9,598
2 of which: standardized approach (SA) ²	27,786	28,287	2,223
3 of which: foundation internal ratings-based (F-IRB) approach			
4 of which: supervisory slotting approach			
5 of which: advanced internal ratings-based (A-IRB) approach	92,183	86,703	7,375
6 Counterparty credit risk³	37,259	37,487	2,981
7 of which: SA for counterparty credit risk (SA-CCR) ⁴	5,962	5,793	477
8 of which: internal model method (IMM)	19,309	20,133	1,545
8a of which: value-at-risk (VaR)	5,426	5,453	434
9 of which: other CCR	6,561	6,107	525
10 Credit valuation adjustment (CVA)	2,458	2,553	197
11 Equity positions under the simple risk weight approach⁵	3,248	3,302	260
12 Equity investments in funds – look-through approach⁶			
13 Equity investments in funds – mandate-based approach⁶			
14 Equity investments in funds – fall-back approach⁶			
15 Settlement risk	347	415	28
16 Securitization exposures in banking book	656	664	52
17 of which: securitization internal ratings-based approach (SEC-IRBA)			
18 of which: securitization external ratings-based approach (SEC-ERBA) including internal assessment approach (IAA)	647	657	52
19 of which: securitization standardized approach (SEC-SA)	8	7	1
20 Market risk	9,207	10,977	737
21 of which: standardized approach (SA)	492	452	39
22 of which: internal model approaches (IMA)	8,714	10,526	697
23 Capital charge for switch between trading book and banking book			
24 Operational risk	80,345	80,345	6,428
25 Amounts below thresholds for deduction (250% risk weight)⁷	11,138	11,402	891
26 Floor adjustment⁸	0	0	0
27 Total	264,626	262,135	21,170

¹ Calculated based on 8% of RWA. ² Includes non-counterparty-related risk not subject to the threshold deduction treatment (30 September 2019: RWA USD 12,678 million; 30 June 2019: RWA USD 12,912 million). Non-counterparty-related risk (30 September 2019: RWA USD 8,699 million; 30 June 2019: RWA USD 8,853 million) which is subject to the threshold deduction treatment is reported in line 25 "Amounts below thresholds for deduction (250% risk weight)." ³ Excludes settlement risk, which is separately reported in line 15 "Settlement risk." Includes RWA with central counterparties. A new regulation for the calculation of RWA for exposure to central counterparties will be implemented by 1 January 2020. The split between the subcomponents of counterparty credit risk refers to the calculation of the exposure measure. ⁴ Calculated in accordance with the current exposure method (CEM) until SA-CCR is implemented by 1 January 2020. ⁵ Includes investments in funds. Items subject to threshold deduction treatments that do not exceed their respective threshold are risk weighted at 250% (30 September 2019: RWA USD 2,439 million; 30 June 2019: RWA USD 2,548 million) and are separately included in line 25 "Amounts below thresholds for deduction (250% risk weight)." ⁶ A new regulation for the calculation of RWA for investments in funds will be implemented by 1 January 2020. ⁷ Includes items subject to threshold deduction treatments that do not exceed their respective threshold and risk weighted at 250%. Items subject to threshold deduction treatments are significant investments in common shares of non-consolidated financial institutions (banks, insurance and other financial entities) and deferred tax assets arising from temporary differences, both of which are measured against their respective threshold. ⁸ No floor effect, as 80% of our Basel I RWA including the RWA equivalent of the Basel I capital deductions does not exceed our Basel III RWA including the RWA equivalent of the Basel III capital deductions. For the status of the finalization of the Basel III capital framework, refer to the "Regulatory and legal developments" section of our Annual Report 2018, available under "Annual reporting" at www.ubs.com/investors, which outlines how the proposed floor calculation would differ in significant aspects from the current approach.

The CR8 table below provides a breakdown of the credit risk RWA movements in the third quarter of 2019 across movement categories defined by the Basel Committee on Banking Supervision (BCBS). These categories are described on page 45 of our 31 December 2018 Pillar 3 report available under "Pillar 3 disclosures" at www.ubs.com/investors.

Credit risk RWA development in the third quarter of 2019

Credit risk RWA under the advanced internal ratings-based (A-IRB) approach increased by USD 5.5 billion to USD 92.2 billion as of 30 September 2019.

The RWA increase from asset size movements of USD 5.8 billion was predominantly driven by increases in traded loans, term loans exposures and unutilized credit facilities in the Investment Bank's Corporate Client Solutions business.

The increase in RWA from model updates of USD 0.9 billion was mainly driven by the continued phasing-in of RWA increases related to probability of default (PD) and loss given default (LGD) changes from the implementation of revised models for Swiss residential mortgages, which resulted in RWA increases of USD 0.4 billion in Personal & Corporate Banking and USD 0.1 billion in Global Wealth Management. In addition, a change of the credit conversion factor from 5% to 10% for zero-balance securities-backed lending and margin loans exposures increased RWA in Global Wealth Management by USD 0.4 billion.

The aforementioned increases were partly offset by a USD 1.3 billion decrease in RWA due to currency effects.▲

CR8: RWA flow statements of credit risk exposures under IRB

<i>USD million</i>		RWA
1	RWA as of 30.6.19	86,703
2	Asset size	5,830
3	Asset quality	472
4	Model updates	861
5	Methodology and policy	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	(1,313)
8	Other	(370)
9	RWA as of 30.9.19	92,183

Counterparty credit risk RWA development in the third quarter of 2019

Counterparty credit risk RWA under the internal model method (IMM) decreased by USD 0.8 billion to USD 19.3 billion during the third quarter of 2019, primarily due to lower notional amounts in the Investment Bank's Foreign Exchange, Rates and Credit business and trade expiries in its Equities business.▲

CCR7: RWA flow statements of CCR exposures under internal model method (IMM) and value-at-risk (VaR)

<i>USD million</i>	For the quarter ended 30.9.19			
	Derivatives	SFTs	Total	
	Subject to IMM	Subject to VaR		
1	RWA as of 30.6.19	20,133	5,453	25,587
2	Asset size	(648)	106	(543)
3	Credit quality of counterparties	(5)	(80)	(85)
4	Model updates	0	0	0
5	Methodology and policy	0	0	0
5a	<i>of which: regulatory add-ons</i>			
6	Acquisitions and disposals	0	0	0
7	Foreign exchange movements	(170)	(53)	(223)
8	Other	0	0	0
9	RWA as of 30.9.19	19,309	5,426	24,736

Market risk RWA development in the third quarter of 2019

The three main components that contribute to market risk RWA are Value-at-risk (VaR), stressed value-at-risk (SVaR) and incremental risk charge (IRC). VaR and SVaR components include the RWA charge for risks-not-in-VaR.

The MR2 table below provides a breakdown of the market risk RWA under an internal models approach movement in the third quarter of 2019 across these components, according to the movement categories defined by the Basel Committee on Banking Supervision. These categories are described on page 81 of our 31 December 2018 Pillar 3 report available under "Pillar 3 disclosures" at www.ubs.com/investors.

Market risk RWA decreased by USD 1.8 billion to USD 8.7 billion in the third quarter of 2019, mainly driven by model updates reflecting changes to the VaR model parameters following our periodic review of VaR model parameters and, to a lesser extent, by regulatory add-ons which reflect updates from the monthly risks-not-in-VaR assessment.

From 30 June 2019 onward, the comprehensive risk measure (CRM)-based capital requirement has no longer been applicable to us, as we no longer hold eligible correlation trading positions.

The VaR multiplier remained unchanged, at 3.0, compared with the second quarter of 2019.

MR2: RWA flow statements of market risk exposures under an internal models approach¹

USD million		VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1	RWA as of 30.6.19	2,561	6,441	1,524			10,526
1a	<i>Regulatory adjustment</i>	<i>(1,874)</i>	<i>(4,591)</i>	<i>(212)</i>			<i>(6,677)</i>
1b	RWA at previous quarter-end (end of day)	687	1,850	1,312			3,849
2	<i>Movement in risk levels</i>	<i>987</i>	<i>1,295</i>	<i>(61)</i>			<i>2,222</i>
3	<i>Model updates / changes</i>	<i>(909)</i>	<i>(1,749)</i>	<i>136</i>			<i>(2,522)</i>
4	<i>Methodology and policy</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>0</i>
5	<i>Acquisitions and disposals</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>0</i>
6	<i>Foreign exchange movements</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>0</i>
7	<i>Other</i>	<i>(49)</i>	<i>(127)</i>	<i>0</i>			<i>(176)</i>
8a	RWA at the end of the reporting period (end of day)	716	1,270	1,388			3,374
8b	<i>Regulatory adjustment</i>	<i>1,481</i>	<i>3,837</i>	<i>23</i>			<i>5,341</i>
8c	RWA as of 30.9.19	2,197	5,107	1,411			8,714

¹ Components that describe movements in RWA are presented in italics.

Section 3 Going and gone concern requirements and eligible capital

The table below provides details of the Swiss systemically relevant bank (SRB) going and gone concern capital requirements as required by FINMA. More information about capital management is provided on pages 49–58 of our third quarter 2019 report available under “Quarterly reporting” at www.ubs.com/investors.

Swiss SRB going and gone concern requirements and information

As of 30.9.19	Swiss SRB, including transitional arrangements				Swiss SRB as of 1.1.20			
	RWA		LRD		RWA		LRD	
<i>USD million, except where indicated</i>	in %		in %		in %		in %	
Required going concern capital								
Total going concern capital	13.89	36,748	4.50	40,586	14.61¹	38,654	5.00¹	45,096
Common equity tier 1 capital	9.99	26,428	3.20	28,861	10.31	27,275	3.50	31,567
<i>of which: minimum capital</i>	<i>4.90</i>	<i>12,967</i>	<i>1.70</i>	<i>15,333</i>	<i>4.50</i>	<i>11,908</i>	<i>1.50</i>	<i>13,529</i>
<i>of which: buffer capital</i>	<i>4.78</i>	<i>12,649</i>	<i>1.50</i>	<i>13,529</i>	<i>5.50</i>	<i>14,554</i>	<i>2.00</i>	<i>18,038</i>
<i>of which: countercyclical buffer</i>	<i>0.31</i>	<i>812</i>			<i>0.31</i>	<i>812</i>		
Maximum additional tier 1 capital	3.90	10,320	1.30	11,725	4.30	11,379	1.50	13,529
<i>of which: additional tier 1 capital</i>	<i>3.10</i>	<i>8,203</i>	<i>1.30</i>	<i>11,725</i>	<i>3.50</i>	<i>9,262</i>	<i>1.50</i>	<i>13,529</i>
<i>of which: additional tier 1 buffer capital</i>	<i>0.80</i>	<i>2,117</i>			<i>0.80</i>	<i>2,117</i>		
Eligible going concern capital								
Total going concern capital	21.10	55,843	6.19	55,843	19.16	50,702	5.62	50,702
Common equity tier 1 capital	13.10	34,673	3.84	34,673	13.10	34,673	3.84	34,673
Total loss-absorbing additional tier 1 capital	8.00	21,169	2.35	21,169	6.06	16,029	1.78	16,029
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	<i>5.15</i>	<i>13,625</i>	<i>1.51</i>	<i>13,625</i>	<i>5.15</i>	<i>13,625</i>	<i>1.51</i>	<i>13,625</i>
<i>of which: low-trigger loss-absorbing additional tier 1 capital²</i>	<i>0.91</i>	<i>2,404</i>	<i>0.27</i>	<i>2,404</i>	<i>0.91</i>	<i>2,404</i>	<i>0.27</i>	<i>2,404</i>
<i>of which: low-trigger loss-absorbing tier 2 capital³</i>	<i>1.94</i>	<i>5,140</i>	<i>0.57</i>	<i>5,140</i>				
Required gone concern capital								
Total gone concern loss-absorbing capacity	9.63	25,478	3.32	29,944	10.57	27,972	3.77	33,993
<i>of which: base requirement</i>	<i>10.52</i>	<i>27,839</i>	<i>3.63</i>	<i>32,694</i>	<i>12.86</i>	<i>34,031</i>	<i>4.50</i>	<i>40,586</i>
<i>of which: additional requirement for market share and LRD</i>	<i>1.08</i>	<i>2,858</i>	<i>0.38</i>	<i>3,382</i>	<i>1.44</i>	<i>3,811</i>	<i>0.50</i>	<i>4,510</i>
<i>of which: applicable reduction on requirements</i>	<i>(1.97)</i>	<i>(5,218)</i>	<i>(0.68)</i>	<i>(6,133)</i>	<i>(3.73)</i>	<i>(9,870)</i>	<i>(1.23)</i>	<i>(11,103)</i>
<i>of which: rebate granted (equivalent to 42.5% of maximum rebate)⁴</i>	<i>(1.97)</i>	<i>(5,218)</i>	<i>(0.68)</i>	<i>(6,133)</i>	<i>(2.43)</i>	<i>(6,433)</i>	<i>(0.85)</i>	<i>(7,666)</i>
<i>of which: reduction for usage of low-trigger tier 2 capital instruments</i>					<i>(1.30)</i>	<i>(3,437)</i>	<i>(0.38)</i>	<i>(3,437)</i>
Eligible gone concern capital								
Total gone concern loss-absorbing capacity	12.22	32,336	3.59	32,336	14.16	37,476	4.16	37,476
Total tier 2 capital	0.86	2,267	0.25	2,267	2.80	7,407	0.82	7,407
<i>of which: low-trigger loss-absorbing tier 2 capital</i>	<i>0.65</i>	<i>1,733</i>	<i>0.19</i>	<i>1,733</i>	<i>2.60</i>	<i>6,873</i>	<i>0.76</i>	<i>6,873</i>
<i>of which: non-Basel III-compliant tier 2 capital</i>	<i>0.20</i>	<i>534</i>	<i>0.06</i>	<i>534</i>	<i>0.20</i>	<i>534</i>	<i>0.06</i>	<i>534</i>
TLAC-eligible senior unsecured debt	11.36	30,069	3.33	30,069	11.36	30,069	3.33	30,069
Total loss-absorbing capacity								
Required total loss-absorbing capacity	23.51	62,227	7.82	70,530	25.18	66,626	8.77	79,089
Eligible total loss-absorbing capacity	33.32	88,178	9.78	88,178	33.32	88,178	9.78	88,178
Risk-weighted assets / leverage ratio denominator								
Risk-weighted assets	264,626				264,626			
Leverage ratio denominator			901,914				901,914	

¹ Includes applicable add-ons of 1.44% for RWA and 0.5% for LRD. ² Includes outstanding low-trigger loss-absorbing additional tier 1 (AT1) capital instruments, which are available under the transitional rules of the Swiss SRB framework to meet the going concern requirements until their first call date, even if the first call date is after 31 December 2019. As of their first call date, these instruments are eligible to meet the gone concern requirements. ³ Includes outstanding low-trigger loss-absorbing tier 2 capital instruments, which are available under the transitional rules of the Swiss SRB framework to meet the going concern requirements until the earlier of (i) their maturity or first call date or (ii) 31 December 2019, and to meet gone concern requirements thereafter. Outstanding low-trigger loss-absorbing tier 2 capital instruments are subject to amortization starting five years prior to their maturity, with the amortized portion qualifying as gone concern loss-absorbing capacity. Instruments available to meet gone concern requirements are eligible until one year before maturity, with a haircut of 50% applied in the last year of eligibility. ⁴ Based on the actions we completed up to December 2018 to improve resolvability, FINMA granted a rebate on the gone concern requirement of 42.5% of the maximum rebate in the third quarter of 2019 as compared with 40% in the previous quarter.

Section 4 Leverage ratio

BCBS Basel III leverage ratio

The Basel Committee on Banking Supervision (BCBS) leverage ratio is calculated by dividing the period-end tier 1 capital by the period-end leverage ratio denominator (LRD). The LRD consists of IFRS on-balance sheet assets and off-balance sheet items. Derivative exposures are adjusted for a number of items, including replacement value and eligible cash variation margin netting, the current exposure method add-on and net notional amounts for written credit derivatives. The LRD also includes an additional charge for counterparty credit risk related to securities financing transactions (SFTs).

The table on this page shows the difference between total IFRS assets per IFRS consolidation scope and the BCBS total on-balance sheet exposures. Those exposures are the starting point for calculating the BCBS LRD, as shown in the LR2 table below. The difference is due to the application of the regulatory scope of consolidation for the purpose of the BCBS calculation. In

addition, carrying values for derivative financial instruments and SFTs are deducted from IFRS total assets. They are measured differently under BCBS leverage ratio rules and are therefore added back in separate exposure line items in the LR2 table.

As of 30 September 2019, our BCBS Basel III leverage ratio was 5.6% and our BCBS Basel III LRD was USD 902 billion.

Difference between the Swiss SRB and BCBS leverage ratio

The LRD is the same under Swiss SRB and BCBS rules. However, there is a difference in the capital numerator between the two frameworks. Under BCBS rules only common equity tier 1 and additional tier 1 capital are included in the numerator. Under Swiss SRB rules we are required to meet going as well as gone concern leverage ratio requirements. Therefore, depending on the requirement, the numerator includes tier 1 capital instruments, tier 2 capital instruments and / or total loss-absorbing capacity (TLAC)-eligible senior unsecured debt.

Reconciliation of IFRS total assets to BCBS Basel III total on-balance sheet exposures excluding derivatives and securities financing transactions

<i>USD million</i>	30.9.19	30.6.19
On-balance sheet exposures		
IFRS total assets	973,118	968,727
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(25,850)	(25,625)
Adjustment for investments in banking, financial, insurance or commercial entities that are outside the scope of consolidation for accounting purposes but consolidated for regulatory purposes	0	0
Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0	0
Less carrying value of derivative financial instruments in IFRS total assets ¹	(159,917)	(145,470)
Less carrying value of securities financing transactions in IFRS total assets ²	(119,727)	(120,008)
Adjustments to accounting values	0	0
On-balance sheet items excluding derivatives and securities financing transactions, but including collateral	667,624	677,624
Asset amounts deducted in determining BCBS Basel III tier 1 capital	(15,562)	(13,461)
Total on-balance sheet exposures (excluding derivatives and securities financing transactions)	652,062	664,164

¹ Consists of derivative financial instruments and cash collateral receivables on derivative instruments in accordance with the regulatory scope of consolidation. ² Consists of receivables from securities financing transactions, margin loans, prime brokerage receivables and financial assets at fair value not held for trading related to securities financing transactions in accordance with the regulatory scope of consolidation.

LR2: BCBS Basel III leverage ratio common disclosure

<i>USD million, except where indicated</i>		30.9.19	30.6.19
On-balance sheet exposures			
1	On-balance sheet items excluding derivatives and SFTs, but including collateral	667,624	677,624
2	(Asset amounts deducted in determining Basel III tier 1 capital)	(15,562)	(13,461)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	652,062	664,164
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	42,484	39,849
5	Add-on amounts for PFE associated with all derivatives transactions	84,565	84,806
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(15,236)	(14,218)
8	(Exempted CCP leg of client-cleared trade exposures)	(17,895)	(19,289)
9	Adjusted effective notional amount of all written credit derivatives ¹	70,968	71,554
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives) ²	(69,236)	(69,663)
11	Total derivative exposures	95,651	93,039
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	240,069	221,683
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(120,342)	(101,676)
14	CCR exposure for SFT assets	9,260	8,672
15	Agent transaction exposures	0	0
16	Total securities financing transaction exposures	128,987	128,680
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	81,600	73,852
18	(Adjustments for conversion to credit equivalent amounts)	(56,386)	(48,354)
19	Total off-balance sheet items	25,214	25,497
Total exposures (leverage ratio denominator)		901,914	911,379
Capital and total exposures (leverage ratio denominator)			
20	Tier 1 capital	50,702	49,993
21	Total exposures (leverage ratio denominator)	901,914	911,379
Leverage ratio			
22	Basel III leverage ratio (%)	5.6	5.5

¹ Includes protection sold, including agency transactions. ² Protection sold can be offset with protection bought on the same underlying reference entity, provided that the conditions according to the Basel III leverage ratio framework and disclosure requirements are met.

LRD decreased by USD 9 billion to USD 902 billion in the third quarter of 2019, mainly driven by a decrease of USD 13 billion from currency effects, partly offset by a USD 4 billion increase in asset size and other movements.

LR1: BCBS Basel III leverage ratio summary comparison

<i>USD million</i>		30.9.19	30.6.19
1	Total consolidated assets as per published financial statements	973,118	968,727
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation ¹	(41,412)	(39,085)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0	0
4	Adjustments for derivative financial instruments	(64,266)	(52,432)
5	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	9,260	8,672
6	Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	25,214	25,497
7	Other adjustments	0	0
8	Leverage ratio exposure (leverage ratio denominator)	901,914	911,379

¹ This item includes assets that are deducted from tier 1 capital.

BCBS Basel III leverage ratio

<i>USD million, except where indicated</i>	30.9.19	30.6.19	31.3.19	31.12.18
Total tier 1 capital	50,702	49,993	49,436	46,279
BCBS total exposures (leverage ratio denominator)	901,914	911,379	910,993	904,598
BCBS Basel III leverage ratio (%)	5.6	5.5	5.4	5.1

Section 5 Liquidity coverage ratio

LIQ1: Liquidity risk management

We monitor the liquidity coverage ratio (LCR) in all significant currencies in order to manage any currency mismatch between high-quality liquid assets (HQLA) and the net expected cash outflows in times of stress. For information about the concentration of funding sources, refer to the "Funding by product and currency" table in the "Treasury management" section of our third quarter 2019 report.

High-quality liquid assets

HQLA must be easily and immediately convertible into cash at little or no loss of value, especially during a period of stress. HQLA are assets that are of low risk and are unencumbered. Other characteristics of HQLA are ease and certainty of valuation, low correlation with risky assets, listing on a developed and recognized exchange, existence of an active and sizeable market, and low volatility. Based on these characteristics, HQLA are categorized as Level 1 (primarily central bank reserves and government bonds) or Level 2 (primarily US and European agency bonds, as well as non-financial corporate covered bonds). Level 2 assets are subject to regulatory haircuts and caps.

High-quality liquid assets

	Average 3Q19 ¹			Average 2Q19 ¹		
	Level 1 weighted liquidity value ²	Level 2 weighted liquidity value ²	Total weighted liquidity value ²	Level 1 weighted liquidity value ²	Level 2 weighted liquidity value ²	Total weighted liquidity value ²
<i>USD billion</i>						
Cash balances ³	99	0	99	108	0	108
Securities (on- and off-balance sheet)	53	16	69	53	15	68
Total high-quality liquid assets⁴	152	16	168	161	15	176

¹ Calculated based on an average of 66 data points in the third quarter of 2019 and 65 data points in the second quarter of 2019. ² Calculated after the application of haircuts. ³ Includes cash and balances with central banks and other eligible balances as prescribed by FINMA. ⁴ Calculated in accordance with FINMA requirements.

Liquidity coverage ratio

In the third quarter of 2019, the UBS Group liquidity coverage ratio (LCR) decreased 7 percentage points to 138%, remaining above the 110% Group LCR minimum communicated by the Swiss Financial Market Supervisory Authority (FINMA).

The LCR decrease was primarily driven by lower average high-quality liquid assets due to a reduction of cash at central banks reflecting higher average funding consumption by the business divisions and reductions in the level of issued debt.

LIQ1: Liquidity coverage ratio

USD billion, except where indicated		Average 3Q19 ¹		Average 2Q19 ¹	
		Unweighted value	Weighted value ²	Unweighted value	Weighted value ²
High-quality liquid assets					
1	High-quality liquid assets	171	168	179	176
Cash outflows					
2	Retail deposits and deposits from small business customers	241	28	239	27
3	of which: stable deposits	31	1	31	1
4	of which: less stable deposits	210	27	207	26
5	Unsecured wholesale funding	188	106	186	106
6	of which: operational deposits (all counterparties)	41	10	41	10
7	of which: non-operational deposits (all counterparties)	135	83	132	82
8	of which: unsecured debt	12	12	13	13
9	Secured wholesale funding		75		74
10	Additional requirements:	71	22	75	22
11	of which: outflows related to derivatives and other transactions	37	15	41	15
12	of which: outflows related to loss of funding on debt products ³	0	0	0	0
13	of which: committed credit and liquidity facilities	34	7	34	7
14	Other contractual funding obligations	14	12	14	12
15	Other contingent funding obligations	238	6	241	6
16	Total cash outflows		249		247
Cash inflows					
17	Secured lending	304	87	297	85
18	Inflows from fully performing exposures	62	28	65	29
19	Other cash inflows	12	12	11	11
20	Total cash inflows	379	127	373	126

USD billion, except where indicated		Average 3Q19 ¹		Average 2Q19 ¹	
		Total adjusted value ⁴		Total adjusted value ⁴	
Liquidity coverage ratio					
21	High-quality liquid assets		168		176
22	Net cash outflows		122		121
23	Liquidity coverage ratio (%)		138		145

¹ Calculated based on an average of 66 data points in the third quarter of 2019 and 65 data points in the second quarter of 2019. ² Calculated after the application of haircuts and inflow and outflow rates. ³ Includes outflows related to loss of funding on asset-backed securities, covered bonds, other structured financing instruments, asset-backed commercial papers, structured entities (conduits), securities investment vehicles and other such financing facilities. ⁴ Calculated after the application of haircuts and inflow and outflow rates as well as, where applicable, caps on Level 2 assets and cash inflows.

Significant
regulated
subsidiaries and
sub-groups

Section 1 Introduction

The sections below include capital and other regulatory information for UBS AG standalone, UBS Switzerland AG standalone, UBS Europe SE consolidated and UBS Americas Holding LLC consolidated.

Capital information in this section is based on Pillar 1 requirements. Entities may be subject to significant additional Pillar 2 requirements, which represent additional amounts of capital considered necessary and agreed with regulators based on the risk profile of the entities.

Section 2 UBS AG standalone

Key metrics of the third quarter of 2019

The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III phase-in rules. During the third quarter of 2019, common equity tier 1 (CET1) capital decreased by USD 0.8 billion to USD 50.5 billion, mainly due to accruals for capital returns and partly offset by operating profit. Risk-weighted assets (RWA) were stable during the quarter. Leverage ratio exposure decreased by USD 9 billion to USD 610 billion,

mainly due to a decrease in on-balance sheet exposures (excluding derivative exposures and securities financing transactions). High-quality liquid assets decreased by USD 5.9 billion as a result of lower average cash balances, reflecting higher average funding consumption by the business divisions and reductions in the level of issued debt. Net cash outflows decreased by USD 1.0 billion, reflecting higher inflows from secured lending.

KM1: Key metrics

USD million, except where indicated

	30.9.19	30.6.19	31.3.19	31.12.18	30.9.18 ⁴
Available capital (amounts)¹					
1 Common equity tier 1 (CET1)	50,458	51,261	49,024	49,411	49,810
1a Fully loaded ECL accounting model	50,456	51,258	49,021	49,411	49,810
2 Tier 1	64,545	64,315	61,839	59,595	59,341
2a Fully loaded ECL accounting model tier 1	64,543	64,312	61,836	59,595	59,341
3 Total capital	70,194	70,612	68,542	66,295	66,005
3a Fully loaded ECL accounting model total capital	70,191	70,609	68,539	66,295	66,005
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	297,200	294,348	300,734	292,888	288,045
4a Minimum capital requirement ²	23,776	23,548	24,059	23,431	23,044
4b Total risk-weighted assets (pre-floor)	297,200	294,348	300,734	292,888	288,045
Risk-based capital ratios as a percentage of RWA¹					
5 Common equity tier 1 ratio (%)	16.98	17.41	16.30	16.87	17.29
5a Fully loaded ECL accounting model CET1 (%)	16.98	17.41	16.30	16.87	17.29
6 Tier 1 ratio (%)	21.72	21.85	20.56	20.35	20.60
6a Fully loaded ECL accounting model tier 1 ratio (%)	21.72	21.85	20.56	20.35	20.60
7 Total capital ratio (%)	23.62	23.99	22.79	22.63	22.91
7a Fully loaded ECL accounting model total capital ratio (%)	23.62	23.99	22.79	22.63	22.91
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	1.88	1.88
9 Countercyclical buffer requirement (%)	0.08	0.08	0.09	0.07	0.05
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.00	0.00	0.00	0.00	0.00
10 Bank G-SIB and / or D-SIB additional requirements (%) ³					
11 Total of bank CET1 specific buffer requirements (%) ¹	2.58	2.58	2.59	1.95	1.92
12 CET1 available after meeting the bank's minimum capital requirements (%) ¹	12.48	12.91	11.80	12.37	12.79
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	609,656	618,704	617,329	601,013	619,741
14 Basel III leverage ratio (%) ¹	10.59	10.40	10.02	9.92	9.58
14a Fully loaded ECL accounting model Basel III leverage ratio (%) ¹	10.59	10.39	10.02	9.92	9.58
Liquidity coverage ratio					
15 Total HQLA	76,330	82,201	86,690	76,456	81,214
16 Total net cash outflow	55,607	56,626	51,434	55,032	59,450
17 LCR ratio (%)	137	145	169	139	137

¹ Based on BCBS Basel III phase-in rules. ² Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ³ Swiss SRB going concern requirements and information for UBS AG standalone is provided in the following pages in this section. ⁴ In line with the change of the presentation currency of UBS Group AG's and UBS AG's consolidated and standalone financial statements from Swiss francs to US dollars in October 2018, prior periods were translated to US dollars at the respective spot rates prevailing on the relevant reporting dates.

Swiss SRB going concern requirements and information

The table below provides details of the Swiss systematically relevant bank (SRB) risk-weighted assets (RWA)- and leverage ratio denominator (LRD)-based going concern requirements and information as required by FINMA.

Swiss SRB going concern requirements and information

As of 30.9.19	Swiss SRB, including transitional arrangements				Swiss SRB as of 1.1.20, after transition arrangements			
	RWA		LRD		RWA		LRD	
<i>USD million, except where indicated</i>	in % ¹		in % ¹		in %		in %	
Required going concern capital								
Total going concern capital	14.38²	42,747	5.00²	30,483	14.38²	55,055	5.00²	30,483
Common equity tier 1 capital	10.08	29,968	3.50	21,338	10.08	38,596	3.50	21,338
<i>of which: minimum capital</i>	<i>4.50</i>	<i>13,374</i>	<i>1.50</i>	<i>9,145</i>	<i>4.50</i>	<i>17,225</i>	<i>1.50</i>	<i>9,145</i>
<i>of which: buffer capital</i>	<i>5.50</i>	<i>16,346</i>	<i>2.00</i>	<i>12,193</i>	<i>5.50</i>	<i>21,052</i>	<i>2.00</i>	<i>12,193</i>
<i>of which: countercyclical buffer</i>	<i>0.08</i>	<i>248</i>			<i>0.08</i>	<i>319</i>		
Maximum additional tier 1 capital	4.30	12,780	1.50	9,145	4.30	16,459	1.50	9,145
<i>of which: additional tier 1 capital</i>	<i>3.50</i>	<i>10,402</i>	<i>1.50</i>	<i>9,145</i>	<i>3.50</i>	<i>13,397</i>	<i>1.50</i>	<i>9,145</i>
<i>of which: additional tier 1 buffer capital</i>	<i>0.80</i>	<i>2,378</i>			<i>0.80</i>	<i>3,062</i>		
Eligible going concern capital								
Total going concern capital	22.63	67,267	11.03	67,267	16.23	62,142	10.19	62,142
Common equity tier 1 capital	16.98	50,458	8.28	50,458	13.18	50,458	8.28	50,458
Total loss-absorbing additional tier 1 capital³	5.66	16,809	2.76	16,809	3.05	11,684	1.92	11,684
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	<i>3.93</i>	<i>11,684</i>	<i>1.92</i>	<i>11,684</i>	<i>3.05</i>	<i>11,684</i>	<i>1.92</i>	<i>11,684</i>
<i>of which: low-trigger loss-absorbing tier 2 capital</i>	<i>1.72</i>	<i>5,125</i>	<i>0.84</i>	<i>5,125</i>				
Risk-weighted assets / leverage ratio denominator								
Risk-weighted assets	297,200				382,770			
Leverage ratio denominator	609,656				609,656			

¹ By FINMA decree, requirements exceed those based on the transitional arrangements of the Swiss Capital Adequacy Ordinance, i.e., a total going concern capital ratio requirement of 13.58% plus the effect of countercyclical buffer (CCyB) requirements of 0.08%, of which 9.68% plus the effect of CCyB requirements of 0.08% must be satisfied with CET1 capital, and a total going concern leverage ratio requirement of 4.5%, of which 3.2% must be satisfied with CET1 capital. ² Includes applicable add-ons of 1.44% for RWA and 0.5% for LRD. ³ Includes outstanding low-trigger loss-absorbing tier 2 capital instruments, which are available under the transitional rules of the Swiss SRB framework to meet the going concern requirements until the earlier of (i) their maturity or first call date or (ii) 31 December 2019. Outstanding low-trigger loss-absorbing tier 2 capital instruments are subject to amortization starting five years prior to their maturity.

Swiss SRB going concern information

	Swiss SRB, including transitional arrangements			Swiss SRB as of 1.1.20, after transition arrangements		
<i>USD million, except where indicated</i>	30.9.19	30.6.19	31.12.18	30.9.19	30.6.19	31.12.18
Eligible going concern capital						
Total going concern capital	67,267	67,485	63,225	62,142	61,880	57,217
Total tier 1 capital	62,142	61,880	57,217	62,142	61,880	57,217
Common equity tier 1 capital	50,458	51,261	49,411	50,458	51,261	49,411
Total loss-absorbing additional tier 1 capital	11,684	10,619	7,805	11,684	10,619	7,805
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	<i>11,684</i>	<i>10,619</i>	<i>7,805</i>	<i>11,684</i>	<i>10,619</i>	<i>7,805</i>
Total tier 2 capital	5,125	5,606	6,008			
<i>of which: low-trigger loss-absorbing tier 2 capital¹</i>	<i>5,125</i>	<i>5,606</i>	<i>6,008</i>			
Risk-weighted assets / leverage ratio denominator						
Risk-weighted assets	297,200	294,348	292,888	382,770	380,200	383,578
<i>of which: direct and indirect investments in Swiss-domiciled subsidiaries²</i>	<i>32,803</i>	<i>33,034</i>	<i>31,711</i>	<i>40,004</i>	<i>40,285</i>	<i>39,639</i>
<i>of which: direct and indirect investments in foreign-domiciled subsidiaries²</i>	<i>95,784</i>	<i>96,068</i>	<i>82,762</i>	<i>174,153</i>	<i>174,668</i>	<i>165,525</i>
Leverage ratio denominator	609,656	618,704	601,013	609,656	618,704	601,013
Capital and loss-absorbing capacity ratios (%)						
Going concern capital ratio	22.6	22.9	21.6	16.2	16.3	14.9
<i>of which: common equity tier 1 capital ratio</i>	<i>17.0</i>	<i>17.4</i>	<i>16.9</i>	<i>13.2</i>	<i>13.5</i>	<i>12.9</i>
Leverage ratios (%)						
Going concern leverage ratio	11.0	10.9	10.5	10.2	10.0	9.5
<i>of which: common equity tier 1 leverage ratio</i>	<i>8.3</i>	<i>8.3</i>	<i>8.2</i>	<i>8.3</i>	<i>8.3</i>	<i>8.2</i>

¹ Outstanding low-trigger loss-absorbing tier 2 capital instruments qualify as going concern capital until the earlier of (i) their maturity or first call date or (ii) 31 December 2019, and are subject to amortization starting five years prior to their maturity. ² Carrying value for direct and indirect investments including holding of regulatory capital instruments in Swiss-domiciled subsidiaries (30 September 2019: USD 16,002 million; 30 June 2019: USD 16,114 million), and for direct and indirect investments including holding of regulatory capital instruments in foreign-domiciled subsidiaries (30 September 2019: USD 43,538 million; 30 June 2019: USD 43,667 million), is risk weighted at 205% and 220%, respectively, for the current year. Risk weights will gradually increase by 5% per year for Swiss-domiciled investments and 20% per year for foreign-domiciled investments until the fully applied risk weights of 250% and 400%, respectively, are applied.

Leverage ratio information

Swiss SRB leverage ratio denominator

<i>USD billion</i>	30.9.19	30.6.19
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Leverage ratio denominator

Swiss GAAP total assets	489.8	501.0
Difference between Swiss GAAP and IFRS total assets	136.5	121.6
Less: derivative exposures and SFTs ¹	(250.4)	(238.9)
On-balance sheet exposures (excluding derivative exposures and SFTs)	376.0	383.7
Derivative exposures	102.2	100.5
Securities financing transactions	107.7	111.8
Off-balance sheet items	24.6	23.4
Items deducted from Swiss SRB tier 1 capital	(0.9)	(0.6)
Total exposures (leverage ratio denominator)	609.7	618.7

¹ Consists of derivative financial instruments, cash collateral receivables on derivative instruments, receivables from securities financing transactions, and margin loans, as well as prime brokerage receivables and financial assets at fair value not held for trading, both related to securities financing transactions, in accordance with the regulatory scope of consolidation, which are presented separately under Derivative exposures and Securities financing transactions in this table.

BCBS Basel III leverage ratio

<i>USD million, except where indicated</i>	30.9.19	30.6.19	31.3.19	31.12.18
Total tier 1 capital	64,545	64,315	61,839	59,595
Total exposures (leverage ratio denominator)	609,656	618,704	617,329	601,013
BCBS Basel III leverage ratio (%)	10.6	10.4	10.0	9.9

Liquidity coverage ratio

UBS AG is required to maintain a minimum liquidity coverage ratio of 105% as communicated by FINMA.

Liquidity coverage ratio

<i>USD billion, except where indicated</i>	Weighted value ¹	
	Average 3Q19 ²	Average 2Q19 ²
High-quality liquid assets	76	82
Total net cash outflows	56	57
<i>of which: cash outflows</i>	177	175
<i>of which: cash inflows</i>	121	118
Liquidity coverage ratio (%)	137	145

¹ Calculated after the application of haircuts and inflow and outflow rates. ² Calculated based on an average of 66 data points in the third quarter of 2019 and 65 data points in the second quarter of 2019.

Section 3 UBS Switzerland AG standalone

Key metrics of the third quarter of 2019

The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III phase-in rules. During the third quarter of 2019, common equity tier 1 (CET1) capital increased by CHF 0.2 billion to CHF 10.9 billion, mainly as a result of

operating profit. Risk-weighted assets (RWA) increased by CHF 1.3 billion to CHF 97.9 billion, primarily due to an increase in the Basel I RWA floor. Leverage ratio exposure was stable during the quarter. High-quality liquid assets decreased by CHF 2.3 billion as a result of lower average cash balances, reflecting a decrease in average customer deposits.

KM1: Key metrics

CHF million, except where indicated

	30.9.19	30.6.19	31.3.19	31.12.18	30.9.18
Available capital (amounts)¹					
1 Common equity tier 1 (CET1)	10,875	10,654	10,463	10,225	10,165
1a Fully loaded ECL accounting model	10,871	10,649	10,457	10,225	10,165
2 Tier 1	15,124	14,894	14,712	14,468	13,165
2a Fully loaded ECL accounting model tier 1	15,120	14,889	14,706	14,468	13,165
3 Total capital	15,124	14,894	14,712	14,468	13,165
3a Fully loaded ECL accounting model total capital	15,120	14,889	14,706	14,468	13,165
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	97,927	96,640	96,067	95,646	95,541
4a Minimum capital requirement ²	7,834	7,731	7,685	7,652	7,643
4b Total risk-weighted assets (pre-floor)	90,338	91,013	90,068	91,457	88,299
Risk-based capital ratios as a percentage of RWA¹					
5 Common equity tier 1 ratio (%)	11.10	11.02	10.89	10.69	10.64
5a Fully loaded ECL accounting model CET1 (%)	11.10	11.02	10.89	10.69	10.64
6 Tier 1 ratio (%)	15.44	15.41	15.31	15.13	13.78
6a Fully loaded ECL accounting model tier 1 ratio (%)	15.44	15.41	15.31	15.13	13.78
7 Total capital ratio (%)	15.44	15.41	15.31	15.13	13.78
7a Fully loaded ECL accounting model total capital ratio (%)	15.44	15.41	15.31	15.13	13.78
Additional CET1 buffer requirements as a percentage of RWA³					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	1.88	1.88
9 Countercyclical buffer requirement (%)	0.01	0.01	0.01	0.01	0.00
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.57	0.57	0.58	0.56	0.56
10 Bank G-SIB and / or D-SIB additional requirements (%) ⁴					
11 Total of bank CET1 specific buffer requirements (%) ¹	2.51	2.51	2.51	1.88	1.88
12 CET1 available after meeting the bank's minimum capital requirements (%) ¹	6.60	6.52	6.39	6.19	6.14
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	309,750	311,212	310,545	306,487	303,257
14 Basel III leverage ratio (%) ¹	4.88	4.79	4.74	4.72	4.34
14a Fully loaded ECL accounting model Basel III leverage ratio (%) ¹	4.88	4.78	4.74	4.72	4.34
Liquidity coverage ratio					
15 Total HQLA	64,835	67,160	71,392	67,427	66,174
16 Total net cash outflow	49,242	48,761	51,945	52,846	53,130
17 LCR ratio (%)	132	138	137	128	125

¹ Based on BCBS Basel III phase-in rules. ² Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ³ As Annex 8 of Swiss Capital Adequacy Ordinance (CAO) does not apply to the systemically relevant banks, UBS can abstain from disclosing the information required in lines 12a–12e. In the event of a waiver, UBS nevertheless provides information about the Swiss sector-specific countercyclical buffer in row 9a pursuant to Art. 44 CAO. ⁴ Swiss SRB going concern requirements and information for UBS Switzerland AG are provided on the next page.

Swiss SRB going and gone concern requirements and information

UBS Switzerland AG is considered a systemically relevant bank (SRB) under Swiss banking law and is subject to capital regulations on a standalone basis. As of 30 September 2019, the

transitional going concern capital and leverage ratio requirements for UBS Switzerland AG standalone were 14.16% and 4.5%, respectively. The gone concern requirements under transitional arrangements were 9.63% for the RWA-based requirement and 3.32% for the LRD-based requirement.

Swiss SRB going and gone concern requirements and information

As of 30.9.19	Swiss SRB, including transitional arrangements				Swiss SRB as of 1.1.20			
	RWA		LRD		RWA		LRD	
CHF million, except where indicated	in % ¹		in %		in %		in %	
Required going concern capital								
Total going concern capital	14.16	13,866	4.50	13,939	14.88²	14,571	5.00²	15,488
Common equity tier 1 capital	10.26	10,047	3.20	9,912	10.58	10,361	3.50	10,841
of which: minimum capital	4.90	4,798	1.70	5,266	4.50	4,407	1.50	4,646
of which: buffer capital	4.78	4,681	1.50	4,646	5.50	5,386	2.00	6,195
of which: countercyclical buffer	0.58	568			0.58	568		
Maximum additional tier 1 capital	3.90	3,819	1.30	4,027	4.30	4,211	1.50	4,646
of which: additional tier 1 capital	3.10	3,036	1.30	4,027	3.50	3,427	1.50	4,646
of which: additional tier 1 buffer capital	0.80	783			0.80	783		
Eligible going concern capital								
Total going concern capital	15.44	15,124	4.88	15,124	15.44	15,124	4.88	15,124
Common equity tier 1 capital	11.10	10,875	3.51	10,875	11.10	10,875	3.51	10,875
Total loss-absorbing additional tier 1 capital	4.34	4,249	1.37	4,249	4.34	4,249	1.37	4,249
of which: high-trigger loss-absorbing additional tier 1 capital	4.34	4,249	1.37	4,249	4.34	4,249	1.37	4,249
Required gone concern capital								
Total gone concern loss-absorbing capacity	9.63	9,428	3.32	10,284	11.87	11,623	4.15	12,855
of which: base requirement	10.52	10,302	3.63	11,228	12.86	12,593	4.50	13,939
of which: additional requirement for market share and LRD	1.08	1,058	0.38	1,162	1.44	1,410	0.50	1,549
of which: applicable reduction on requirements	(1.97)	(1,931)	(0.68)	(2,106)	(2.43)	(2,381)	(0.85)	(2,633)
of which: rebate granted (equivalent to 42.5% of maximum rebate) ³	(1.97)	(1,931)	(0.68)	(2,106)	(2.43)	(2,381)	(0.85)	(2,633)
Eligible gone concern capital								
Total gone concern loss-absorbing capacity	11.18	10,948	3.53	10,948	11.18	10,948	3.53	10,948
TLAC-eligible debt	11.18	10,948	3.53	10,948	11.18	10,948	3.53	10,948
Total loss-absorbing capacity								
Required total loss-absorbing capacity	23.79	23,295	7.82	24,222	26.75	26,194	9.15	28,342
Eligible total loss-absorbing capacity	26.62	26,072	8.42	26,072	26.62	26,072	8.42	26,072
Risk-weighted assets / leverage ratio denominator								
Risk-weighted assets	97,927				97,927			
Leverage ratio denominator	309,750				309,750			

¹ The total loss-absorbing capacity ratio requirement of 23.79% is the current requirement based on the transitional rules of the Swiss Capital Adequacy Ordinance including the aforementioned rebate on the gone concern requirements. In addition, FINMA has defined a total capital ratio requirement, which is the sum of 14.4% and the effect of countercyclical buffer (CCyB) requirements of 0.58%, of which 10% plus the effect of CCyB requirements must be satisfied with CET1 capital. These FINMA requirements will be effective until they are exceeded by the Swiss SRB requirements based on the transitional rules. ² Includes applicable add-ons of 1.44% for RWA and 0.5% for LRD. ³ Based on the actions we completed up to December 2018 to improve resolvability, FINMA granted a rebate on the gone concern requirement of 42.5% of the maximum rebate in the third quarter of 2019 as compared with 40% in the previous quarter.

Swiss SRB loss-absorbing capacity**Swiss SRB going and gone concern information¹**

<i>CHF million, except where indicated</i>	30.9.19	30.6.19	31.12.18
Eligible going concern capital			
Total going concern capital	15,124	14,894	14,468
Total tier 1 capital	15,124	14,894	14,468
Common equity tier 1 capital	10,875	10,654	10,225
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	4,249	4,240	4,243
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	10,948	10,924	10,932
TLAC-eligible debt	10,948	10,924	10,932
Total loss-absorbing capacity	26,072	25,818	25,400
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	97,927	96,640	95,646
Leverage ratio denominator	309,750	311,212	306,487
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	15.4	15.4	15.1
<i>of which: common equity tier 1 capital ratio</i>	11.1	11.0	10.7
Gone concern loss-absorbing capacity ratio	11.2	11.3	11.4
Total loss-absorbing capacity ratio	26.6	26.7	26.6
Leverage ratios (%)			
Going concern leverage ratio	4.9	4.8	4.7
<i>of which: common equity tier 1 leverage ratio</i>	3.5	3.4	3.3
Gone concern leverage ratio	3.5	3.5	3.6
Total loss-absorbing capacity leverage ratio	8.4	8.3	8.3

¹ The numbers disclosed in the table are identical for Swiss SRB (including transitional arrangement) requirements and Swiss SRB requirements applicable as of 1 January 2020.

Leverage ratio information

Swiss SRB leverage ratio denominator

<i>CHF billion</i>	30.9.19	30.6.19
Leverage ratio denominator		
Swiss GAAP total assets	294.2	295.7
Difference between Swiss GAAP and IFRS total assets	5.3	3.6
Less: derivative exposures and SFTs ¹	(31.9)	(39.2)
On-balance sheet exposures (excluding derivative exposures and SFTs)	267.6	260.1
Derivative exposures	5.1	5.0
Securities financing transactions	26.3	34.3
Off-balance sheet items	12.0	12.0
Items deducted from Swiss SRB tier 1 capital	(1.3)	(0.2)
Total exposures (leverage ratio denominator)	309.8	311.2

¹ Consists of derivative financial instruments, cash collateral receivables on derivative instruments, receivables from securities financing transactions, and margin loans as well as prime brokerage receivables and financial assets at fair value not held for trading, both related to securities financing transactions, in accordance with the regulatory scope of consolidation, which are presented separately under Derivative exposures and Securities financing transactions in this table.

BCBS Basel III leverage ratio

<i>CHF million, except where indicated</i>	30.9.19	30.6.19	31.3.19	31.12.18
Total tier 1 capital	15,124	14,894	14,712	14,468
Total exposures (leverage ratio denominator)	309,750	311,212	310,545	306,487
BCBS Basel III leverage ratio (%)	4.9	4.8	4.7	4.7

Liquidity coverage ratio

UBS Switzerland AG, as a Swiss SRB, is required to maintain a minimum liquidity coverage ratio of 100%.

Liquidity coverage ratio

<i>CHF billion, except where indicated</i>	Weighted value ¹	
	Average 3Q19 ²	Average 2Q19 ²
High-quality liquid assets	65	67
Total net cash outflows	49	49
<i>of which: cash outflows</i>	84	85
<i>of which: cash inflows</i>	35	36
Liquidity coverage ratio (%)	132	138

¹ Calculated after the application of haircuts and inflow and outflow rates. ² Calculated based on an average of 66 data points in the third quarter of 2019 and 65 data points in the second quarter of 2019.

Capital instruments

Capital instruments of UBS Switzerland AG – key features

Presented according to issuance date.

	Share capital		Additional tier 1 capital			
1 Issuer	UBS Switzerland AG, Switzerland		UBS Switzerland AG, Switzerland			
1a Instrument number	1	2	3	4	5	6
2 Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	n/a		n/a			
3 Governing law(s) of the instrument	Swiss		Swiss			
3a Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	n/a		n/a			
Regulatory treatment						
4 Transitional Basel III rules ¹	CET1 – Going concern capital		Additional tier 1 capital			
5 Post-transitional Basel III rules ²	CET1 – Going concern capital		Additional tier 1 capital			
6 Eligible at solo / group / group and solo	UBS Switzerland AG consolidated and standalone		UBS Switzerland AG consolidated and standalone			
7 Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Loan ⁴	Loan ⁴	Loan ⁴	Loan	Loan
8 Amount recognized in regulatory capital (currency in millions, as of most recent reporting date) ¹	CHF 10.0	CHF 1,500	CHF 500	CHF 1,000	CHF 825	USD 425
9 Par value of instrument	CHF 10.0	CHF 1,500	CHF 500	CHF 1,000	CHF 825	USD 425
10 Accounting classification ³	Equity attributable to UBS Switzerland AG shareholders		Due to banks held at amortized cost			
11 Original date of issuance	–	1 April 2015	11 March 2016	18 December 2017	12 December 2018	12 December 2018
12 Perpetual or dated	–		Perpetual			
13 Original maturity date	–		–			
14 Issuer call subject to prior supervisory approval	–		Yes			
15 Optional call date, contingent call dates and redemption amount	–	First optional repayment date: 1 April 2020	First optional repayment date: 11 March 2021	First optional repayment date: 18 December 2022	First optional repayment date: 12 December 2023	First optional repayment date: 12 December 2023
<p style="text-align: center;">Repayable at any time after the first optional repayment date. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon</p>						
16 Subsequent call dates, if applicable	–	<p style="text-align: center;">Early repayment possible due to a tax or regulatory event. Repayment due to tax event subject to FINMA approval. Repayment amount: principal amount, together with accrued and unpaid interest</p>				

Capital instruments of UBS Switzerland AG – key features (continued)

Coupons						
17	Fixed or floating dividend / coupon	–			Floating	–
18	Coupon rate and any related index	–	6-month CHF Libor + 370 bps per annum semiannually	3-month CHF Libor + 459 bps per annum quarterly	3-month CHF Libor + 250 bps per annum quarterly	3-month CHF Libor + 489 bps per annum quarterly
						3-month USD Libor + 547 bps per annum quarterly
19	Existence of a dividend stopper	–			No	–
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary			Fully discretionary	–
21	Existence of step-up or other incentive to redeem	–			No	–
22	Non-cumulative or cumulative	Non-cumulative			Non-cumulative	–
23	Convertible or non-convertible	–			Non-convertible	–
24	If convertible, conversion trigger(s)	–			–	–
25	If convertible, fully or partially	–			–	–
26	If convertible, conversion rate	–			–	–
27	If convertible, mandatory or optional conversion	–			–	–
28	If convertible, specify instrument type convertible into	–			–	–
29	If convertible, specify issuer of instrument it converts into	–			–	–
30	Write-down feature	–			Yes	–
31	If write-down, write-down trigger(s)	–			Trigger: CET1 ratio is less than 7% FINMA determines a write-down necessary to ensure UBS Switzerland AG's viability; or UBS Switzerland AG receives a commitment of governmental support that FINMA determines necessary to ensure UBS Switzerland AG's viability. Subject to applicable conditions	–
32	If write-down, fully or partially	–			Fully	–
33	If write-down, permanent or temporary	–			Permanent	–
34	If temporary write-down, description of write-up mechanism	–			–	–
34a	Type of subordination	Statutory			Contractual	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Unless otherwise stated in the articles of association, once debts are paid back, the assets of the liquidated company are divided between the shareholders pro rata based on their contributions and considering the preferences attached to certain categories of shares (Art. 745, Swiss Code of Obligations)			Subject to any obligations that are mandatorily preferred by law, all obligations of UBS Switzerland AG that are unsubordinated or that are subordinated and do not rank junior, such as all classes of share capital, or at par, such as tier 1 instruments	–
36	Non-compliant transitioned features	–			–	–
37	If yes, specify non-compliant features	–			–	–

¹ Based on Swiss SRB (including transitional arrangement) requirements. Swiss GAAP. ⁴ Loans granted by UBS AG, Switzerland.

² Based on Swiss SRB requirements applicable as of 1 January 2020. ³ As applied in UBS Switzerland AG's financial statements under

Section 4 UBS Europe SE consolidated

The table below discloses information about the regulatory capital components, capital ratios, leverage ratio and liquidity of UBS Europe SE consolidated based on the Pillar 1 requirements.

During the third quarter of 2019, common equity tier 1 (CET1) capital was stable. Risk-weighted assets (RWA) increased by EUR 0.7 billion, mainly as a result of an increase in credit risk RWA. Leverage ratio exposure decreased by EUR 2.1 billion, reflecting a decrease in securities financing transactions, partly

offset by an increase in high-quality liquid asset (HQLA)-eligible bonds. Net cash outflows increased by EUR 0.9 billion, mainly due to clearing and treasury activities.

Entities may also be subject to significant Pillar 2 requirements, which represent additional amounts of capital considered necessary and agreed with regulators based on the risk profile of the entities.

KM1: Key metrics^{1,2,3}

EUR million, except where indicated

	30.9.19	30.6.19	31.3.19
Available capital (amounts)			
1 Common equity tier 1 (CET1)	3,528	3,543	3,568
2 Tier 1	3,818	3,833	3,858
3 Total capital	3,818	3,833	3,858
Risk-weighted assets (amounts)			
4 Total risk-weighted assets (RWA)	14,407	13,725	14,432
4a Minimum capital requirement ⁴	1,153	1,098	1,155
Risk-based capital ratios as a percentage of RWA			
5 Common equity tier 1 ratio (%)	24.5	25.8	24.7
6 Tier 1 ratio (%)	26.5	27.9	26.7
7 Total capital ratio (%)	26.5	27.9	26.7
Additional CET1 buffer requirements as a percentage of RWA			
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5
9 Countercyclical buffer requirement (%)	0.3	0.2	0.2
10 Bank G-SIB and / or D-SIB additional requirements (%)			
11 Total of bank CET1 specific buffer requirements (%)	2.8	2.7	2.7
12 CET1 available after meeting the bank's minimum capital requirements (%) ⁵	18.5	19.9	18.7
Basel III leverage ratio			
13 Total Basel III leverage ratio exposure measure	50,199	52,291	51,060
14 Basel III leverage ratio (%) ⁶	7.6	7.3	7.6
Liquidity coverage ratio⁷			
15 Total HQLA	14,309	14,367	14,770
16 Total net cash outflow	9,091	8,200	6,895
17 LCR ratio (%)	161	177	214

¹ Based on applicable EU Basel III rules. ² As a result of the cross-border merger of UBS Limited into UBS Europe SE effective 1 March 2019, UBS Europe SE has become a significant regulated subsidiary of UBS Group AG. The size, scope and business model of the merged entity is now materially different. Comparatives for December 2018 have not been provided in the table because data produced on the same basis is not available. For more information about the cross-border merger of UBS Limited into UBS Europe SE, refer to the "Recent developments" section in our first quarter 2019 report. ³ There is no local disclosure requirement for the net stable funding ratio as at 30 September 2019. ⁴ Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ⁵ This represents the CET1 ratio which is available for meeting buffer requirements. It is calculated as the CET1 ratio minus 4.5% and after considering, where applicable, CET1 capital which has been used to meet tier 1 and / or total capital ratio requirements. Comparative figures have been adjusted to adhere to this presentation. ⁶ On the basis of tier 1 capital. ⁷ Figures as of 30 September 2019 are based on a seven-month average and as of 30 June 2019 on a four-month average, rather than a twelve-month average, as data produced on the same basis is only available for the period since the cross-border merger. For 31 March 2019, month-end reporting date values are disclosed.

Section 5 UBS Americas Holding LLC consolidated

The table below discloses information about the regulatory capital components and capital ratios, as well as the leverage ratio, of UBS Americas Holding LLC consolidated based on the Pillar 1 requirements (i.e., US Basel III standardized rules).

During the third quarter of 2019, common equity tier 1 (CET1) decreased by USD 1.0 billion to USD 11.9 billion, mainly as a result of purchases of common shares, partly offset by operating profit. Risk-weighted assets (RWA) decreased by

USD 0.9 billion to USD 52.9 billion, mainly driven by a decrease in credit risk RWA. Leverage ratio exposure was stable during the quarter.

Entities may also be subject to significant Pillar 2 requirements, which represent additional amounts of capital considered necessary and agreed with regulators based on the risk profile of the entities.

KM1: Key metrics^{1,2}

USD million, except where indicated

	30.9.19	30.6.19	31.3.19	31.12.18 ³	30.9.18 ⁴
Available capital (amounts)					
1 Common equity tier 1 (CET1)	11,868	12,900	12,028	11,746	11,068
2 Tier 1	14,923	15,055	14,170	13,887	13,209
3 Total capital	15,640	15,772	14,882	14,601	13,925
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	52,947	53,892	55,313	54,063	54,488
4a Minimum capital requirement ⁵	4,236	4,311	4,425	4,325	4,359
Risk-based capital ratios as a percentage of RWA					
5 Common equity tier 1 ratio (%)	22.4	23.9	21.7	21.7	20.3
6 Tier 1 ratio (%)	28.2	27.9	25.6	25.7	24.2
7 Total capital ratio (%)	29.5	29.3	26.9	27.0	25.6
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	1.9	1.9
9 Countercyclical buffer requirement (%) ⁶					
10 Bank G-SIB and / or D-SIB additional requirements (%) ⁷					
11 Total of bank CET1 specific buffer requirements (%)	2.5	2.5	2.5	1.9	1.9
12 CET1 available after meeting the bank's minimum capital requirements (%) ⁸	17.9	19.4	17.2	17.2	15.8
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	123,632	123,008	124,981	122,829	124,982
14 Basel III leverage ratio (%) ⁹	12.1	12.2	11.3	11.3	10.6

¹ For UBS Americas Holding LLC based on applicable US Basel III rules. ² There is no local disclosure requirement for liquidity coverage ratio or net stable funding ratio for UBS Americas Holding LLC as of 30 September 2019. ³ Figures as of or for the quarter ended 31 December 2018 have been adjusted for consistency with the full-year audited financial statements and / or local regulatory reporting, which were finalized after the publication of our Annual Report 2018 and our 31 December 2018 Pillar 3 report on 15 March 2019. ⁴ Figures as of 30 September 2018 have been adjusted for consistency with the local regulatory reporting of the entity. ⁵ Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ⁶ Not applicable as the countercyclical buffer requirement applies only to banking organizations subject to the advanced approaches capital rules. ⁷ Not applicable as requirements have not been proposed. ⁸ This represents the CET1 ratio which is available for meeting buffer requirements. It is calculated as the CET1 ratio minus 4.5% and after considering, where applicable, CET1 capital which has been used to meet tier 1 and / or total capital ratio requirements. Comparative figures have been adjusted to adhere to this presentation. ⁹ On the basis of tier 1 capital.

Abbreviations frequently used in our financial reports

A		CDR	constant default rate	E	
ABS	asset-backed security	CDS	credit default swap	EAD	exposure at default
AEI	automatic exchange of information	CEA	Commodity Exchange Act	EBA	European Banking Authority
AGM	annual general meeting of shareholders	CECL	current expected credit loss	EC	European Commission
A-IRB	advanced internal ratings-based	CEM	current exposure method	ECB	European Central Bank
AI	artificial intelligence	CEO	Chief Executive Officer	ECL	expected credit loss(es)
AIV	alternative investment vehicle	CET1	common equity tier 1	EIR	effective interest rate
ALCO	Asset and Liability Management Committee	CFO	Chief Financial Officer	EL	expected loss
AMA	advanced measurement approach	CFTC	US Commodity Futures Trading Commission	EMEA	Europe, Middle East and Africa
AML	anti-money laundering	CHF	Swiss franc	EOP	Equity Ownership Plan
AoA	Articles of Association of UBS Group AG	CIC	Corporate Institutional Clients	EPE	expected positive exposure
ASF	available stable funding	CIO	Chief Investment Office	EPS	earnings per share
ASFA	advanced supervisory formula approach	CLN	credit-linked note	ERISA	Employee Retirement Income Security Act of 1974
AT1	additional tier 1	CLO	collateralized loan obligation	ESG	environmental, social and governance
AuM	assets under management	CLS	continuous linked settlement	ESMA	European Securities and Markets Authority
B		CMBS	commercial mortgage-backed security	ESR	environmental and social risk
BCBS	Basel Committee on Banking Supervision	C&ORC	Compliance & Operational Risk Control	ETD	exchange-traded derivative
BD	business division	CRD IV	EU Capital Requirements Directive of 2013	ETF	exchange-traded fund
BEAT	base erosion and anti-abuse tax	CRM	credit risk mitigation (credit risk) or comprehensive risk measure (market risk)	EU	European Union
BIS	Bank for International Settlements	CSO	Client Strategy Office	EUR	euro
BoD	Board of Directors	CVA	credit valuation adjustment	EURIBOR	Euro Interbank Offered Rate
BSC	Business Solutions Center	D		F	
BVG	Swiss occupational pension plan	DBO	defined benefit obligation	FCA	UK Financial Conduct Authority
C		DCCP	Deferred Contingent Capital Plan	FCT	foreign currency translation
CAO	Capital Adequacy Ordinance	DJSI	Dow Jones Sustainability Indices	FINMA	Swiss Financial Market Supervisory Authority
CC	Corporate Center	DOJ	US Department of Justice	FINRA	US Financial Industry Regulatory Authority
CCAR	Comprehensive Capital Analysis and Review	DOL	US Department of Labor	FMIA	Swiss Financial Market Infrastructure Act
CCyB	countercyclical buffer	D-SIB	domestic systemically important bank		
CCF	credit conversion factor	DTA	deferred tax asset		
CCP	central counterparty	DVA	debit valuation adjustment		
CCR	counterparty credit risk				
CCRC	Corporate Culture and Responsibility Committee				
CDO	collateralized debt obligation				

Abbreviations frequently used in our financial reports (continued)

FRA	forward rate agreement	IFRS	International Financial Reporting Standards	O	
FSB	Financial Stability Board			OCA	own credit adjustment
FTA	Swiss Federal Tax Administration	IHC	intermediate holding company	OCI	other comprehensive income
FTD	first to default	IMA	internal models approach	OECD	Organisation for Economic Co-operation and Development
FTP	funds transfer pricing	IMM	internal model method		
FVA	funding valuation adjustment	IPS	Investment Platforms and Solutions	OIS	overnight index swap
FVOCI	fair value through other comprehensive income	IRB	internal ratings-based	OTC	over-the-counter
FVTPL	fair value through profit or loss	IRC	incremental risk charge		
FX	foreign exchange	IRRBB	interest rate risk in the banking book	P	
		ISDA	International Swaps and Derivatives Association	PD	probability of default
G				PFE	potential future exposure
GAAP	generally accepted accounting principles	K		PIT	point in time
GBP	pound sterling	KRT	Key Risk Taker	P&L	profit or loss
GEB	Group Executive Board			POCI	purchased or originated credit-impaired
GFA	Group Franchise Awards	L		PRA	UK Prudential Regulation Authority
GHG	greenhouse gas	LAC	loss-absorbing capacity	PRV	positive replacement value
GIA	Group Internal Audit	LAS	liquidity-adjusted stress		
GIIPS	Greece, Italy, Ireland, Portugal and Spain	LCR	liquidity coverage ratio	Q	
GMD	Group Managing Director	LGD	loss given default	QRRE	qualifying revolving retail exposures
GRI	Global Reporting Initiative	LIBOR	London Interbank Offered Rate		
Group ALM	Group Asset and Liability Management	LLC	limited liability company	R	
G-SIB	global systemically important bank	LRD	leverage ratio denominator	RBA	role-based allowances
		LTV	loan-to-value	RBC	risk-based capital
H		M		RLN	reference-linked note
HQLA	high-quality liquid assets	MiFID II	Markets in Financial Instruments Directive II	RMBS	residential mortgage-backed securities
HR	human resources	MiFIR	Markets in Financial Instruments Regulation	RniV	risks not in VaR
				RoAE	return on attributed equity
I		MRT	Material Risk Taker	RoCET1	return on CET1
IAA	internal assessment approach	MTN	medium-term note	RoE	return on equity
IAS	International Accounting Standards	N		RoTE	return on tangible equity
IASB	International Accounting Standards Board	NAV	net asset value	RoU	right-of-use
IBOR	interbank offered rate	NII	net interest income	RV	replacement value
IFRIC	International Financial Reporting Interpretations Committee	NRV	negative replacement value	RW	risk weight
		NSFR	net stable funding ratio	RWA	risk-weighted assets
		NYSE	New York Stock Exchange		

 Abbreviations frequently used in our financial reports (continued)

S		SI	sustainable investing	T	
SA	standardized approach	SICR	significant increase in credit risk	TBTF	too big to fail
SA-CCR	standardized approach for counterparty credit risk	SIX	SIX Swiss Exchange	TCJA	US Tax Cuts and Jobs Act
SAR	stock appreciation right	SMA	standardized measurement approach	TLAC	total loss-absorbing capacity
SBC	Swiss Bank Corporation	SME	small and medium-sized enterprises	TRS	total return swap
SCCL	single-counterparty credit limit	SMF	Senior Management Function	TTC	through the cycle
SDGs	Sustainable Development Goals	SNB	Swiss National Bank	U	
SE	structured entity	SPPI	solely payments of principal and interest	UoM	units of measure
SEC	US Securities and Exchange Commission	SRB	systemically relevant bank	USD	US dollar
SEEOP	Senior Executive Equity Ownership Plan	SRM	specific risk measure	US IHC	US intermediate holding company
SFTs	securities financing transactions	SVaR	stressed value-at-risk	V	
				VaR	value-at-risk

This is a general list of the abbreviations frequently used in our financial reporting. Not all of the listed abbreviations may appear in this particular report.

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