
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

**PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

Date: August 31, 2023

UBS Group AG

(Registrant's Name)

Bahnhofstrasse 45, 8001 Zurich, Switzerland

(Address of principal executive office)

Commission File Number: 1-36764

UBS AG

(Registrant's Name)

Bahnhofstrasse 45, 8001 Zurich, Switzerland

Aeschenvorstadt 1, 4051 Basel, Switzerland

(Address of principal executive offices)

Commission File Number: 1-15060

Credit Suisse AG

(Registrant's Name)

Paradeplatz 8, 8001 Zurich, Switzerland

(Address of principal executive office)

Commission File Number: 1-33434

Indicate by check mark whether the registrants file or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

This Form 6-K consists of the 30 June 2023 Pillar 3 Report for UBS Group and significant regulated subsidiaries and sub-groups, which appears immediately following this page.

Pillar 3 Report

30 June 2023

UBS Group and significant regulated subsidiaries
and sub-groups



UBS

Terms used in this report, unless the context requires otherwise

"UBS," "UBS Group," "UBS Group AG consolidated," "Group," "the Group," "we," "us" and "our"	UBS Group AG and its consolidated subsidiaries
"UBS AG" and "UBS AG consolidated"	UBS AG and its consolidated subsidiaries
"Credit Suisse AG" and "Credit Suisse AG consolidated"	Credit Suisse AG and its consolidated subsidiaries
"Credit Suisse Group" and "Credit Suisse Group AG consolidated"	Pre-acquisition Credit Suisse Group
"Credit Suisse"	Credit Suisse AG and its consolidated subsidiaries, Credit Suisse Services AG and other small former Credit Suisse Group entities now directly held by UBS Group AG
"UBS Group AG" and "UBS Group AG standalone"	UBS Group AG on a standalone basis
"Credit Suisse Group AG" and "Credit Suisse Group AG standalone"	Credit Suisse Group AG on a standalone basis
"UBS AG standalone"	UBS AG on a standalone basis
"Credit Suisse AG standalone"	Credit Suisse AG on a standalone basis
"UBS Switzerland AG" and "UBS Switzerland AG standalone"	UBS Switzerland AG on a standalone basis
"UBS Europe SE consolidated"	UBS Europe SE and its consolidated subsidiaries
"UBS Americas Holding LLC" and "UBS Americas Holding LLC consolidated"	UBS Americas Holding LLC and its consolidated subsidiaries
"1m"	One million, i.e., 1,000,000
"1bn"	One billion, i.e., 1,000,000,000
"1trn"	One trillion, i.e., 1,000,000,000,000

In this report, unless the context requires otherwise, references to any gender shall apply to all genders.

Table of contents

UBS Group

- 4 Section 1 Introduction and basis for preparation
- 6 Section 2 Key metrics
- 9 Section 3 Overview of risk-weighted assets
- 10 Section 4 Credit risk
- 22 Section 5 Counterparty credit risk
- 28 Section 6 Securitizations
- 33 Section 7 Market risk
- 38 Section 8 Going and gone concern requirements and eligible capital
- 44 Section 9 Total loss-absorbing capacity
- 45 Section 10 Leverage ratio
- 48 Section 11 Liquidity and funding
- 51 Section 12 Requirements for global systemically important banks and related indicators

Significant regulated subsidiaries and sub-groups

- 52 Section 1 Introduction
- 53 Section 2 UBS AG consolidated
- 57 Section 3 UBS AG standalone
- 61 Section 4 UBS Switzerland AG standalone
- 68 Section 5 UBS Europe SE consolidated
- 69 Section 6 UBS Americas Holding LLC consolidated
- 71 Section 7 Credit Suisse AG consolidated
- 75 Section 8 Credit Suisse AG standalone
- 79 Section 9 Credit Suisse (Schweiz) AG consolidated
- 83 Section 10 Credit Suisse (Schweiz) AG standalone
- 87 Section 11 Credit Suisse International standalone
- 89 Section 12 Credit Suisse Holdings (USA), Inc. consolidated

Appendix

- 91 Abbreviations frequently used in our financial reports
- 93 Cautionary statement

Contacts

General inquiries

ubs.com/contact

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

Investor Relations

UBS's Investor Relations team manages relationships with institutional investors, research analysts and credit rating agencies.

ubs.com/investors

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

Media Relations

UBS's Media Relations team manages relationships with global media and journalists.

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

Office of the Group Company Secretary

The Group Company Secretary handles inquiries directed to the Chairman or to other members of the Board of Directors.

UBS Group AG, Office of the Group Company Secretary
P.O. Box, CH-8098 Zurich, Switzerland

sh-company-secretary@ubs.com

Zurich +41-44-235 6652

Shareholder Services

UBS's Shareholder Services team, a unit of the Group Company Secretary's office, manages relationships with shareholders and the registration of UBS Group AG registered shares.

UBS Group AG, Shareholder Services
P.O. Box, CH-8098 Zurich, Switzerland

sh-shareholder-services@ubs.com

Zurich +41-44-235 6652

US Transfer Agent

For global registered share-related inquiries in the US.

Computershare Trust Company NA
P.O. Box 505000
Louisville, KY 40233-5000, USA

Shareholder online inquiries:
www-us.computershare.com/investor/contact

Shareholder website:
computershare.com/investor

Calls from the US
+1-866-305-9566
Calls from outside the US
+1-781-575-2623
TDD for hearing impaired
+1-800-231-5469
TDD for foreign shareholders
+1-201-680-6610

Imprint

Publisher: UBS Group AG, Zurich, Switzerland | ubs.com
Language: English

© UBS 2023. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

UBS Group

Introduction and basis for preparation

Scope of Basel III Pillar 3 disclosures

The Basel Committee on Banking Supervision (the 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 the UBS Group, including the acquired Credit Suisse Group, and prudential key figures and regulatory information for UBS AG consolidated and standalone, UBS Switzerland AG standalone, UBS Europe SE consolidated, and UBS Americas Holding LLC consolidated, as well as Credit Suisse AG consolidated and standalone, Credit Suisse (Schweiz) AG consolidated and standalone, Credit Suisse International standalone, and Credit Suisse Holdings (USA), Inc. consolidated in the respective sections under “Significant regulated subsidiaries and sub-groups.”

This Pillar 3 Report has been prepared in accordance with Swiss Financial Market Supervisory Authority (FINMA) Pillar 3 disclosure requirements (FINMA Circular 2016/1 “Disclosure – banks”) as revised on 8 December 2021, 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.

As UBS is considered a systemically relevant bank (an SRB) under Swiss banking law, UBS Group AG, UBS AG, Credit Suisse AG and Credit Suisse (Schweiz) AG are required to comply with regulations based on the Basel III framework as applicable to Swiss SRBs on a consolidated basis.

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 ubs.com/investors.

Significant regulatory developments, disclosure requirements and other changes

Introduction of a public liquidity backstop in Switzerland

In May 2023, the Swiss Federal Council (the SFC) launched a consultation on the introduction of a public liquidity backstop (the PLB) for systemically important banks (SIBs) which was initially implemented as part of the emergency ordinance issued in connection with Credit Suisse Group. The proposed legislative changes aim to establish the PLB instrument as part of ordinary law in order to enable the Swiss government and the Swiss National Bank to support an SIB domiciled in Switzerland with liquidity in the process of resolution, in line with other financial centers. The introduction of the PLB is intended to increase the confidence of market participants in the ability of SIBs to become successfully recapitalized and remain solvent in a crisis. The final proposal is expected to be presented to the Swiss Parliament by the SFC in September 2023, and, if adopted, legislative changes are expected to come into force by January 2025.

Further developments regarding the acquisition of Credit Suisse Group by UBS

The Swiss Federal Department of Finance (the FDF) is undertaking a review of the circumstances that led to the acquisition of the Credit Suisse Group by UBS. In May 2023, it convened a group of experts on banking stability to work on strategic considerations regarding the role of banks and the national framework related to the stability of the Swiss financial center. The group of experts is expected to present its findings to the FDF in the third quarter of 2023. The experts’ findings will be considered by the SFC in its bi-annual too-big-to-fail (TBTf) review report by April 2024.

Impact of our acquisition of Credit Suisse Group on Basel III Pillar 3 disclosures

On 12 June 2023, UBS Group AG acquired Credit Suisse Group AG, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse Group AG, and became the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse Group AG. UBS has accounted for the acquisition as a business combination under IFRS 3, Business Combinations, applying the acquisition method of accounting. As part of the acquisition method of accounting, the assets and liabilities of the Credit Suisse Group have been converted from US generally accepted accounting principles (GAAP) to International Financial Reporting Standards (IFRS) and have been remeasured at fair value at the acquisition date. The acquisition of the Credit Suisse Group resulted in a USD 237.7bn increase in RWA. As agreed with FINMA, the aggregation of the advanced measurement approach (AMA) models considering diversification effects resulted in a USD 10bn reduction in operational risk RWA in the second quarter of 2023. In addition, UBS Group will be subject to higher too-big-to-fail capital requirements for market share and total exposure after an appropriate transition period to be agreed with FINMA. The phase in of the increased capital requirements will commence from the end of 2025 and will be completed by the beginning of 2030 at the latest. We enhanced the Pillar 3 report to include the following disclosures as a result of that acquisition.

- CR10 – Specialized lending
- SEC1 – Securitization exposures in the banking book
- SEC2 – Securitization exposures in the trading book
- SEC3 – Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor
- SEC4 – Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as investor
- MR1 – Market risk under standardized approach
- Significant regulated subsidiaries and sub-groups related to Credit Suisse
 - › Refer to the “Acquisition of Credit Suisse Group” section and “Note 2 Acquisition of Credit Suisse Group” in the “Consolidated financial statements” section of the UBS Group second quarter 2023 report, available under “Quarterly reporting” at ubs.com/investors, for more information

Frequency and comparability of Pillar 3 disclosures

FINMA has specified the reporting frequency for each disclosure, as outlined in the “Introduction and basis for preparation” section of the 31 December 2022 Pillar 3 Report, available under “Pillar 3 disclosures” at 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 31 March 2023 for disclosures required on a quarterly basis and as of 31 December 2022 for disclosures required on a semi-annual basis. Where specifically required by FINMA and / or the BCBS, we disclose comparative information for additional reporting dates.

Where required, movement commentary is aligned with the corresponding disclosure frequency required by FINMA and always refers to the latest comparative period. Throughout this report, signposts are displayed at the beginning of a section, table or chart – **Semi-annual** | **Quarterly** | – indicating whether the disclosure is provided semi-annually or quarterly. A triangle symbol – **▲ ▲** – indicates the end of the signpost.

- › Refer to the 31 March 2023 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about previously published quarterly movement commentary
- › Refer to the 31 December 2022 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about previously published semi-annual movement commentary

Key metrics

Key metrics of the second quarter of 2023

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

Our capital ratios increased, reflecting an increase in our common equity tier 1 (CET1) capital, partly offset by an increase in risk-weighted assets (RWA). Our leverage ratio decreased, reflecting an increase in the leverage ratio denominator (the LRD), largely offset by an increase in our CET1 capital.

Our CET1 capital increased by USD 35.7bn to USD 80.3bn, predominantly due to the acquisition of the Credit Suisse Group, which resulted in an increase of USD 36.1bn as of the acquisition date (including transitional CET1 purchase price allocation adjustments of USD 5.0bn as described below).

As part of the acquisition of the Credit Suisse Group, the assets acquired and liabilities assumed, including contingent liabilities, were recognized at fair value as of the acquisition date in accordance with IFRS 3, *Business Combinations*. The purchase price allocation (PPA) fair value adjustments required under IFRS 3 are recognized as part of negative goodwill and include effects on financial instruments measured at amortized cost, such as fair value impacts from interest rates and own credit, that are expected to accrete back to par through the income statement as the instruments are held to maturity. Similar own-credit-related effects have also been recognized as part of the PPA adjustments on financial liabilities measured at fair value. As agreed with the Swiss Financial Market Supervisory Authority (FINMA), a transitional common equity tier 1 (CET1) capital treatment has been applied for certain of these fair value adjustments, given the substantially temporary nature of the IFRS-3-accounting-driven effects. As such, IFRS equity reductions of USD 5.9bn (pre-tax) and USD 5.0bn (net of tax) as of the acquisition date have been neutralized for CET1 capital calculation purposes, of which USD 1.0bn (net of tax) relate to own-credit-related fair value adjustments. The transitional treatment is subject to linear amortization and will reduce to nil by 30 June 2027.

Our tier 1 capital increased by USD 35.6bn to USD 93.3bn, predominantly reflecting the aforementioned increase in CET1 capital.

The TLAC available as of 30 June 2023 included CET1 capital, additional tier 1 (AT1) capital and non-regulatory capital elements of TLAC. Under the Swiss systemically relevant bank 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 are measured at the lower of cost or market value. This amount was negligible as of 30 June 2023 but is included as available TLAC in the KM2 table in this section.

Our available TLAC increased by USD 85.7bn to USD 196.0bn, mainly reflecting a USD 52.6bn increase in TLAC-eligible senior unsecured debt and the aforementioned increase in tier 1 capital, slightly offset by a low-trigger loss-absorbing tier 2 capital instrument of USD 2.4bn that ceased to be eligible as it had less than one year to maturity. The increase of USD 52.6bn in TLAC-eligible senior unsecured debt was mainly due to the acquisition of the Credit Suisse Group, as 48 TLAC-eligible senior unsecured debt instruments denominated in US dollars, euro, pounds sterling and yen amounting to USD 53.5bn equivalent that were originally issued by the Credit Suisse Group were assumed as gone concern capital by the UBS Group. In addition, there was a USD 2.2bn increase in gone concern capital as the nominal amounts of two TLAC-eligible senior unsecured debt instruments not bought back under a tender offer were eligible again as gone concern capital in the second quarter of 2023 following the expiration of the tender offer on 4 April 2023. These effects were partly offset by calls of three TLAC-eligible unsecured debt instruments denominated in US dollars and Swiss francs amounting to USD 2.4bn equivalent, and interest rate risk hedge, foreign-currency translation and other effects. On 6 July 2023, UBS announced that it would redeem TLAC-eligible senior unsecured debt on 30 July 2023 (ISINs 144A: US902613AB45 / Reg S: USH42097BS52 with a nominal amount of USD 1.3bn, issued on 30 July 2020). This instrument remained eligible as gone concern capital as of 30 June 2023.

RWA increased by USD 234.9bn to USD 556.6bn, primarily due to the acquisition of the Credit Suisse Group, which resulted in an increase in RWA of USD 237.7bn. Excluding that acquisition, RWA decreased by USD 2.8bn, mainly driven by decreases of USD 5.0bn in operational risk and USD 1.0bn in market risk RWA, partly offset by increases of USD 1.7bn in credit risk and USD 0.5bn in counterparty credit risk (CCR) RWA.

Leverage ratio exposure increased by USD 663.4bn to USD 1,677.9bn, mainly driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 644.4bn in the LRD. Excluding the acquisition of the Credit Suisse Group, the LRD increased by USD 19.0bn, mainly driven by higher central bank balances, trading portfolio assets, securities financing transactions, off-balance sheet exposures and derivative exposures, partly offset by a decrease in lending assets.

The quarterly average liquidity coverage ratio (the LCR) of the UBS Group increased 13.3 percentage points to 175.2%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the average LCR was primarily driven by an increase in high-quality liquid assets (HQLA) of USD 26.9bn to USD 257.1bn. This increase was substantially related to Credit Suisse HQLA, which were mainly made up of cash and government bonds. The increase in HQLA was partly offset by a USD 2.8bn increase in net cash outflows to USD 145.0bn, predominantly attributable to Credit Suisse's net cash outflows related to customer deposits, credit commitments and derivatives. These outflows were partly offset by inflows from loans in Credit Suisse, as well as lower outflows from deposits and prime brokerage transactions of the UBS Group excluding Credit Suisse.

As of 30 June 2023, the net stable funding ratio (the NSFR) of the UBS Group decreased 0.1 percentage points to 117.6%, remaining above the prudential requirement communicated by FINMA. The NSFR for UBS Group excluding Credit Suisse improved compared with 31 March 2023 and this effect was offset by the acquisition of the Credit Suisse Group. Available stable funding increased by USD 316.8bn to USD 873.1bn, predominantly driven by the acquisition of the Credit Suisse Group, mainly reflecting deposit balances, debt securities issued, regulatory capital and, to a lesser extent, securities financing transactions. The increase in the UBS Group excluding Credit Suisse was predominantly driven by higher customer deposits and debt securities issued. Required stable funding increased by USD 269.4bn to USD 742.1bn, substantially reflecting the acquisition of the Credit Suisse Group. This balance predominantly includes lending assets and, to a lesser extent, derivative balances and trading portfolio assets. Required stable funding in the UBS Group excluding Credit Suisse decreased slightly, mainly driven by lower trading assets.

KM1: Key metrics

USD m, except where indicated

	30.6.23	31.3.23	31.12.22	30.9.22	30.6.22
Available capital (amounts)					
1 Common Equity Tier 1 (CET1) ¹	80,258	44,590	45,457	44,664	44,798
1a Fully loaded ECL accounting model CET1	80,258	44,590	45,457	44,664	44,794
2 Tier 1 ¹	93,287	57,694	58,321	59,359	59,907
2a Fully loaded ECL accounting model Tier 1	93,287	57,694	58,321	59,359	59,902
3 Total capital ¹	93,287	58,182	58,806	59,845	60,401
3a Fully loaded ECL accounting model total capital	93,287	58,182	58,806	59,845	60,396
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	556,603	321,660	319,585	310,615	315,685
4a Minimum capital requirement ²	44,528	25,733	25,567	24,849	25,255
4b Total risk-weighted assets (pre-floor)	556,603	321,660	319,585	310,615	315,685
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%) ¹	14.42	13.86	14.22	14.38	14.19
5a Fully loaded ECL accounting model CET1 ratio (%)	14.42	13.86	14.22	14.38	14.19
6 Tier 1 ratio (%) ¹	16.76	17.94	18.25	19.11	18.98
6a Fully loaded ECL accounting model Tier 1 ratio (%)	16.76	17.94	18.25	19.11	18.98
7 Total capital ratio (%) ¹	16.76	18.09	18.40	19.27	19.13
7a Fully loaded ECL accounting model total capital ratio (%)	16.76	18.09	18.40	19.27	19.13
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0.11	0.09	0.07	0.02	0.02
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.30	0.27	0.27	0.26	
10 Bank G-SIB and / or D-SIB additional requirements (%)	1.00	1.00	1.00	1.00	1.00
11 Total of bank CET1 specific buffer requirements (%) ³	3.61	3.59	3.57	3.52	3.52
12 CET1 available after meeting the bank's minimum capital requirements (%)	8.76	9.36	9.72	9.88	9.69
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	1,677,877	1,014,446	1,028,461	989,787	1,025,422
14 Basel III leverage ratio (%) ¹	5.56	5.69	5.67	6.00	5.84
14a Fully loaded ECL accounting model Basel III leverage ratio (%)	5.56	5.69	5.67	6.00	5.84
Liquidity coverage ratio (LCR)⁴					
15 Total high-quality liquid assets (HQLA)	257,107	230,208	238,585	240,420	249,364
16 Total net cash outflow	144,973	142,160	145,972	147,832	155,082
16a of which: cash outflows	275,298	264,653	262,123	263,699	268,641
16b of which: cash inflows	130,325	122,493	116,151	115,866	113,559
17 LCR (%)	175.24	161.93	163.72	162.68	160.85
Net stable funding ratio (NSFR)					
18 Total available stable funding	873,061	556,270	561,431	533,866	551,877
19 Total required stable funding	742,130	472,662	468,496	443,487	456,328
20 NSFR (%)	117.64	117.69	119.84	120.38	120.94

¹ As of 1 July 2022, our capital amounts exclude the transitional relief of recognizing ECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks". ² Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ³ Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 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. Calculated based on an average of 64 data points in the second quarter of 2023 and 64 data points in the first quarter of 2023. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information.

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

USD m, except where indicated

	30.6.23	31.3.23	31.12.22	30.9.22	30.6.22
1 Total loss-absorbing capacity (TLAC) available ²	196,040	110,319	105,312	104,745	106,249
1a Fully loaded ECL accounting model TLAC available	196,040	110,319	105,312	104,745	106,244
2 Total RWA at the level of the resolution group	556,603	321,660	319,585	310,615	315,685
3 TLAC as a percentage of RWA (%)	35.22	34.30	32.95	33.72	33.66
3a Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)	35.22	34.30	32.95	33.72	33.65
4 Leverage ratio exposure measure at the level of the resolution group	1,677,877	1,014,446	1,028,461	989,787	1,025,422
5 TLAC as a percentage of leverage ratio exposure measure (%)	11.68	10.87	10.24	10.58	10.36
5a Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model leverage exposure measure (%)	11.68	10.87	10.24	10.58	10.36
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 As of 1 July 2022, our capital amounts exclude the transitional relief of recognizing ECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks".

Overview of risk-weighted assets

Overview of RWA and capital requirements

Quarterly | The OV1 table below provides an overview of our risk-weighted assets (RWA) and the related minimum capital requirements by risk type. The table presented is based on the respective Swiss Financial Market Supervisory Authority (FINMA) template and empty rows indicate current non-applicability to UBS.

During the second quarter of 2023, RWA increased by USD 234.9bn to USD 556.6bn, primarily due to the acquisition of the Credit Suisse Group, which resulted in an increase in RWA of USD 237.7bn. Excluding that acquisition, RWA decreased by USD 2.8bn, mainly driven by decreases of USD 5.0bn in operational risk and USD 1.0bn in market risk RWA, partly offset by increases of USD 1.7bn in credit risk and USD 0.5bn in counterparty credit risk (CCR) RWA.

Credit risk RWA increased by USD 121.4bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 119.7bn. Excluding that acquisition, credit risk RWA increased by USD 1.7bn, mainly driven by increases of USD 1.4bn related to currency effects and USD 0.9bn related to model updates, partly offset by a decrease of USD 0.6bn related to asset size and other movements. Asset size and other movements decreased RWA by USD 0.6bn, mainly driven by lower RWA on loans in the Investment Bank and on nostro accounts in Group Functions, partly offset by higher RWA on loans in Personal & Corporate Banking and Global Wealth Management.

CCR RWA increased by USD 8.4bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 7.9bn. Excluding that acquisition, CCR RWA increased by USD 0.5bn, primarily due to an increase in asset size and other movements of 2.0bn, mainly as a result of higher RWA from derivatives in the Investment Bank, partly offset by a decrease related to model updates of 1.4bn. The model updates primarily related to the recalibration of certain multipliers as a result of our improvements to models, as well as updates to the internal model method for derivatives.

Market risk RWA increased by USD 8.5bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 9.5bn. Excluding that acquisition, market risk RWA decreased by USD 1.0bn, driven by a decrease from asset size and other movements in the Investment Bank's Global Markets business and a decrease related to ongoing parameter updates of the value-at-risk (VaR) model.

Operational risk RWA increased by USD 64.0bn, as a result of the acquisition of the Credit Suisse Group. The aggregation of the advanced measurement approach (AMA) models considering diversification effects resulted in a USD 10bn reduction in RWA in the second quarter of 2023. The diversification effects were allocated equally to Group Functions and Corporate Center (Credit Suisse) for the second quarter of 2023 reporting and will be allocated to the business divisions and Group Items based on the updated Group allocation methodology in the third quarter of 2023.

The flow tables for credit risk, CCR and market risk RWA in the respective sections of this report provide further details about the movements in RWA in the second quarter of 2023.

- › Refer to the **"Introduction and basis for preparation"** section of this report for more information about the regulatory standards applied
- › Refer to the **"Capital management"** section of the UBS Group second quarter 2023 report, available under **"Quarterly reporting"** at ubs.com/investors, for more information about capital management and RWA, including details regarding movements in RWA during the second quarter of 2023

OV1: Overview of RWA

	RWA			Section or table reference	Minimum capital requirements ¹
USD m					
	30.6.23	31.3.23	31.12.22		30.6.23
1 Credit risk (excluding counterparty credit risk)	286,557	165,174	162,889		22,925
2 of which: standardized approach (SA)	70,842	43,757	41,930	4	5,667
2a of which: non-counterparty-related risk	18,730	12,838	12,855	CR4	1,498
3 of which: foundation internal ratings-based (F-IRB) approach					
4 of which: supervisory slotting approach	3,432			CR10	275
5 of which: advanced internal ratings-based (A-IRB) approach	212,282	121,417	120,958	CR6	16,983
6 Counterparty credit risk²	43,123	34,702	36,630	5, CCR1, CCR8	3,450
7 of which: SA for counterparty credit risk (SA-CCR)	8,193	7,239	6,785		655
8 of which: internal model method (IMM)	20,329	15,921	16,438	CCR7	1,626
8a of which: value-at-risk (VaR)	8,472	7,402	9,421	CCR7	678
9 of which: other CCR	6,129	4,139	3,987		490
10 Credit valuation adjustment (CVA)	9,335	4,067	4,310	5, CCR2	747
11 Equity positions under the simple risk-weight approach	7,477	4,187	3,768	4, CR10	598
12 Equity investments in funds – look-through approach	2,849	717	638		228
13 Equity investments in funds – mandate-based approach	936	1,095	1,250		75
14 Equity investments in funds – fallback approach	847	266	236		68
15 Settlement risk	743	331	408		59
16 Securitization exposures in banking book	13,702	313	271	6	1,096
17 of which: securitization internal ratings-based approach (SEC-IRBA)	7,609				609
18 of which: securitization external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	887	28	28	6	71
19 of which: securitization standardized approach (SEC-SA)	5,206	285	243	6	416
20 Market Risk	23,637	15,102	13,478	6,7	1,891
21 of which: standardized approach (SA)	1,092	371	463	MR1	87
22 of which: internal models approach (IMA)	22,545	14,730	13,015	MR2	1,804
23 Capital charge for switch between trading book and banking book³					
24 Operational risk	145,426	81,379	81,379		11,634
25 Amounts below thresholds for deduction (250% risk weight)⁴	21,973	14,326	14,328		1,758
25a of which: deferred tax assets	12,419	11,349	11,381		993
26 Floor adjustment⁵					
27 Total	556,603	321,660	319,585		44,528

¹ Calculated based on 8% of RWA. ² Excludes settlement risk, which is separately reported in line 15 "Settlement risk." Includes RWA with central counterparties. The split between the sub-components of counterparty credit risk refers to the calculation of the exposure measure. ³ Not applicable until the implementation of the final rules on the minimum capital requirements for market risk (the Fundamental Review of the Trading Book). ⁴ Includes items subject to threshold deduction treatment that do not exceed their respective threshold and are risk-weighted at 250%. Items subject to threshold deduction treatment include significant investments in common shares of non-consolidated financial institutions (banks, insurance and other financial entities) and deferred tax assets arising from temporary differences. ⁵ A floor adjustment is required when 80% of our Basel I RWA, including the RWA equivalent of the Basel I capital deductions, exceeds our Basel III RWA, including the RWA equivalent of the Basel III capital deductions. The Credit Suisse Group and the UBS Group were not impacted by the Basel I floor prior to the merger. We do not expect the UBS Group to be subject to a Basel I Floor adjustment going forward.

Credit risk

Introduction

Semi-annual I The parameters applied under the advanced internal ratings-based (A-IRB) approach are generally based on the same methodologies, data and systems we use for internal credit risk quantification, except where certain treatments are specified by regulatory requirements. These include, for example, the application of regulatory prescribed floors and multipliers, and differences with respect to eligibility criteria and exposure definitions. The exposure information presented in this section may thus differ from our internal management view disclosed in the "Risk management and control" sections of the quarterly and annual reports. Similarly, the regulatory capital prescribed measure of credit risk exposure also differs from how it is defined under International Financial Reporting Standards (IFRS). ▲

Credit quality of assets

Semi-annual I The CR1 table below provides a breakdown of defaulted and non-defaulted loans, debt securities and off-balance sheet exposures. The table includes a split of expected credit loss (ECL) accounting provisions based on the standardized approach and the internal ratings-based approach.

Increases in net carrying values of Loans and Debt securities, when compared with 31 December 2022, are explained in the CR3 table in this report. The net carrying value of Off-balance sheet exposures increased by USD 68.5bn to USD 127.9bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 69.9bn. Excluding that acquisition, Off-balance sheet exposures decreased by USD 1.3bn, primarily related to guarantees in Personal & Corporate Banking.

- › Refer to the "CR3: Credit risk mitigation techniques – overview" table in this section for more information about the net value movements related to Loans and Debt securities shown in the table below
- › Refer to "Credit risk" in the "Risk management and control" section of the Annual Report 2022, available under "Annual reporting" at ubs.com/investors, for more information about the definitions of default and credit impairment and to "Credit risk exposure categories" in this section for more information about the classification of loans and debt securities

CR1: Credit quality of assets

USD m	Gross carrying amounts of:			Of which: ECL accounting provisions for credit losses on SA exposures		Of which: ECL accounting provisions for credit losses on IRB exposures	Net values
	Defaulted exposures ¹	Non-defaulted exposures	Allowances / impairments ⁵	Allocated in regulatory category of Specific ²	Allocated in regulatory category of General ²		
30.6.23							
1 Loans ³	5,276	935,659	(1,367)	(80)	(80)	(1,207)	939,568
2 Debt securities	68	90,095	(4)		(4)		90,160
3 Off-balance sheet exposures ⁴	614	127,570	(252)	(1)	(6)	(245)	127,931
4 Total	5,958	1,153,323	(1,622)	(81)	(89)	(1,452)	1,157,659
31.12.22							
1 Loans ³	2,222	584,393	(881)	(72)	(44)	(764)	585,734
2 Debt securities		79,964	(3)		(3)		79,961
3 Off-balance sheet exposures ⁴	233	59,339	(159)	(1)	(3)	(155)	59,413
4 Total	2,455	723,695	(1,043)	(73)	(50)	(919)	725,107

¹ Defaulted exposures include stage 3 and defaulted purchased credit impaired (PCI) under IFRS 9. Refer to "Note 8 Expected credit loss measurement" in the "Consolidated financial statements" section of the UBS Group second quarter 2023 for more information about IFRS 9. ² Specific provisions include stage 3 expected credit loss (ECL) allowances and additional ECL allowances on defaulted PCI assets. General provisions include stage 1 and 2 ECL allowances and additional ECL allowances on non-defaulted PCI assets. ³ Loan exposure is reported in line with the Pillar 3 definition. Refer to "Credit risk exposure categories" in the "Credit risk" section of the 31 December 2022 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information about the classification of loans and debt securities. ⁴ Off-balance sheet exposures include unutilized credit facilities, guarantees provided and forward starting loan commitments but exclude prolongations of loans that do not increase the initially committed loan amount. Unutilized credit facilities exclude unconditionally revocable as well as uncommitted credit facilities, even if they attract RWA. ⁵ Expected credit loss allowances and provisions amounted to USD 1,868m as of 30 June 2023, as disclosed in "Note 8 Expected credit loss measurement" in the "Consolidated financial statements" section of the UBS Group second quarter 2023. This Pillar 3 table excludes ECL on securitization on- and off-balance sheet exposures (30 June 2023: USD 165m; 31 December 2022: n/a), revocable off-balance sheet exposures (30 June 2023: USD 74m; 31 December 2022: USD 40m), ECL on exposures subject to counterparty credit risk (30 June 2023: USD 5m; 31 December 2022: USD 6m) and ECL on irrevocable committed prolongation of loans that do not give rise to additional credit exposures (30 June 2023: USD 3m; 31 December 2022: USD 2m).

Semi-annual I The CR2 table below presents changes in the stock of defaulted loans, debt securities and off-balance sheet exposures for the first half of 2023. The total amount of defaulted loans and debt securities was USD 6.0bn as of 30 June 2023, an increase of USD 3.5bn compared with 31 December 2022.

CR2: Changes in stock of defaulted loans, debt securities and off-balance sheet exposures

USD m	For the half year ended 30.6.23 ¹	For the half year ended 31.12.22 ¹
1 Defaulted loans, debt securities and off-balance sheet exposures as of the beginning of the half year	2,455	2,605
2 Loans and debt securities that have defaulted since the last reporting period	596	485
3 Returned to non-defaulted status	(186)	(351)
4 Amounts written off	(38)	(46)
5 Other changes	3,131	
<i>5a of which: acquisition of Credit Suisse Group</i>	<i>3,298</i>	
<i>5b of which: other²</i>	<i>(167)</i>	<i>(238)</i>
6 Defaulted loans, debt securities and off-balance sheet exposures as of the end of the half year	5,958	2,455

¹ Off-balance sheet exposures include unutilized credit facilities, guarantees provided and forward starting loan commitments, but exclude prolongations of loans that do not increase the initially committed loan amount. Unutilized credit facilities exclude unconditionally revocable and uncommitted credit facilities, even if they attract RWA. ² Includes primarily partial or full repayments, as well as currency effects.

Credit risk mitigation

Semi-annual I The CR3 table below provides a breakdown of loans and debt securities into unsecured and partially or fully secured exposures, with additional information about the security type.

Compared with 31 December 2022, the carrying amount of unsecured loans increased by USD 148.3bn to USD 356.1bn and unsecured debt securities increased by USD 10.0bn to USD 90.0bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 158.2bn in unsecured loans and USD 11.3bn in unsecured debt securities. Excluding that acquisition, the carrying amount of unsecured loans decreased by USD 9.8bn to USD 197.9bn, mainly due to decreases in cash and bank balances at central banks of USD 10.0bn. The carrying amount of unsecured debt securities decreased by USD 1.3bn to USD 78.7bn, mainly due to high-quality liquid assets (HQLA) maturing.

The carrying amount of partially or fully secured exposures increased by USD 205.7bn to USD 583.7bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 204.4bn. Excluding that acquisition, the carrying amount of partially and fully secured exposures increased by USD 1.3bn, mainly as a result of currency effects in Personal & Corporate Banking.

CR3: Credit risk mitigation techniques – overview¹

USD m	Exposures fully unsecured: carrying amount	Exposures partially or fully secured: carrying amount	Total: carrying amount	Secured portion of exposures partially or fully secured:		
				Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
30.6.23						
1 Loans ²	356,056	583,512	939,568	524,676	7,181	34
1a of which: cash and balances at central banks	260,557		260,557			
2 Debt securities	89,951	208	90,160	202		
3 Total	446,007	583,720	1,029,728	524,879	7,181	34
4 of which: defaulted ³	831	3,925	4,757	2,630	360	
31.12.22						
1 Loans ²	207,732	378,002	585,734	358,946	3,047	21
1a of which: cash and balances at central banks	168,826		168,826			
2 Debt securities	79,961		79,961			
3 Total	287,693	378,002	665,695	358,946	3,047	21
4 of which: defaulted	180	1,506	1,686	1,034	93	

¹ Exposures in this table represent carrying amounts in accordance with the regulatory scope of consolidation. ² Loan exposure is reported in line with the Pillar 3 definition. Refer to "Credit risk exposure categories" in the "Credit risk" section of the 31 December 2022 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information about the classification of loans and debt securities. ³ Includes purchased credit-impaired (PCI) positions when defaulted.



Credit risk under the standardized approach

Introduction

The standardized approach is generally applied where using the A-IRB approach is not feasible. Under the standardized approach we use, where possible, credit ratings from external credit assessment institutions (ECAIs) to determine the risk weightings applied to rated counterparties.

Credit risk exposure and credit risk mitigation effects

Semi-annual I The CR4 table below illustrates the credit risk exposure and effect of credit risk mitigation (CRM) on the calculation of capital requirements under the standardized approach. Compared with 31 December 2022, exposures post-credit conversion factors (CCF) and post-CRM increased by USD 102.8bn to USD 173.4bn. RWA increased by USD 28.9bn to USD 70.8bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of exposures post-CCF and post-CRM by USD 100.7bn and RWA by USD 27.2bn. Excluding that acquisition, exposures post-CCF and post-CRM increased by USD 2.1bn, and RWA increased by USD 1.7bn.

CR4: Standardized approach – credit risk exposure and credit risk mitigation (CRM) effects¹

	Exposures before CCF and CRM			Exposures post-CCF and post-CRM			RWA and RWA density		
	On-balance sheet amount	Off-balance sheet amount	Total	On-balance sheet amount	Off-balance sheet amount	Total	RWA	RWA density in %	
<i>USD m, except where indicated</i>									
30.6.23									
Asset classes									
1	Central governments and central banks	68,617	20	68,637	68,019	0	68,019	550	0.8
2	Banks and securities dealers	17,955	2,462	20,417	17,853	1,188	19,041	4,681	24.6
3	Public-sector entities and multi-lateral development banks	3,347	4,158	7,505	3,342	1,261	4,603	1,294	28.1
4	Corporates ²	44,969	22,239	67,208	43,855	6,007	49,862	36,826	73.9
5	Retail	10,052	3,297	13,349	9,818	237	10,055	7,864	78.2
6	Equity								
7	Other assets	20,776	1,406	22,182	20,502	1,325	21,827	19,627	89.9
7a	of which: non-counterparty related assets	19,674	246	19,920	19,674	246	19,920	18,730	94.0
7b	of which: others	1,102	1,160	2,263	828	1,080	1,907	896	47.0
8	Total	165,716	33,581	199,298	163,388	10,018	173,406	70,842	40.9

31.12.22

Asset classes									
1	Central governments and central banks	4,767		4,767	4,771	1	4,772	276	5.8
2	Banks and securities dealers	13,540	1,212	14,752	13,518	529	14,047	3,001	21.4
3	Public-sector entities and multi-lateral development banks	3,158	1,757	4,915	3,158	781	3,938	1,021	25.9
4	Corporates ²	23,309	12,769	36,078	23,311	3,003	26,314	18,699	71.1
5	Retail	7,987	3,132	11,119	7,879	199	8,079	6,078	75.2
6	Equity								
7	Other assets	13,229	245	13,474	13,229	245	13,474	12,855	95.4
7a	of which: non-counterparty related assets	13,229	245	13,474	13,229	245	13,474	12,855	95.4
7b	of which: others								
8	Total	65,990	19,115	85,105	65,866	4,758	70,624	41,930	59.4

¹ Exposures in this table represent carrying amounts in accordance with the regulatory scope of consolidation. ² Loans to corporates secured by residential real estate have been reclassified from asset class Retail to Corporates. Prior period numbers have been restated accordingly.



Exposures by asset class and risk weight

Semi-annual I The CR5 table below shows credit risk exposures under the standardized approach by asset classes and risk weights applied. Compared with 31 December 2022, exposures increased by USD 102.8bn to USD 173.4bn, predominantly driven by the acquisition of the Credit Suisse Group, which resulted in an increase of exposures by USD 100.7bn. Excluding that acquisition, exposures increased by USD 2.1bn, primarily in the Corporates asset class.

CR5: Standardized approach – exposures by asset classes and risk weights

USD m

Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post-CCF and post-CRM)	
30.6.23											
Asset classes											
1	Central governments and central banks	67,360		139		31		451	37		68,019
2	Banks and securities dealers		16,734			1,970		331	6		19,041
3	Public-sector entities and multi-lateral development banks	426		2,996		974		205	2		4,603
4	Corporates ¹			9,155	2,362	4,748	37	30,852	580	2,128 ²	49,862
5	Retail				2,635		2,405	4,769	246		10,055
6	Equity										
7	Other assets	2,309						19,508		9	21,827
7a	of which: non-counterparty related assets	1,189						18,730			19,920
7b	of which: others	1,120						778	9		1,907
8	Total	70,095	29,024	4,997	7,724	2,442	56,116	871	2,138		173,406
9	of which: secured by real estate ³			4,997	83	146	4,869				10,094
10	of which: past due ⁴						468	98			565

31.12.22

Asset classes											
1	Central governments and central banks	4,454		51		1		266			4,772
2	Banks and securities dealers			13,436		594		16			14,047
3	Public-sector entities and multi-lateral development banks	12		3,255		603		68			3,938
4	Corporates ¹			7,267	2,397	245	43	16,276	4	82 ²	26,314
5	Retail				2,731		1,018	4,270	58		8,079
6	Equity										
7	Other assets	619						12,855			13,474
7a	of which: non-counterparty related assets	619						12,855			13,474
7b	of which: others										
8	Total	5,084	24,010	5,129	1,443	1,061	33,751	63	82		70,624
9	of which: secured by real estate ³			5,129	81	99	3,690				8,998
10	of which: past due ⁴						283	115			399

1 Loans to corporates secured by residential real estate have been reclassified from asset class Retail to Corporates. Prior-period numbers have been restated accordingly. 2 Includes exposures secured by credit derivatives cleared through central counterparties risk-weighted at 2% or 4%. 3 Includes both residential mortgages and claims secured by other properties, such as commercial real estate. 4 Includes exposure to defaulted counterparties and purchased credit impaired (PCI) positions. Prior-period numbers have been restated accordingly.

Credit risk under the advanced internal ratings-based approach

Introduction

Under the A-IRB approach, the required capital for credit risk is quantified through empirical models developed by UBS Group and Credit Suisse Group to estimate the probability of default (PD), loss given default (LGD), exposure at default (EAD) and other parameters, subject to Swiss Financial Market Supervisory Authority (FINMA) approval.

Credit risk exposures by portfolio and PD range

Semi-annual I The CR6 table below provides information about credit risk exposures under the A-IRB approach, including a breakdown of the main parameters used in A-IRB models to calculate the capital requirements, presented by portfolio and PD range across FINMA-defined asset classes.

Compared with 31 December 2022, EAD post-CCF and post-CRM increased by USD 327.0bn to USD 1,035.2bn, and RWA increased by USD 91.3bn to USD 212.3bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 333.8bn in EAD post-CCF and post-CRM and USD 89.1bn in RWA. Excluding that acquisition, EAD post-CCF and post-CRM decreased by USD 6.7bn to USD 701.4bn, and RWA increased by USD 2.3bn to USD 123.2bn across various asset classes.

In the Central governments and central banks asset class, EAD post-CCF and post-CRM increased by USD 35.5bn to USD 253.2bn, and RWA increased by USD 1.1bn to USD 4.5bn, primarily driven by the acquisition of the Credit Suisse Group, with an EAD post-CRM impact of USD 48.7bn and an RWA impact of USD 1.2bn. Excluding that acquisition, EAD post-CCF and post-CRM decreased by USD 13.2bn to USD 204.5bn, primarily driven by decreases in nostros and HQLA in Group Functions.

In the Banks and securities dealers asset class, EAD post-CCF and post-CRM increased by USD 8.9bn to USD 19.8bn, and RWA increased by USD 1.3bn to USD 7.9bn, primarily driven by the acquisition of the Credit Suisse Group, with an EAD post-CCF and post-CRM impact of USD 9.7bn and an RWA impact of USD 2.2bn. Excluding that acquisition, EAD post-CCF and post-CRM decreased by USD 0.8bn to USD 10.1bn, and RWA decreased by USD 0.9bn to USD 5.7bn.

In the Public-sector entities and multi-lateral development banks asset class, EAD post-CCF and post-CRM decreased by USD 0.1bn to USD 8.6bn, and RWA increased by USD 0.1bn to USD 0.9bn, primarily driven by the acquisition of Credit Suisse Group, with an EAD post-CCF and post-CRM impact of USD 0.6bn and an RWA impact of USD 0.2bn. Excluding that acquisition, EAD post-CCF and post-CRM decreased by USD 0.7bn to USD 8.0bn, and RWA decreased by USD 0.1bn to USD 0.7bn.

In the Corporates: specialized lending asset class, EAD post-CCF and post-CRM increased by USD 32.4bn to USD 61.3bn, and RWA increased by USD 14.1bn to USD 27.3bn, primarily driven by the acquisition of the Credit Suisse Group, with an EAD post-CCF and post-CRM impact of USD 31.5bn and an RWA impact of USD 13.9bn. Excluding that acquisition, EAD post-CCF and post-CRM increased by USD 0.9bn to USD 29.7bn, primarily due to currency effects in Personal & Corporate Banking. RWA increased by USD 0.3bn to USD 13.4bn, primarily driven by currency effects and business growth in Personal & Corporate Banking.

In the Corporates: other lending asset class, EAD post-CCF and post-CRM increased by USD 78.5bn to USD 140.1bn, and RWA increased by USD 46.5bn to USD 84.5bn, primarily driven by the acquisition of the Credit Suisse Group, with an EAD post-CRM impact of USD 76.7bn and an RWA impact of USD 45.2bn. Excluding that acquisition, EAD post-CCF and post-CRM increased by USD 1.8bn to USD 63.4bn, primarily driven by an increase in loans, as well as currency effects, in Personal & Corporate Banking. RWA increased by USD 1.3bn to USD 39.3bn, primarily due to the phase-in impact related to updates to the LGD model for private equity and hedge fund financing trades in the Investment Bank.

In the Retail: residential mortgages asset class, EAD post-CCF and post-CRM increased by USD 122.2bn to USD 297.1bn, and RWA increased by USD 21.6bn to USD 60.0bn, primarily driven by the acquisition of the Credit Suisse Group, with an EAD post-CCF and post-CRM impact of USD 114.2bn and an RWA impact of USD 18.5bn. Excluding that acquisition, EAD post-CCF and post-CRM increased by USD 8.0bn to USD 182.8bn, primarily due to currency effects and business growth in Personal & Corporate Banking and Global Wealth Management. RWA increased by USD 3.1bn to USD 41.5bn, mainly reflecting currency effects.

In the Retail: qualifying revolving retail exposures (QRRE) asset class, EAD post-CCF and post-CRM increased by USD 0.8bn to USD 5.7bn, and RWA increased by USD 0.3bn to USD 1.3bn, primarily driven by the acquisition of the Credit Suisse Group, with an EAD post-CCF and post-CRM impact of USD 0.5bn and an RWA impact of USD 0.2bn. Excluding the impact of that acquisition, EAD post-CCF and post-CRM increased by USD 0.3bn to USD 5.2bn and RWA increased by USD 0.1bn to USD 1.1bn.

In the Retail: other retail asset class, EAD post-CRM increased by USD 48.8bn to USD 249.5bn, and RWA increased by USD 6.4bn to USD 26.0bn, primarily driven by the acquisition of the Credit Suisse Group, with an EAD post-CCF and post-CRM impact of USD 51.8bn and an RWA impact of USD 7.8bn. Excluding that acquisition, EAD post-CCF and post-CRM decreased by USD 3.0bn to USD 197.7bn, primarily driven by a decrease in Lombard loans in Global Wealth Management. RWA decreased by USD 1.4bn to USD 18.2bn, mainly due to the aforementioned reduction in Lombard loans.

- › Refer to the “Introduction and basis for preparation” section of the 31 March 2023 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about credit risk RWA for the first quarter of 2023, including details regarding movements in RWA

CR6: IRB – Credit risk exposures by portfolio and PD range

<i>USD m, except where indicated</i>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Total exposures pre-CCF	Average CCF in %	EAD post-CCF and post-CRM	Average PD in %	Number of obligors (in thousands) ¹	Average LGD in %	Average maturity in years	RWA	RWA density in %	EL	Provisions ²
Central Governments and central banks as of 30.6.23													
0.00 to <0.15	256,575	601	257,175	54.9	252,259	0.0	<0.1	30.0	1.1	3,492	1.4	8	
0.15 to <0.25	443	81	525	35.0	472	0.2	<0.1	50.2	1.2	158	33.4	0	
0.25 to <0.50	109	0	109	9.8	64	0.4	<0.1	53.5	1.8	44	68.7	0	
0.50 to <0.75	66	0	66	12.8	8	0.6	<0.1	44.6	1.7	5	64.8	0	
0.75 to <2.50	101	17	118	51.2	5	1.2	<0.1	17.2	3.8	4	81.5	0	
2.50 to <10.00	602	229	830	35.9	75	5.1	<0.1	50.9	2.9	140	187.9	2	
10.00 to <100.00	240	71	310	35.0	111	28.1	<0.1	62.0	1.0	380	343.7	19	
100.00 (default) ⁵	426	0	426	9.8	227	100.0	<0.1		2.8	241	106.0	5	
Subtotal	258,561	999	259,560	47.4	253,222	0.1	0.2	30.1	1.1	4,463	1.8	35	17
Central Governments and central banks as of 31.12.22													
0.00 to <0.15	214,433	2	214,435	40.3	216,920	0.0	<0.1	32.4	1.1	2,921	1.3	9	
0.15 to <0.25	810	0	810	0.0	729	0.2	<0.1	43.7	1.0	196	26.9	1	
0.25 to <0.50													
0.50 to <0.75	57	0	57	12.6	3	0.5	<0.1	17.0	3.3	1	32.0	0	
0.75 to <2.50	73	36	109	42.3	4	1.5	<0.1	34.9	3.6	5	130.5	0	
2.50 to <10.00	262	285	547	36.0	21	5.7	<0.1	46.8	2.0	36	166.8	1	
10.00 to <100.00	56	70	125	35.0	56	28.0	<0.1	75.0	1.0	232	415.8	12	
100.00 (default)	10	0	10	10.2	2	100.0	<0.1		2.9	2	106.0	5	
Subtotal	215,700	393	216,093	36.4	217,735	0.0	0.1	32.4	1.1	3,393	1.6	27	5
Banks and securities dealers as of 30.6.23													
0.00 to <0.15	12,878	1,829	14,707	55.7	15,679	0.1	1.9	52.0	0.9	2,439	15.6	5	
0.15 to <0.25	679	469	1,148	38.3	872	0.2	0.3	60.0	1.6	538	61.7	1	
0.25 to <0.50	844	346	1,189	43.1	810	0.4	0.2	60.6	1.0	628	77.6	2	
0.50 to <0.75	64	225	289	44.5	162	0.6	0.1	48.9	1.1	140	86.7	0	
0.75 to <2.50	905	969	1,874	68.2	1,439	1.5	0.2	50.9	2.0	2,012	139.8	11	
2.50 to <10.00	1,175	552	1,726	42.9	765	5.5	0.2	68.4	1.0	1,960	256.2	30	
10.00 to <100.00	116	31	147	45.9	30	13.4	<0.1	67.8	1.0	108	359.0	3	
100.00 (default) ⁵	51	0	51	0.0	51	100.0	<0.1		2.1	54	106.0		
Subtotal	16,710	4,421	21,131	53.3	19,807	0.7	3.1	53.2	1.0	7,879	39.8	51	5
Banks and securities dealers as of 31.12.22													
0.00 to <0.15	6,182	1,248	7,429	47.2	7,282	0.1	0.5	53.6	1.1	1,684	23.1	3	
0.15 to <0.25	712	380	1,092	37.3	920	0.2	0.4	56.2	1.6	514	55.9	2	
0.25 to <0.50	308	411	719	43.0	455	0.4	0.2	64.5	1.1	387	85.1	1	
0.50 to <0.75	113	121	235	51.1	167	0.6	0.1	52.1	1.1	157	93.9	1	
0.75 to <2.50	500	1,175	1,675	79.0	1,336	1.6	0.2	47.5	3.2	2,088	156.3	10	
2.50 to <10.00	797	580	1,378	43.2	655	4.6	0.2	64.7	1.0	1,533	234.1	20	
10.00 to <100.00	150	45	195	42.4	66	16.2	<0.1	68.2	2.1	263	398.4	7	
100.00 (default)													
Subtotal	8,761	3,961	12,722	54.7	10,881	0.7	1.6	54.3	1.4	6,626	60.9	44	13

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

<i>USD m, except where indicated</i>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Total exposures pre-CCF	Average CCF in %	EAD post-CCF and post-CRM	Average PD in %	Number of obligors (in thousands) ¹	Average LGD in %	Average maturity in years	RWA	RWA density in %	EL	Provisions ²
Public sector entities, multilateral developmental banks as of 30.6.23													
0.00 to <0.15	6,561	2,835	9,396	6.9	7,102	0.0	0.2	35.5	1.2	424	6.0	0	
0.15 to <0.25	340	848	1,188	12.1	449	0.2	0.2	27.2	2.5	107	23.7	0	
0.25 to <0.50	806	417	1,222	22.4	880	0.3	0.2	27.7	2.3	289	32.8	1	
0.50 to <0.75	6	4	10	46.5	8	0.7	<0.1	36.4	1.5	4	55.0	0	
0.75 to <2.50	1	1	3	5.9	1	1.2	<0.1	18.6	1.8	1	80.3	0	
2.50 to <10.00	75	111	187	45.0	128	5.2	<0.1	5.5	4.0	29	22.7	0	
10.00 to <100.00													
100.00 (default) ⁵													
Subtotal	7,790	4,215	12,005	10.5	8,567	0.1	0.6	33.8	1.4	853	10.0	3	0
Public sector entities, multilateral developmental banks as of 31.12.22													
0.00 to <0.15	7,067	614	7,682	18.7	7,263	0.0	0.2	37.9	1.1	417	5.7	1	
0.15 to <0.25	405	565	970	25.2	553	0.2	0.2	25.6	2.2	118	21.4	0	
0.25 to <0.50	741	403	1,144	22.7	827	0.3	0.2	27.2	2.2	244	29.4	1	
0.50 to <0.75	3	1	3	16.0	2	0.6	<0.1	11.2	1.8	0	14.9	0	
0.75 to <2.50													
2.50 to <10.00													
10.00 to <100.00													
100.00 (default)													
Subtotal	8,217	1,583	9,800	22.0	8,646	0.1	0.6	36.1	1.2	779	9.0	2	0
Corporates: specialized lending as of 30.6.23													
0.00 to <0.15	11,318	3,888	15,207	53.9	13,936	0.1	1.4	18.8	2.3	2,394	17.2	2	
0.15 to <0.25	5,585	2,430	8,015	44.0	6,667	0.2	0.7	21.9	2.5	1,754	26.3	2	
0.25 to <0.50	8,672	4,905	13,577	31.6	10,333	0.3	1.5	23.1	2.2	4,130	40.0	8	
0.50 to <0.75	8,088	5,145	13,232	29.7	9,596	0.6	1.0	24.1	1.8	4,692	48.9	14	
0.75 to <2.50	15,959	4,969	20,927	34.0	17,861	1.3	2.1	24.3	2.1	11,223	62.8	59	
2.50 to <10.00	2,432	550	2,983	51.4	2,717	3.3	0.4	32.1	1.5	2,918	107.4	29	
10.00 to <100.00	10	0	10		10	17.5	<0.1	24.5	1.1	16	158.5	0	
100.00 (default) ⁵	232	14	245	57.5	148	100.0	<0.1		2.3	157	106.0	118	
Subtotal	52,295	21,902	74,197	37.5	61,267	1.0	7.2	22.8	2.1	27,282	44.5	233	133
Corporates: specialized lending as of 31.12.22													
0.00 to <0.15	4,143	1,017	5,160	68.1	4,835	0.1	0.5	13.6	2.0	330	6.8	0	
0.15 to <0.25	2,597	986	3,583	50.3	2,916	0.2	0.3	23.0	2.1	630	21.6	1	
0.25 to <0.50	4,361	2,534	6,895	33.0	5,178	0.4	0.6	27.4	1.9	2,043	39.5	5	
0.50 to <0.75	3,712	2,299	6,011	35.4	4,464	0.6	0.5	26.0	1.8	2,036	45.6	7	
0.75 to <2.50	8,550	3,017	11,567	28.6	9,360	1.3	1.3	27.6	1.8	5,875	62.8	35	
2.50 to <10.00	1,810	423	2,233	55.4	2,046	3.3	0.3	35.0	1.6	2,177	106.4	23	
10.00 to <100.00	1	0	1	0.0	1	11.0	<0.1	36.0	2.5	1	169.2	0	
100.00 (default)	151	2	153	70.9	50	100.0	<0.1		4.8	53	106.0	104	
Subtotal	25,324	10,278	35,602	38.3	28,850	1.0	3.6	24.9	1.9	13,145	45.6	176	119

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

<i>USD m, except where indicated</i>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Total exposures pre-CCF	Average CCF in %	EAD post-CCF and post-CRM	Average PD in %	Number of obligors (in thousands) ¹	Average LGD in %	Average maturity in years	RWA	RWA density in %	EL	Provisions ²
Corporates: other lending as of 30.6.23													
0.00 to <0.15	28,324	70,388	98,712	26.4	48,019	0.1	12.5	39.8	2.0	10,311	21.5	11	
0.15 to <0.25	11,440	25,620	37,059	30.6	18,978	0.2	4.3	43.6	2.2	8,726	46.0	18	
0.25 to <0.50	11,035	15,284	26,319	34.4	15,881	0.4	5.3	39.2	2.2	9,279	58.4	22	
0.50 to <0.75	7,482	8,965	16,446	37.9	10,559	0.6	4.7	35.5	2.2	7,306	69.2	24	
0.75 to <2.50	20,213	15,684	35,897	39.7	24,805	1.5	13.0	34.2	2.3	20,245	81.6	123	
2.50 to <10.00	12,306	17,986	30,291	46.3	17,816	5.1	6.8	34.1	2.5	23,901	134.2	312	
10.00 to <100.00	972	717	1,688	56.7	1,165	17.6	0.4	22.9	2.6	1,699	145.8	51	
100.00 (default) ⁵	3,331	745	4,077	46.3	2,855	100.0	1.8		2.0	3,026	106.0	334	
Subtotal	95,100	155,389	250,490	32.4	140,078	3.2	48.7	37.3	2.2	84,494	60.3	895	1,066
Corporates: other lending as of 31.12.22													
0.00 to <0.15	12,395	19,869	32,264	37.5	19,348	0.1	7.3	34.7	1.8	4,308	22.3	4	
0.15 to <0.25	4,102	6,856	10,958	35.6	6,566	0.2	2.3	40.3	2.1	2,896	44.1	6	
0.25 to <0.50	5,956	6,183	12,138	35.2	7,854	0.4	3.0	36.0	2.3	4,564	58.1	10	
0.50 to <0.75	4,809	3,558	8,367	38.7	6,088	0.6	3.0	29.8	2.1	3,747	61.5	12	
0.75 to <2.50	9,866	8,132	17,998	39.9	12,159	1.4	10.7	29.0	2.1	8,305	68.3	50	
2.50 to <10.00	5,679	9,191	14,870	41.7	8,421	4.4	5.0	33.0	2.4	12,546	149.0	123	
10.00 to <100.00	327	442	770	57.8	462	15.0	0.2	23.9	1.9	869	187.9	17	
100.00 (default)	1,023	250	1,272	39.6	726	100.0	0.8		2.8	769	106.0	325	
Subtotal	44,157	54,480	98,637	38.3	61,625	2.3	32.4	32.8	2.1	38,003	61.7	546	575
Retail: residential mortgages as of 30.6.23													
0.00 to <0.15	114,036	2,575	116,612	49.8	117,265	0.1	185.0	17.8		6,305	5.4	18	
0.15 to <0.25	50,067	1,398	51,465	56.1	52,408	0.2	57.6	18.9		6,202	11.8	18	
0.25 to <0.50	62,771	1,909	64,680	54.9	65,630	0.3	74.9	20.3		12,682	19.3	45	
0.50 to <0.75	19,209	607	19,815	73.7	19,747	0.6	18.3	28.7		5,923	30.0	35	
0.75 to <2.50	28,775	2,742	31,517	59.7	30,533	1.3	31.2	31.5		16,162	52.9	129	
2.50 to <10.00	9,048	373	9,421	78.1	9,355	4.4	9.4	32.5		9,769	104.4	132	
10.00 to <100.00	1,124	24	1,148	94.5	1,152	15.2	1.0	31.1		1,970	171.1	54	
100.00 (default) ⁵	892	13	905	68.3	964	100.0	1.2			1,021	106.0	27	
Subtotal	285,923	9,640	295,562	57.3	297,054	0.8	378.5	21.1		60,034	20.2	459	225
Retail: residential mortgages as of 31.12.22													
0.00 to <0.15	76,314	1,358	77,672	53.1	77,043	0.1	139.0	18.9		3,230	4.2	13	
0.15 to <0.25	20,092	271	20,363	75.3	20,291	0.2	22.9	25.5		2,076	10.2	10	
0.25 to <0.50	26,641	489	27,130	76.6	26,994	0.4	29.3	27.5		4,770	17.7	26	
0.50 to <0.75	16,731	351	17,081	82.5	17,021	0.6	14.6	30.5		5,054	29.7	33	
0.75 to <2.50	23,178	1,390	24,568	78.9	24,273	1.3	26.2	33.8		12,966	53.4	109	
2.50 to <10.00	7,506	333	7,838	82.7	7,784	4.4	8.4	33.6		8,217	105.6	113	
10.00 to <100.00	916	20	936	97.1	936	15.1	0.9	31.4		1,598	170.8	44	
100.00 (default)	503	1	504	77.4	478	100.0	0.7			506	106.0	26	
Subtotal	171,880	4,212	176,092	70.7	174,820	0.9	242.0	24.8		38,417	22.0	374	186

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

<i>USD m, except where indicated</i>	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Total exposures pre-CCF	Average CCF in %	EAD post-CCF and post-CRM	Average PD in %	Number of obligors (in thousands) ¹	Average LGD in %	Average maturity in years	RWA	RWA density in %	EL	Provisions ²
Retail: qualifying revolving retail exposures (QRRE) as of 30.6.23													
0.00 to <0.15	264	3,739	4,003	53.1	2,249	0.0	457.4	37.5		48	2.1	0	
0.15 to <0.25	140	1,417	1,557	49.4	840	0.2	203.4	41.8		56	6.7	1	
0.25 to <0.50	175	629	804	50.9	495	0.4	97.4	45.5		65	13.1	1	
0.50 to <0.75	151	352	503	49.7	326	0.6	69.7	46.8		70	21.5	1	
0.75 to <2.50	836	750	1,586	56.0	1,279	1.3	700.5	49.3		470	36.7	8	
2.50 to <10.00	382	236	618	21.0	391	4.2	85.0	49.8		358	91.7	8	
10.00 to <100.00	69	10	79	56.0	74	19.3	16.0	56.3		183	246.9	8	
100.00 (default) ⁵	52	0	52	0.0	31	100.0	26.5			33	106.0	21	
Subtotal	2,069	7,133	9,202	51.2	5,685	1.5	1,655.9	42.9		1,284	22.6	48	34
Retail: qualifying revolving retail exposures (QRRE) as of 31.12.22													
0.00 to <0.15	245	3,628	3,873	53.0	2,169	0.0	457.1	37.4		46	2.1	0	
0.15 to <0.25	131	1,368	1,499	49.3	805	0.2	201.6	41.9		55	6.8	1	
0.25 to <0.50	163	595	758	51.1	467	0.4	95.6	45.6		62	13.3	1	
0.50 to <0.75	144	342	486	49.9	315	0.6	70.2	46.8		69	21.8	1	
0.75 to <2.50	362	706	1,069	58.0	720	1.4	143.7	49.1		295	41.0	5	
2.50 to <10.00	297	258	555	18.3	291	4.6	81.7	52.0		312	107.3	7	
10.00 to <100.00	61	10	70	56.0	66	19.3	14.7	56.2		164	249.0	7	
100.00 (default)	47	0	47	0.0	28	100.0	25.9			30	106.0	19	
Subtotal	1,450	6,907	8,357	51.2	4,861	1.4	1,090.5	41.9		1,033	21.3	40	32
Retail: other retail as of 30.6.23³													
0.00 to <0.15	142,154	417,291	559,447	15.4	206,676	0.0	512.1	35.5		11,234	5.4	29	
0.15 to <0.25	7,399	11,685	19,084	17.8	9,510	0.2	13.0	33.6		1,430	15.0	5	
0.25 to <0.50	7,833	13,741	21,574	18.2	10,339	0.4	15.7	28.5		2,198	21.3	11	
0.50 to <0.75	6,201	12,199	18,401	20.1	8,658	0.6	16.3	26.3		2,390	27.6	14	
0.75 to <2.50	7,477	10,958	18,435	21.6	9,852	1.4	113.1	37.7		5,087	51.6	50	
2.50 to <10.00	3,780	1,038	4,819	24.4	4,035	5.1	90.6	47.0		3,218	79.8	96	
10.00 to <100.00	120	76	196	25.1	139	17.6	1.0	30.9		117	84.0	8	
100.00 (default) ⁵	299	8	306	6.9	299	100.0	5.3			317	106.0	15	
Subtotal	175,263	466,997	642,260	15.8	249,508	0.3	767.1	35.0		25,993	10.4	230	34
Retail: other retail as of 31.12.22³													
0.00 to <0.15	112,246	293,242	405,488	18.2	165,459	0.0	476.9	29.2		8,095	4.9	20	
0.15 to <0.25	4,477	8,336	12,814	20.9	6,215	0.2	11.4	27.7		808	13.0	3	
0.25 to <0.50	7,096	11,982	19,078	19.1	9,379	0.4	14.4	28.1		1,982	21.1	9	
0.50 to <0.75	6,982	13,524	20,506	20.5	9,752	0.6	18.8	23.8		2,424	24.9	15	
0.75 to <2.50	6,607	8,983	15,590	22.3	8,608	1.1	34.4	39.7		4,692	54.5	37	
2.50 to <10.00	1,029	891	1,920	17.0	1,179	4.5	3.2	63.4		1,413	119.9	38	
10.00 to <100.00	62	43	105	28.4	74	19.9	1.0	27.5		59	79.2	4	
100.00 (default)	92	1	93	71.0	82	100.0	<0.1			87	106.0	10	
Subtotal	138,592	337,003	475,595	18.5	200,748	0.2	560.2	29.5		19,561	9.7	137	27
Total 30.6.23	893,712	670,695	1,564,408	21.6	1,035,187	0.9	2,861.2	29.8	1.5⁴	212,282	20.5	1,953	1,514
Total 31.12.22	614,082	418,816	1,032,899	23.0	708,165	0.6	1,930.9	30.0	1.3⁴	120,958	17.1	1,345	957

¹ Numbers of obligors represent an aggregation of the client relationships in the UBS Group excluding Credit Suisse along with the client relationships in Credit Suisse. RWA calculations are based on the applicable rules and models approved by FINMA for the respective legal entities. Refer to the "Introduction and basis for preparation" section of this report for more information about the approach applied for regulatory calculations and disclosures. ² In line with BCBS Pillar 3 disclosure requirements, provisions are only provided for the sub-totals by asset class. Provisions reflect IFRS Expected Credit Losses (ECL) accounting provisions for credit losses on A-IRB exposures. ³ The "Retail: other retail" asset class includes risk-weighted assets of USD 3.5bn related to a new model for structured margin loans and similar products in Global Wealth Management. The USD 3.5bn was phased in over five quarters until June 2022, and is related to the expected impact of the model, which is planned to be introduced in the second half of 2023. The associated changes to PD and LGD, as well as a refinement to the asset class allocation, primarily toward the corporate asset class, will only be reflected with the introduction of the new model. ⁴ Retail asset classes are excluded from the average maturity, as maturity is not relevant for risk weighting. ⁵ Includes defaulted purchased credit-impaired (PCI) positions.



Credit derivatives used as CRM techniques

Semi-annual | Where credit derivatives are used as credit risk mitigation, the PD of the obligor is in general substituted with the PD of the hedge provider. In addition, default correlation between the obligor and the hedge provider is taken into account through the double default approach. The impact of credit derivatives used as CRM techniques on internal ratings-based (IRB) credit risk has been immaterial for past reporting periods and continued to be immaterial for this reporting period. Therefore, we have discontinued the disclosure of the “CR7: IRB – effect on RWA of credit derivatives used as CRM techniques” table, in line with FINMA Circular 2016/6, general principles of disclosure.

› Refer to the “CCR6: Credit derivatives exposures” table in the “Counterparty credit risk” section of this report for notional and fair value information about credit derivatives used as CRM



RWA flow statements of credit risk exposures under IRB

Quarterly | The CR8 table below provides a breakdown of the credit risk RWA movements in the second quarter of 2023 across movement categories defined by the Basel Committee on Banking Supervision (the BCBS). These categories are described in the “Credit risk” section of the 31 December 2022 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors.

Credit risk RWA under the IRB approach increased by USD 94.3bn to USD 215.7bn during the second quarter of 2023.

The increase in RWA related to acquisitions and disposals was primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 92.5bn. The balance includes credit risk under the advanced IRB approach, as well as credit risk under the supervisory slotting approach.

The movements in asset size, asset quality and model updates are related to impacts other than the acquisition of the Credit Suisse Group.

Movements in asset size increased RWA by USD 2.0bn, mainly due to an increase in mortgage loans in Personal & Corporate Banking, as well as higher balances with central banks. This was partly offset by a reduction in loans and loan commitments to corporates in the Investment Bank.

Movements in asset quality, including changes in risk density across the overall portfolio, decreased RWA by USD 2.3bn, mainly due to an improvement in the risk profile in the Investment Bank, partly offset by a slight deterioration in the risk profile related to mortgage portfolios in Personal & Corporate Banking and Global Wealth Management.

Model updates resulted in an increase of USD 0.9bn, primarily driven by a USD 0.6bn quarterly phase-in impact related to the LGD model for private equity and hedge fund financing trades, and a USD 0.6bn increase related to a model update for income-producing real estate.

CR8: RWA flow statements of credit risk exposures under IRB

<i>USD m</i>		For the quarter ended 30.6.23	For the quarter ended 31.3.23
1	RWA as of the beginning of the quarter	121,417	120,958
2	Asset size	2,042	(4,920)
3	Asset quality	(2,320)	3,339
4	Model updates	933	1,346
5	Methodology and policy		
5a	<i>of which: regulatory add-ons</i>		
6	Acquisitions and disposals	92,486	
6a	<i>of which: acquisition of Credit Suisse Group</i>	92,486	
6b	<i>of which: other</i>		
7	Foreign exchange movements	1,156	694
8	Other		
9	RWA as of the end of the quarter	215,714	121,417

Semi-annual I The table below provides information about specialized lending exposures, subject to the supervisory slotting approach. Exposures related to specialized lending for the UBS Group excluding Credit Suisse are included in CR6: IRB – Credit risk exposures by portfolio and PD range.

CR10: Specialized lending

<i>USD m, except where indicated</i>		On-balance sheet amount	Off-balance sheet amount	Risk weight in %	Exposure amount ¹	RWA	EL
30.6.23							
Other than high-volatility commercial real estate							
Regulatory categories and remaining maturity							
Strong	Less than 2.5 years	719	63	50	749	397	
	Equal to or more than 2.5 years	298	555	70	574	426	2
Good	Less than 2.5 years	1,296	214	70	1,387	1,029	6
	Equal to or more than 2.5 years	591	136	90	640	610	5
Satisfactory		731	139	115 ²	753	918	21
Weak		7	27	250	20	52	2
Default		165	0		165	0	83
Total		3,806	1,134		4,287	3,432	118
High-volatility commercial real estate							
Regulatory categories and remaining maturity							
Strong	Less than 2.5 years			70			
	Equal to or more than 2.5 years			95			
Good	Less than 2.5 years			95			
	Equal to or more than 2.5 years			120			
Satisfactory				140 ²			
Weak				250			
Default			2		1		1
Total			2		1		1

¹ Exposure amounts in connection with income-producing real estate. ² For a portion of the exposure, a risk weight of 120% is applied.

Equity exposures

Semi-annual I The table below provides information about our equity exposures under the simple risk-weight method.

CR10: IRB (equities under the simple risk-weight method)

<i>USD m, except where indicated</i>		On-balance sheet amount	Off-balance sheet amount	Risk weight in % ¹	Exposure amount ²	RWA ¹
30.6.23						
Exchange-traded equity exposures		33		300	33	106
Other equity exposures		1,739		400	1,739	7,371
Total		1,772			1,772	7,477
31.12.22						
Exchange-traded equity exposures		10		300	10	33
Other equity exposures		881		400	881	3,735
Total		891			891	3,768

¹ RWA are calculated post-application of the A-IRB multiplier of 6%, therefore the respective risk weight is higher than 300% and 400%. ² The exposure amount for equities in the banking book is based on the net position.

Counterparty credit risk

Introduction

Semi-annual I This section provides information about the exposures subject to the Basel III counterparty credit risk (CCR) framework. CCR arises from over-the-counter (OTC) derivatives and exchange-traded derivatives (ETDs), securities financing transactions (SFTs), and long settlement transactions. We determine the regulatory credit exposure on the majority of our derivatives portfolio by applying the internal model method. For the rest of the derivatives portfolio we apply the standardized approach for counterparty credit risk (SA-CCR). For the majority of SFTs we determine the regulatory credit exposure using the value-at-risk (VaR) approach. For the rest of the SFTs portfolio we apply the comprehensive approach for credit risk mitigation (CRM). ▲

Counterparty credit risk exposure

Semi-annual I The CCR1 table below presents the methods used to calculate CCR exposure. Compared with 31 December 2022, CCR exposure increased by USD 26.5bn, primarily due to the acquisition of the Credit Suisse Group, which resulted in an increase of USD 30.0bn. Excluding that acquisition, CCR exposure decreased by USD 3.6bn, primarily on SFTs.

CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

<i>USD m, except where indicated</i>	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
30.6.23						
1 SA-CCR (for derivatives)	4,274	8,250		1.4	17,533	7,495
2 Internal model method (for derivatives)			35,432	1.6 ¹	56,609	19,761
3 Simple approach for credit risk mitigation (for SFTs)						
4 Comprehensive approach for credit risk mitigation (for SFTs)					18,859	4,463
5 VaR (for SFTs)					41,840	8,314
6 Total					134,841	40,033
31.12.22						
1 SA-CCR (for derivatives)	3,843	5,073		1.4	12,483	5,326
2 Internal model method (for derivatives)			27,400	1.6 ¹	43,840	16,066
3 Simple approach for credit risk mitigation (for SFTs)						
4 Comprehensive approach for credit risk mitigation (for SFTs)					14,311	3,959
5 VaR (for SFTs)					37,754	9,273
6 Total					108,387	34,624

¹ A conservative treatment for the purpose of calculating exposure profiles is applied to material trades with wrong-way risk features, along with alpha factor of 1.0.

Semi-annual I The CCR2 table below presents the credit valuation adjustment (CVA) capital charge with a breakdown by standardized and advanced approaches. In addition to the default risk capital requirements for CCR on derivatives, we add a CVA capital charge to cover the risk of mark-to-market losses associated with the deterioration of counterparty credit quality. The advanced CVA VaR approach has been used to calculate the CVA capital charge for the majority of derivatives. Where this is not feasible, the standardized CVA approach has been used.

Compared with 31 December 2022, CVA risk-weighted assets (RWA) increased by USD 5.0bn to USD 9.3bn, primarily related to the acquisition of the Credit Suisse Group, which resulted in an increase of USD 5.1bn.

CCR2: Credit valuation adjustment (CVA) capital charge

<i>USD m</i>	30.6.23		31.12.22	
	EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the advanced CVA capital charge	58,493	6,246	42,687	1,526
1 (i) VaR component (including the 3× multiplier)		1,254		208
2 (ii) Stressed VaR component (including the 3× multiplier)		4,992		1,317
3 All portfolios subject to the standardized CVA capital charge	13,694	3,089	12,176	2,784
4 Total subject to the CVA capital charge	72,187	9,335	54,863	4,310

Semi-annual | We have discontinued the disclosure of the “CCR3: Standardized approach – CCR exposures by regulatory portfolio and risk weights” table, starting with the 31 December 2022 Pillar 3 Report, on the grounds of materiality. The majority of our CCR exposures are subject to internal ratings-based (IRB) risk weights or disclosed separately when related to central counterparties. Our CCR exposures subject to standardized risk weights amounted to USD 10.4bn.

- › **Refer to the “CCR4: IRB – CCR exposures by portfolio and PD scale” table and the “CCR8: exposures to central counterparties” in this section for more information about counterparty credit risk exposures subject to IRB risk weights and central counterparties, respectively**

Semi-annual | The CCR4 table below provides a breakdown of the key parameters used for the calculation of capital requirements under the advanced internal ratings-based (A-IRB) approach across Swiss Financial Market Supervisory Authority (FINMA)-defined asset classes. ▲

Compared with 31 December 2022, exposure at default (EAD) post-CRM increased by USD 18.3bn to USD 124.4bn across the various asset classes, and RWA increased by USD 3.7bn to USD 36.2bn. These increases were primarily driven by the acquisition of the Credit Suisse Group, which resulted in increases of USD 22.5bn in EAD post-CRM and USD 5.9bn in RWA. Excluding that acquisition, EAD post-CRM decreased by USD 4.2bn, and RWA decreased by USD 2.2bn.

In the Central governments and central banks asset class, EAD post-CRM decreased by USD 4.0bn to USD 9.8bn, and RWA decreased by USD 0.3bn to USD 0.8bn, including an increase of USD 0.9bn in EAD post-CRM and USD 0.1bn in RWA related to the acquisition of the Credit Suisse Group. Excluding that acquisition, EAD post-CRM decreased by USD 4.9bn, mainly driven by exposure decreases in SFTs and foreign-exchange derivatives, mainly in the Investment Bank.

In the Banks and securities dealers asset class, EAD post-CRM increased by USD 9.3bn to USD 32.2bn, and RWA increased by USD 2.6bn to USD 8.8bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in increases of USD 8.7bn in EAD post-CRM and USD 2.4bn in RWA. Excluding that acquisition, EAD post-CRM increased by USD 0.6bn, and RWA increased by USD 0.2bn.

In the Public-sector entities and multi-lateral development banks asset class, EAD post-CRM increased by USD 0.2bn to USD 0.7bn, and RWA slightly increased to USD 0.1bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in increase of USD 0.1bn in EAD post-CRM.

In the Corporates: including specialized lending asset class, EAD post-CRM increased by USD 10.2bn to USD 72.9bn, and RWA increased by USD 1.1bn to USD 25.6bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in increases of USD 10.7bn in EAD post-CRM and USD 3.2bn in RWA. Excluding that acquisition, RWA decreased by USD 2.1bn, mainly due to a decrease in SFTs, primarily as a result of lower volatility reflected in the VaR model and an improvement in the risk profile, as well as model updates impacting derivatives and SFTs.

In the Retail: other retail asset class, EAD post-CRM increased by USD 2.7bn to USD 8.9bn, and RWA increased by USD 0.2bn to USD 1.0bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in increases of USD 2.2bn in EAD post-CRM and USD 0.2bn in RWA. Excluding that acquisition, EAD post-CRM increased by USD 0.5bn, mainly driven by an increase in derivatives in Global Wealth Management.

- › **Refer to the “CCR7: RWA flow statements of CCR exposures under internal model method (IMM) and value-at-risk (VaR)” table in this section for more information about RWA, including details of movements in CCR RWA**

CCR4: IRB – CCR exposures by portfolio and PD scale

<i>USD m, except where indicated</i>	EAD post-CRM	Average PD in %	Number of obligors (in thousands) ⁵	Average LGD in %	Average maturity in years ¹	RWA	RWA density in %
Central governments and central banks as of 30.6.23							
0.00 to <0.15	9,036	0.0	0.2	43.6	0.7	390	4.3
0.15 to <0.25	408	0.2	< 0.1	48.0	0.4	96	23.5
0.25 to <0.50	316	0.3	< 0.1	84.6	1.0	267	84.7
0.50 to <0.75	0	0.7	< 0.1	60.0	2.5	0	113.1
0.75 to <2.50	2	1.6	< 0.1	65.0	1.0	3	136.2
2.50 to <10.00	2	2.6	< 0.1	70.5	1.0	3	179.1
10.00 to <100.00							
100.00 (default)							
Subtotal	9,764	0.0	0.2	45.1	0.7	759	7.8
Central governments and central banks as of 31.12.22							
0.00 to <0.15	13,058	0.0	0.1	46.2	0.6	572	4.4
0.15 to <0.25	248	0.2	< 0.1	52.2	0.4	63	25.4
0.25 to <0.50	482	0.3	< 0.1	93.3	0.6	434	90.0
0.50 to <0.75							
0.75 to <2.50	15	1.1	< 0.1	95.0	0.2	21	142.1
2.50 to <10.00							
10.00 to <100.00							
100.00 (default)							
Subtotal	13,802	0.0	0.1	48.0	0.6	1,089	7.9
Banks and securities dealers as of 30.6.23							
0.00 to <0.15	25,860	0.1	0.6	52.4	0.8	5,033	19.5
0.15 to <0.25	3,297	0.2	0.2	49.9	0.9	1,321	40.1
0.25 to <0.50	1,563	0.4	0.1	53.5	1.0	960	61.4
0.50 to <0.75	462	0.6	< 0.1	53.7	1.1	412	89.2
0.75 to <2.50	728	1.3	0.1	55.8	0.7	846	116.3
2.50 to <10.00	271	4.0	< 0.1	15.2	1.6	193	71.3
10.00 to <100.00	1	14.3	< 0.1	50.0	0.5	2	265.1
100.00 (default)							
Subtotal	32,180	0.2	1.2	52.0	0.8	8,767	27.2
Banks and securities dealers as of 31.12.22							
0.00 to <0.15	16,205	0.1	0.3	49.9	0.7	2,960	18.3
0.15 to <0.25	3,876	0.2	0.2	48.4	0.7	1,390	35.9
0.25 to <0.50	1,713	0.4	0.1	53.0	0.6	802	46.8
0.50 to <0.75	431	0.6	< 0.1	56.3	0.7	286	66.3
0.75 to <2.50	553	1.2	< 0.1	59.5	0.7	660	119.4
2.50 to <10.00	95	4.2	< 0.1	85.5	0.3	78	82.5
10.00 to <100.00							
100.00 (default)							
Subtotal	22,872	0.2	0.9	50.4	0.7	6,176	27.0

CCR4: IRB – CCR exposures by portfolio and PD scale (continued)

<i>USD m, except where indicated</i>	EAD post-CRM	Average PD in %	Number of obligors (in thousands) ⁵	Average LGD in %	Average maturity in years ¹	RWA	RWA density in %
Public-sector entities and multi-lateral development banks as of 30.6.23							
0.00 to <0.15	603	0.0	< 0.1	48.5	1.3	69	11.5
0.15 to <0.25	84	0.2	< 0.1	33.0	1.3	15	17.9
0.25 to <0.50	1	0.4	< 0.1	100.0	1.3	1	87.6
0.50 to <0.75	0	0.6	< 0.1	100.0	1.0	0	112.5
0.75 to <2.50	0	1.9	< 0.1	5.0	1.0	0	8.9
2.50 to <10.00							
10.00 to <100.00							
100.00 (default)							
Subtotal	688	0.1	< 0.1	46.6	1.3	85	12.4
Public-sector entities and multi-lateral development banks as of 31.12.22							
0.00 to <0.15	438	0.0	< 0.1	51.5	0.9	45	10.2
0.15 to <0.25	97	0.2	< 0.1	37.6	1.3	20	20.6
0.25 to <0.50	1	0.4	< 0.1	88.3	1.5	1	82.0
0.50 to <0.75	0	0.6	< 0.1	35.0	1.0	0	39.4
0.75 to <2.50	0	1.9	< 0.1	5.0	1.0	0	8.9
2.50 to <10.00							
10.00 to <100.00							
100.00 (default)							
Subtotal	536	0.1	< 0.1	49.1	1.0	66	12.2
Corporates: including specialized lending as of 30.6.23²							
0.00 to <0.15	50,828	0.0	13.8	36.0	0.5	6,168	12.1
0.15 to <0.25	8,271	0.2	2.4	47.0	0.7	3,762	45.5
0.25 to <0.50	4,303	0.4	0.8	82.0	0.6	5,283	122.8
0.50 to <0.75	2,290	0.6	0.8	59.5	0.8	3,239	141.5
0.75 to <2.50	4,433	1.3	1.3	32.4	0.5	4,239	95.6
2.50 to <10.00	2,749	4.2	0.3	21.9	0.8	2,825	102.8
10.00 to <100.00	15	16.4	< 0.1	36.9	1.0	28	183.8
100.00 (default)	5	100.0	< 0.1		1.5	6	106.0
Subtotal	72,896	0.3	19.5	39.9	0.6	25,550	35.0
Corporates: including specialized lending as of 31.12.22²							
0.00 to <0.15	43,162	0.0	11.5	34.3	0.5	5,820	13.5
0.15 to <0.25	7,559	0.2	2.1	53.0	0.6	4,154	54.9
0.25 to <0.50	3,206	0.4	0.6	91.7	0.7	4,828	150.6
0.50 to <0.75	1,857	0.6	0.6	79.0	0.7	3,478	187.3
0.75 to <2.50	4,933	1.2	1.0	35.0	0.4	4,454	90.3
2.50 to <10.00	1,938	3.8	0.1	17.8	1.3	1,675	86.4
10.00 to <100.00							
100.00 (default)	6	100.0	< 0.1		2.5	6	106.0
Subtotal	62,660	0.3	15.8	40.4	0.5	24,416	39.0
Retail: other retail as of 30.6.23³							
0.00 to <0.15	7,028	0.0	17.9	38.8		377	5.4
0.15 to <0.25	269	0.2	0.4	31.6		40	14.8
0.25 to <0.50	441	0.3	0.4	33.4		111	25.1
0.50 to <0.75	320	0.6	0.3	29.4		104	32.5
0.75 to <2.50	664	1.1	1.2	35.7		332	49.9
2.50 to <10.00	135	3.8	0.1	24.9		63	46.7
10.00 to <100.00	21	20.8	< 0.1	21.7		13	62.1
100.00 (default)							
Subtotal	8,879	0.3	20.4	37.5		1,040	11.7
Retail: other retail as of 31.12.22							
0.00 to <0.15	4,680	0.0	16.0	29.4		214	4.6
0.15 to <0.25	148	0.2	1.0	30.2		21	14.0
0.25 to <0.50	260	0.3	1.2	28.0		58	22.3
0.50 to <0.75	295	0.6	1.9	27.6		89	30.2
0.75 to <2.50	686	1.1	1.3	35.7		315	45.9
2.50 to <10.00	99	3.4	0.2	30.4		57	57.3
10.00 to <100.00	21	15.3	0.1	41.9		37	175.9
100.00 (default)							
Subtotal	6,189	0.3	21.8	30.0		791	12.8
Total 30.6.23	124,407	0.3	41.4	43.3	0.7⁴	36,200	29.1
Total 31.12.22	106,060	0.2	38.7	43.0	0.6⁴	32,538	30.7

1 Average maturity for defaulted exposures disclosed in the table is not used to calculate RWA. 2 Includes exposures to managed funds. 3 From 30 June 2023 onward, we have further refined the limit information for Lombard trading clients, which has resulted in a change in the overall numbers of obligors. 4 Retail asset classes are excluded from the average maturity, as they are not subject to maturity treatment. 5 Numbers of obligors represent an aggregation of the client relationships in the UBS Group excluding Credit Suisse along with the client relationships in Credit Suisse. RWA calculations are based on the applicable rules and models approved by FINMA for the respective legal entities.



Semi-annual | The CCR5 table below presents a breakdown of collateral posted or received relating to CCR exposures from derivative transactions and SFTs.

Compared with 31 December 2022, the fair value of collateral received for derivatives increased by USD 47.8bn to USD 126.1bn, and the fair value of collateral posted for derivatives increased by USD 37.8bn to USD 97.4bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 52.4bn in the fair value of collateral received and an increase of USD 33.8bn in the fair value of collateral posted. Excluding that acquisition, the fair value of collateral received decreased by USD 4.6bn, primarily reflecting maturing transactions. The fair value of collateral posted increased by USD 4.0bn, mainly related to equity securities in Group Treasury.

The fair value of collateral received for SFTs increased by USD 136.3bn to USD 696.1bn, and the fair value of collateral posted for SFTs increased by USD 133.8bn to USD 565.3bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 105.3bn in the fair value of collateral received and an increase of USD 105.3bn in the fair value of collateral posted. Excluding that acquisition, the fair value of collateral received increased by USD 31.0bn, and the fair value of collateral posted increased by USD 28.5bn, mainly related to the increases in equity securities primarily in the Investment Bank, due to an increase in client activity levels.

CCR5: Composition of collateral for CCR exposure¹

USD m	Collateral used in derivative transactions						Collateral used in SFTs	
	Fair value of collateral received			Fair value of posted collateral			Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Total	Segregated	Unsegregated	Total		
30.6.23								
Cash – domestic currency	1,282	31,074	32,356	2,009	21,879	23,888	43,268	99,218
Cash – other currencies	0	27,913	27,913	5,292	26,270	31,563	24,792	55,218
Sovereign debt	11,955	15,273	27,228	12,614	12,845	25,459	286,534	175,448
Other debt securities	2,074	13,492	15,567	2,779	1,274	4,053	69,461	50,695
Equity securities	5,498	12,645	18,143	2,509	9,854	12,363	243,118	174,188
Other collateral ²	1,115	3,763	4,878	0	32	32	28,895	10,561
Total	21,924	104,160	126,084	25,203	72,155	97,358	696,068	565,328

31.12.22

Cash – domestic currency	1,904	28,136	30,040	1,719	11,627	13,346	33,378	56,422
Cash – other currencies	0	20,408	20,408	4,895	16,856	21,750	13,950	32,551
Sovereign debt	9,446	9,500	18,947	5,243	9,294	14,537	219,698	153,964
Other debt securities	1,443	2,866	4,308	235	1,600	1,835	53,981	32,922
Equity securities	3,650	271	3,921	1,659	6,122	7,781	210,316	147,128
Other collateral ²	653	1	654	0	287	287	28,449	8,502
Total	17,096	61,181	78,277	13,751	45,786	59,537	559,773	431,488

¹ This table includes collateral received and posted with and without the right of rehypothecation, but excludes securities placed with central banks related to undrawn credit lines and for payment, clearing and settlement purposes for which there were no associated liabilities or contingent liabilities. ² Includes fund investments, asset-backed securities, and mortgage-backed securities. The comparative period has been adjusted accordingly.

Semi-annual | The CCR6 table below presents an overview of credit risk protection bought or sold through credit derivatives. ▲

Compared with 31 December 2022, notionals for credit derivatives increased by USD 155.7bn to USD 201.2bn for protection bought and by USD 147.9bn to USD 189.5bn for protection sold, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 149.8bn for protection bought and USD 140.0bn for protection sold. Excluding that acquisition, notionals for credit derivatives increased by USD 5.9bn for protection bought and by USD 7.8bn for protection sold, primarily driven by single-name credit default swaps and index credit default swaps, mostly due to higher trading volumes in Group Treasury and the Investment Bank.

CCR6: Credit derivatives exposures

USD m	30.6.23		31.12.22	
	Protection bought	Protection sold	Protection bought	Protection sold
Notionals¹				
Single-name credit default swaps	86,437	86,737	20,257	22,545
Index credit default swaps	108,264	100,605	22,824	18,687
Total return swaps	3,165	1,597	794	413
Credit options	3,355	558	1,693	0
Total notionals	201,221	189,498	45,567	41,645
Fair values				
Positive fair value (asset)	2,784	2,612	568	482
Negative fair value (liability)	3,400	2,846	577	632

¹ Includes notional amounts for client-cleared transactions. ▲

Counterparty credit risk risk-weighted assets

Quarterly | The CCR7 table below presents a flow statement explaining changes in CCR RWA determined under the IMM for derivatives and the VaR approach for SFTs.

CCR RWA on derivatives under the IMM increased by USD 4.4bn to USD 20.3bn during the second quarter of 2023. This included USD 4.3bn of RWA related to the acquisition of the Credit Suisse Group. Excluding the impact of that acquisition, asset size movements contributed to an increase of USD 2.9bn, mainly due to mark-to-market movements, as well as higher client activity levels. Asset quality movements contributed to an RWA decrease of USD 1.5bn, mainly due to an improvement in the risk profile of the Investment Bank. Model updates resulted in a decrease of USD 1.2bn, primarily driven by a decrease of USD 0.8bn related to the recalibration of certain multipliers as a result of improvements to models, as well as a USD 0.7bn decrease related to updates to the IMM for derivatives. These decreases were partly offset by an increase of USD 0.3bn related to a model update for hedge funds.

CCR RWA on SFTs under the VaR approach increased by USD 1.1bn to USD 8.5bn during the second quarter of 2023. This included USD 1.6bn of RWA related to the acquisition of the Credit Suisse Group. Excluding the impact of that acquisition, asset size movements contributed to a decrease of USD 0.7bn, mainly due to lower SFT exposures in the Investment Bank.

› Refer to “Definitions of credit risk and counterparty credit risk RWA movement table components for CR8 and CCR7” in the “Credit risk” section of the 31 December 2022 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for definitions of CCR RWA movement table components

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

USD m	For the quarter ended 30.6.23			For the quarter ended 31.3.23		
	Derivatives	SFTs	Total	Derivatives	SFTs	Total
	Subject to IMM	Subject to VaR		Subject to IMM	Subject to VaR	
1 RWA as of the beginning of the quarter	15,921	7,402	23,324	16,438	9,421	25,859
2 Asset size	2,856	(746)	2,109	(224)	(1,090)	(1,314)
3 Credit quality of counterparties	(1,515)	121	(1,394)	(213)	(1,039)	(1,251)
4 Model updates	(1,246)	62	(1,184)	(124)	91	(33)
5 Methodology and policy						
5a of which: regulatory add-ons						
6 Acquisitions and disposals	4,321	1,631	5,952			
6a of which: acquisition of Credit Suisse Group	4,321	1,631	5,952			
6b of which: other						
7 Foreign exchange movements	(8)	2	(6)	45	19	63
8 Other						
9 RWA as of the end of the quarter	20,329	8,472	28,801	15,921	7,402	23,324

Semi-annual | The CCR8 table below presents a breakdown of exposures to central counterparties and related RWA. Compared with 31 December 2022, exposures to qualifying central counterparties increased by USD 21.7bn to USD 75.6bn, primarily related to the acquisition of the Credit Suisse Group, which resulted in an increase of USD 13.0bn. Excluding that acquisition, exposures to qualifying central counterparties increased by USD 8.7bn to USD 62.6bn, mainly reflecting market-driven movements in the Investment Bank.

CCR8: Exposures to central counterparties

USD m	30.6.23		31.12.22	
	EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
1 Exposures to QCCPs (total) ¹	75,625	2,375	53,936	1,374
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	45,088	828	31,367	554
3 (i) OTC derivatives	5,796	110	6,053	116
4 (ii) Exchange-traded derivatives	30,737	546	17,442	281
5 (iii) Securities financing transactions	8,555	171	7,872	157
6 (iv) Netting sets where cross-product netting has been approved				
7 Segregated initial margin				
8 Non-segregated initial margin ²	26,184	140	20,720	84
9 Pre-funded default fund contributions	4,353	1,408	1,849	737
10 Unfunded default fund contributions				
11 Exposures to non-QCCPs (total)	514	714	438	633
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	472	472	397	397
13 (i) OTC derivatives			0	0
14 (ii) Exchange-traded derivatives	459	459	378	378
15 (iii) Securities financing transactions	13	13	19	19
16 (iv) Netting sets where cross-product netting has been approved				
17 Segregated initial margin				
18 Non-segregated initial margin ²	10	10	11	11
19 Pre-funded default fund contributions	18	51	16	49
20 Unfunded default fund contributions ³	15	182	14	176

1 Qualifying central counterparties (QCCPs) are entities licensed by regulators to operate as CCPs and meet the requirements outlined in FINMA Circular 2017/7. 2 Exposures associated with initial margin, where the exposures are measured under the IMM or the VaR approach, have been included within the exposures for trades (refer to line 2 for QCCPs and line 12 for non-QCCPs). The exposures for non-segregated initial margin (refer to line 8 for QCCPs and line 18 for non-QCCPs), i.e., not bankruptcy-remote in accordance with FINMA Circular 2017/7, reflect the replacement costs under SA-CCR multiplied by an alpha factor of 1.4. The RWA reflect the exposure multiplied by the applied risk weight of derivatives. Under SA-CCR, collateral posted to a segregated, bankruptcy-remote account does not increase the value of replacement costs. 3 Excludes unfunded default fund contributions that are not subject to RWA calculations in line with regulatory guidance.

Securitizations

Introduction

Semi-annual I This section provides details about traditional and synthetic securitization exposures in the banking and trading books based on the Basel III securitization framework. In a traditional securitization a pool of loans (or other debt obligations) is typically transferred to structured entities that have been established to own the loan pool and to issue tranching securities to third-party investors referencing this pool of loans. In a synthetic securitization legal ownership of securitized pools of assets is typically retained, but associated credit risk is transferred to structured entities, typically through guarantees, credit derivatives or credit-linked notes. In both traditional and synthetic securitizations risk is dependent on the seniority of the retained interest and the performance of the underlying asset pool.

Regulatory capital treatment of securitization structures

For banking book securitizations, the regulatory capital requirements are calculated using the following hierarchy of approaches: the securitization internal ratings-based approach (SEC-IRBA), the securitization external ratings-based approach (SEC-ERBA), or the securitization standardized approach (SEC-SA). Otherwise, a 1,250% risk-weight is applied as a fallback. External ratings used in regulatory capital calculations for securitization risk exposures in the banking book are obtained from Fitch, Moody's or S&P.

For trading book securitizations, the regulatory capital requirements are calculated using a ratings-based approach, the supervisory formula approach or the weighted-average risk-weight approach. ▲

Securitization exposures in the banking and trading books

Semi-annual I The SEC1 and SEC2 tables show the balance sheet carrying values of securitization exposures in the banking and trading books as of 30 June 2023 and 31 December 2022, respectively. The securitization activity is further broken down by role (originator, sponsor or investor) and by securitization type (traditional or synthetic). For synthetic securitization transactions, the amounts disclosed reflect the securitization exposure retained by us. The SEC3 and SEC4 tables provide the regulatory capital requirements associated with the banking book securitization exposures differentiated by our role in the securitization.

Development of securitization exposures in the first half of 2023

Compared with 31 December 2022, securitization exposures in the banking book increased by USD 62.5bn to USD 63.9bn, mainly driven by the increase in assets due to the acquisition of the Credit Suisse Group, which resulted in an increase of USD 61.8bn. The majority of the exposure acquired from the Credit Suisse Group relates to synthetic wholesale positions, where the Credit Suisse Group acted as originator, and traditional wholesale and retail positions where the Credit Suisse Group acted as an investor. Excluding the aforementioned acquisition, banking book exposures related mainly to traditional wholesale securitizations where the UBS Group acts as an investor increased by USD 0.6bn, while corresponding RWA increased by USD 0.3bn.

Compared with 31 December 2022, securitization exposures in the trading book increased by USD 0.1bn to USD 0.7bn, mainly driven by the increase in assets due to the acquisition of the Credit Suisse Group, which resulted in an increase of USD 0.4bn. The majority of the exposure acquired from the Credit Suisse Group relates to traditional wholesale and traditional retail positions where the Credit Suisse Group acted as an investor. Excluding the aforementioned acquisition, trading book exposures decreased by USD 0.3bn, while corresponding RWA decreased by USD 0.06bn, mainly related to traditional wholesale exposures where the UBS Group acts as an investor. ▲

SEC1: Securitization exposures in the banking book

USD m	Bank acts as originator			Bank acts as sponsor			Bank acts as investor			Total
	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	
30.6.23										
Asset classes										
1 Retail (total)	384	498	882	539		539	9,431		9,431	10,851
2 of which: residential mortgage		451	451				2,505		2,505	2,956
3 of which: credit card receivables				221		221	869		869	1,090
4 of which: other retail exposures ¹	384	46	430	318		318	6,056		6,056	6,805
5 Wholesale (total)	721	40,094	40,815	1,649		1,649	10,477		10,477	52,942
6 of which: loans to corporates or SME		28,758	28,758	148		148	3,287		3,287	32,193
7 of which: commercial mortgage		11,227	11,227				1,037		1,037	12,264
8 of which: lease and receivables				850		850	3,406		3,406	4,256
9 of which: other wholesale	721	109	830	651		651	2,748		2,748	4,229
10 Re-securitization	9		9				133		133	142
Total securitization / re-securitization										
11 (including retail and wholesale)	1,114	40,592	41,706	2,189		2,189	20,041		20,041	63,935
31.12.22										
Asset classes										
1 Retail (total)							2		2	2
2 of which: residential mortgage							2		2	2
3 of which: credit card receivables										
4 of which: other retail exposures ¹										
5 Wholesale (total)							1,424		1,424	1,424
6 of which: loans to corporates or SME										
7 of which: commercial mortgage										
8 of which: lease and receivables										
9 of which: other wholesale							1,424		1,424	1,424
10 Re-securitization										
Total securitization / re-securitization										
11 (including retail and wholesale)							1,425		1,425	1,425

¹ Includes unsecured consumer loans, solar leases and automobile loans.

SEC2: Securitization exposures in the trading book

USD m	Bank acts as originator			Bank acts as sponsor			Bank acts as investor			Total			
	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal	Traditional	Synthetic	Subtotal				
30.6.23													
Asset classes													
1	Retail (total)				2		2	117	15	132	135		
2	<i>of which: residential mortgage</i>				2		2	27	15	42	45		
4	<i>of which: other retail exposures¹</i>							90		90	90		
5	Wholesale (total)			48	4	52	35	1	36	358	61	419	506
6	<i>of which: loans to corporates or SME</i>									258	0	258	258
7	<i>of which: commercial mortgage</i>			48		48	35	1	36	100	61	161	244
9	<i>of which: other wholesale</i>				4	4							4
10	Re-securitization				10	10				12		12	22
Total securitization / re-securitization													
11	(including retail and wholesale)			48	14	62	37	1	38	487	76	563	664
31.12.22													
Asset classes													
1	Retail (total)			1		1	3		3	8	1	9	12
2	<i>of which: residential mortgage</i>			1		1	3		3	8	1	9	12
4	<i>of which: other retail exposures¹</i>												
5	Wholesale (total)			103	4	107	41		41	330	43	373	520
6	<i>of which: loans to corporates or SME</i>												
7	<i>of which: commercial mortgage</i>			103		103	41		41	330	43	373	516
9	<i>of which: other wholesale</i>				4	4							4
10	Re-securitization				10	10							11
Total securitization / re-securitization													
11	(including retail and wholesale)			103	14	118	43		43	339	44	382	543

¹ Includes unsecured consumer loans, solar leases and automobile loans.

SEC4: Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as investor

USD m	Total exposure values	Exposure values (by RW bands)				Exposure values (by regulatory approach)				Total RWA	RWA (by regulatory approach)				Total capital charge after cap	Capital charge after cap				
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA		1250%	SEC-IRBA	SEC-ERBA	SEC-SA		1250%	SEC-IRBA	SEC-ERBA	SEC-SA	1250%
30.6.23																				
Asset classes																				
1 Total exposures	20,041	15,330	3,352	903	440	16	943	628	18,454	16	6,002	141	243	5,408	209	375	11	19	327	16
2 Traditional securitization	20,041	15,330	3,352	903	440	16	943	628	18,454	16	6,002	141	243	5,408	209	375	11	19	327	16
3 of which: securitization	19,908	15,330	3,352	772	440	15	943	628	18,323	15	5,849	141	243	5,277	187	363	11	19	317	15
4 of which: retail underlying	9,430	6,623	2,590	199	18	1		169	9,261	1	1,862		64	1,783	15	149		5	143	1
5 of which: wholesale	10,477	8,707	762	573	422	14	943	459	9,062	14	3,987	141	179	3,494	172	213	11	14	174	14
6 of which: re-securitization	133			131		2			131	2	153			131	21	12			10	2
7 of which: senior	133			131		2			131	2	153			131	21	12			10	2
8 of which: non-senior																				
9 Synthetic securitization																				
10 of which: securitization																				
11 of which: retail underlying																				
12 of which: wholesale																				
13 of which: re-securitization																				
14 of which: senior																				
15 of which: non-senior																				

31.12.22

Asset classes																				
1 Total exposures	1,425	1,345	77			3		80	1,342	3	271		28	201	42	22		2	16	3
2 Traditional securitization	1,425	1,345	77			3		80	1,342	3	271		28	201	42	22		2	16	3
3 of which: securitization	1,425	1,345	77			3		80	1,342	3	271		28	201	42	22		2	16	3
4 of which: retail underlying	2					2				2	22				22	2				2
5 of which: wholesale	1,424	1,345	77			2		80	1,342	2	249		28	201	20	20		2	16	2
6 of which: re-securitization																				
7 of which: senior																				
8 of which: non-senior																				
9 Synthetic securitization																				
10 of which: securitization																				
11 of which: retail underlying																				
12 of which: wholesale																				
13 of which: re-securitization																				
14 of which: senior																				
15 of which: non-senior																				

Market risk

Overview

Semi-annual I The amount of capital required to underpin market risk in the regulatory trading book is calculated using a variety of methods approved by the Swiss Financial Market Supervisory Authority (FINMA). The components contributing to market risk risk-weighted assets (RWA) are value-at-risk (VaR), stressed value-at-risk (SVaR), an add-on for risks that are potentially not fully modeled in VaR (risks not in VaR, or RniV), the incremental risk charge (the IRC) and the securitization framework for securitization positions in the trading book. ▲

Securitization positions in the trading book

Semi-annual I The MR1 table below shows the components of RWA under the standardized approach for market risk. In the 30 June 2023 Pillar 3 report, we have enhanced the disclosure on securitization exposures following the acquisition of the Credit Suisse Group. In line with regulatory requirements, the standardized approach for market risk is used for the specific risk on securitization exposures.

Securitization exposures in the trading book is the only relevant disclosure component of market risk under the standardized approach. Compared with 31 December 2022, securitization exposures subject to market risk RWA increased by USD 0.6bn to USD 1.1bn, mainly driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 0.7bn. Excluding that acquisition, securitization exposures subject to market risk RWA decreased by USD 0.06bn to USD 0.4bn as of 30 June 2023.

› Refer to the “Securitized” section of this report for more information about the securitization exposures in the trading book

MR1: Market risk under standardized approach

		RWA	
<i>USD m</i>		30.6.23	31.12.22
Outright products			
1	Interest rate risk (general and specific)		
2	Equity risk (general and specific)		
3	Foreign exchange risk		
4	Commodity risk		
Options			
5	Simplified approach		
6	Delta-plus method		
7	Scenario approach		
8	Securitization	1,092	463
9	Total	1,092	463



Market risk risk-weighted assets

Market risk RWA development in the second quarter of 2023

Quarterly | The three main components that contribute to market risk RWA are VaR, SVaR and IRC. The VaR and SVaR components include the RWA charge for RniV.

The MR2 table below provides a breakdown of the movement in market risk RWA in the second quarter of 2023 under an internal models approach across those components, pursuant to the movement categories defined by the Basel Committee on Banking Supervision. These categories are described in the "Market risk" section of the 31 December 2022 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors.

Market risk RWA increased by USD 7.8bn to USD 22.5bn in the second quarter of 2023, primarily as a result of the acquisition of the Credit Suisse Group. Market Risk RWA excluding that acquisition decreased by USD 1.0bn, driven by a decrease from asset size and other movements in the Investment Bank's Global Markets business and a decrease related to ongoing parameter updates of our VaR model. We are in discussions with FINMA regarding the integration of time decay into the regulatory VaR, which would replace the current add-on.

The FINMA VaR multiplier derived from backtesting exceptions for market risk RWA was unchanged compared with the prior quarter, at 3.0, for both the UBS Group excluding Credit Suisse and Credit Suisse.

MR2: RWA flow statements of market risk exposures under an IMA¹

USD m	VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1 RWA as of 31.12.22	3,633	7,251	2,132			13,015
<i>1a Regulatory adjustment</i>	<i>(1,298)</i>	<i>(3,960)</i>	<i>0</i>			<i>(5,257)</i>
1b RWA at previous quarter-end (end of day)	2,335	3,291	2,132			7,758
2 Movement in risk levels	663	872	185			1,721
<i>3 Model updates / changes</i>	<i>(49)</i>	<i>(21)</i>	<i>0</i>			<i>(70)</i>
<i>4 Methodology and policy</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>0</i>
<i>5 Acquisitions and disposals</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>0</i>
<i>6 Foreign exchange movements</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>0</i>
<i>7 Other</i>	<i>(177)</i>	<i>(511)</i>	<i>0</i>			<i>(688)</i>
8a RWA at the end of the reporting period (end of day)	2,773	3,632	2,317			8,722
<i>8b Regulatory adjustment</i>	<i>966</i>	<i>4,835</i>	<i>208</i>			<i>6,009</i>
8c RWA as of 31.3.23	3,739	8,466	2,525			14,730
1 RWA as of 31.3.23	3,739	8,466	2,525			14,730
<i>1a Regulatory adjustment</i>	<i>(966)</i>	<i>(4,835)</i>	<i>(208)</i>			<i>(6,009)</i>
1b RWA at previous quarter-end (end of day)	2,773	3,632	2,317			8,722
2 Movement in risk levels	129	1,092	312			1,533
<i>3 Model updates / changes</i>	<i>(21)</i>	<i>(58)</i>	<i>0</i>			<i>(79)</i>
<i>4 Methodology and policy</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>0</i>
<i>5 Acquisitions and disposals</i>	<i>2,924</i>	<i>4,646</i>	<i>1,285</i>			<i>8,856</i>
<i>5a of which: acquisition of Credit Suisse Group</i>	<i>2,924</i>	<i>4,646</i>	<i>1,285</i>			<i>8,856</i>
<i>5b of which: other</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>0</i>
<i>6 Foreign exchange movements</i>	<i>0</i>	<i>0</i>	<i>0</i>			<i>0</i>
<i>7 Other</i>	<i>97</i>	<i>611</i>	<i>0</i>			<i>708</i>
8a RWA at the end of the reporting period (end of day)	5,902	9,922	3,914			19,739
<i>8b Regulatory adjustment</i>	<i>919</i>	<i>1,824</i>	<i>63</i>			<i>2,806</i>
8c RWA as of 30.6.23	6,821	11,746	3,978			22,545

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



Regulatory calculation of market risk

Semi-annual I The MR3 table below shows the minimum, maximum, average and period-end regulatory VaR, SVaR, incremental risk charge (IRC) and comprehensive risk capital charge. The comprehensive risk charge has not been applicable since 2019, which was the last time UBS had eligible correlation trading positions.

During the first half of 2023, for the UBS Group excluding Credit Suisse, regulatory VaR and SVaR were relatively stable on average, while the IRC increased on average, driven by exposures in commercial paper in the Investment Bank.

For Credit Suisse, regulatory VaR and SVaR, as well as the IRC, decreased on average, mainly driven by de-risking of the securitized products portfolio.

MR3: IMA values for trading portfolios

	UBS Group excluding Credit Suisse		Credit Suisse		
	For the six-month period ended 30.6.23	For the six-month period ended 31.12.22	For the six-month period ended 30.6.23	For the six-month period ended 31.12.22	
<i>USD m</i>					
VaR (10-day 99%)					
1	Maximum value	137	134	114	145
2	Average value	83	63	55	113
3	Minimum value	24	13	37	79
4	Period end	84	53	39	85
Stressed VaR (10-day 99%)					
5	Maximum value	193	186	150	162
6	Average value	119	94	79	113
7	Minimum value	61	35	55	81
8	Period end	148	78	63	151
Incremental risk charge (99.9%)					
9	Maximum value	284	199	148	293
10	Average value	205	124	107	160
11	Minimum value	127	89	86	88
12	Period end	210	171	102	94



MR4: Comparison of VaR estimates with gains / losses

Semi-annual | VaR backtesting is a performance measurement process in which a 1-day VaR prediction is compared with the realized 1-day profit or loss. We compute backtesting VaR using a 99% confidence level and 1-day holding period for the regulatory VaR population. Since 99% VaR at UBS is defined as a risk measure that operates on the lower tail of the profit-or-loss distribution, 99% backtesting VaR is a negative number. Backtesting revenues exclude non-trading revenues, such as valuation reserves, fees and commissions, and revenues from intraday trading, to provide for a like-for-like comparison. A backtesting exception occurs when backtesting revenues are lower than the previous day's backtesting VaR.

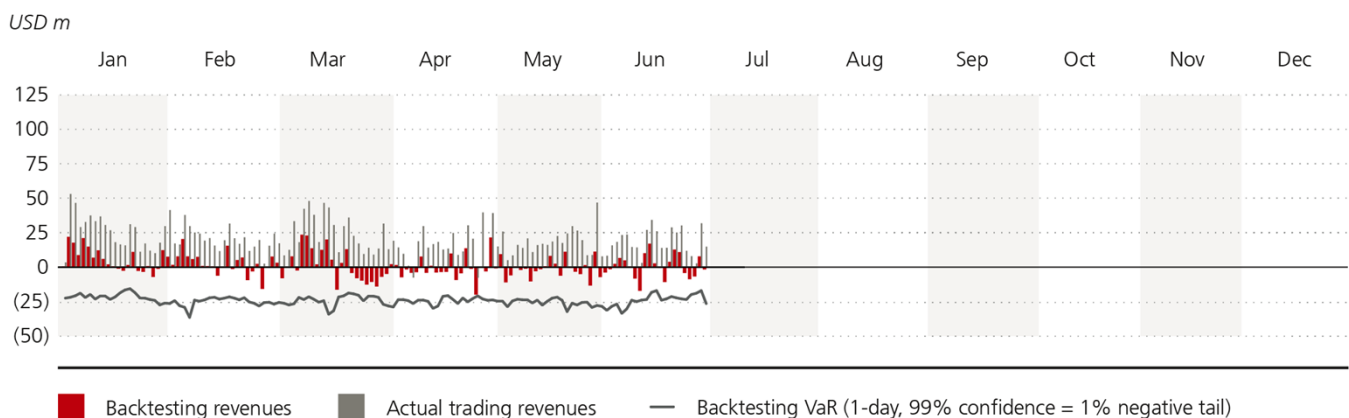
Statistically, given the 99% confidence level, two or three backtesting exceptions a year can be expected. More than four exceptions could indicate that the VaR model is not performing appropriately, as could too few exceptions over a long period. However, as noted under "VaR limitations" in the "Risk management and control" section of the Annual Report 2022, a sudden increase (or decrease) in market volatility relative to the lookback window could lead to a higher (or lower) number of exceptions. Therefore, backtesting exceptions are investigated, as are exceptionally positive backtesting revenues, with the results reported to senior business management, the Chief Risk Officer and the Chief Market Risk Officer. Internal and external auditors and relevant regulators are also informed of backtesting exceptions.

The "Development of regulatory backtesting revenues and actual trading revenues against backtesting VaR" charts below show the development of backtesting VaR against the Group's backtesting revenues and actual trading revenues for the first half of 2023.

The actual trading revenues include backtesting and intraday revenues.

For the UBS Group excluding Credit Suisse, there were no new VaR negative backtesting exceptions in the first half of 2023, and the total number of negative backtesting exceptions within the most recent 250-business-day window remained at one. As these backtesting exceptions remained below five, the FINMA VaR multiplier used to compute regulatory and stressed VaR RWA was unchanged at three throughout the period.

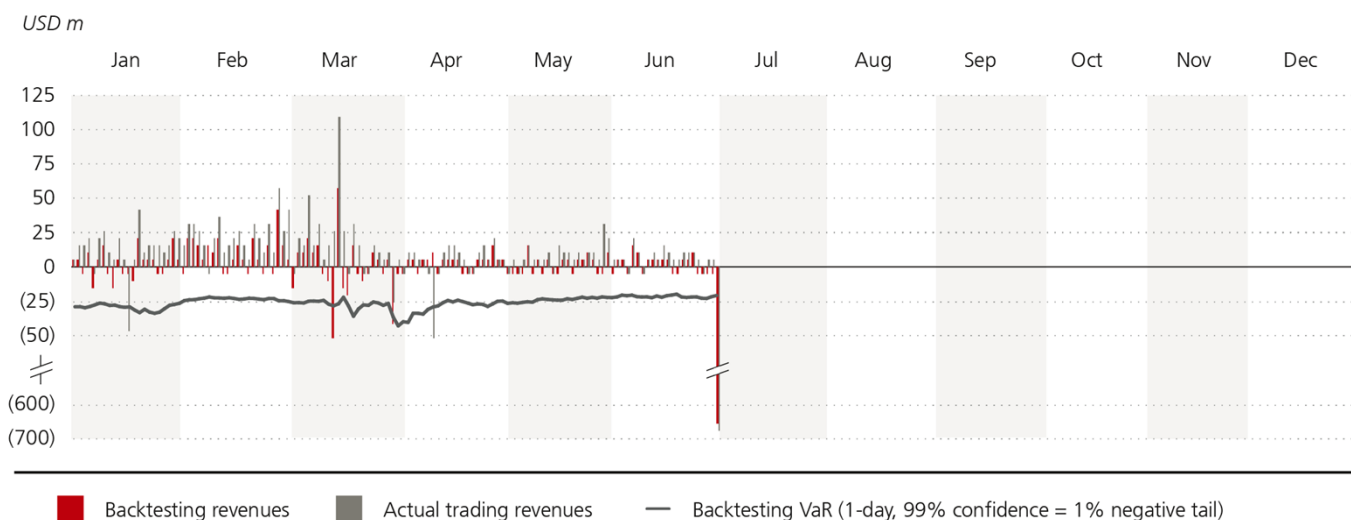
UBS Group excluding Credit Suisse: development of regulatory backtesting revenues¹ and actual trading revenues² against backtesting VaR³ (1-day, 99% confidence)



¹ Excludes non-trading revenues, such as valuation reserves, commissions and fees, and revenues from intraday trading. ² Includes backtesting revenues and revenues from intraday trading. ³ Based on Basel III regulatory VaR, excludes CVA positions and their eligible hedges, which are subject to the standalone CVA charge.

For Credit Suisse, there were three new negative backtesting exceptions in the first half of 2023, and the total number of negative backtesting exceptions within the most recent 250-business-day window was unchanged at three. As these backtesting exceptions remained below five, the FINMA VaR multiplier used to compute regulatory and stressed VaR RWA was unchanged at three throughout the period.

Credit Suisse: development of regulatory backtesting revenues¹ and actual trading revenues² against backtesting VaR^{3,4} (1-day, 99% confidence)



¹ Excludes non-trading revenues, such as valuation reserves, commissions and fees, and revenues from intraday trading. ² Includes backtesting revenues and revenues from intraday trading. ³ Based on Basel III regulatory VaR, excludes CVA positions and their eligible hedges, which are subject to the standalone CVA charge. ⁴ As part of the purchase price allocations (PPA), Credit Suisse AG consolidated recorded fair value adjustments to certain positions in its trading inventory. These valuation adjustments were accounted for under a hypothetical and actual P&L, thereby resulting in a negative VaR backtesting exception at the Credit Suisse AG consolidated level as of June month-end.



Going and gone concern requirements and eligible capital

Quarterly | The table below provides details of the Swiss systemically relevant bank (SRB) going and gone concern capital requirements as required by the Swiss Financial Market Supervisory Authority (FINMA).

› Refer to the “Capital management” section of the UBS Group second quarter 2023 report, available under “Quarterly reporting” at ubs.com/investors, for more information about capital management

Swiss SRB going and gone concern requirements and information

As of 30.6.23	RWA		LRD	
USD m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	14.90 ¹	82,922	5.06 ¹	84,894
Common equity tier 1 capital	10.60	58,988	3.56 ²	59,726
of which: minimum capital	4.50	25,047	1.50	25,168
of which: buffer capital	5.50	30,613	2.00	33,558
of which: countercyclical buffer	0.42	2,328		
of which: Pillar 2 add-on	0.18	1,000 ³	0.06	1,000 ³
Maximum additional tier 1 capital	4.30	23,934	1.50	25,168
of which: additional tier 1 capital	3.50	19,481	1.50	25,168
of which: additional tier 1 buffer capital	0.80	4,453		
Eligible going concern capital				
Total going concern capital	16.76	93,287	5.56	93,287
Common equity tier 1 capital	14.42	80,258	4.78	80,258
Total loss-absorbing additional tier 1 capital⁴	2.34	13,030	0.78	13,030
of which: high-trigger loss-absorbing additional tier 1 capital	2.13	11,839	0.71	11,839
of which: low-trigger loss-absorbing additional tier 1 capital	0.21	1,190	0.07	1,190
Required gone concern capital				
Total gone concern loss-absorbing capacity^{5,6,7}	10.73	59,696	3.75	62,920
of which: base requirement including add-ons for market share and LRD	10.73 ⁸	59,696	3.75 ⁸	62,920
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	18.46	102,753	6.12	102,753
Total tier 2 capital	0.10	539	0.03	539
of which: non-Basel III-compliant tier 2 capital	0.10	539	0.03	539
TLAC-eligible senior unsecured debt	18.36	102,214	6.09	102,214
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.62	142,618	8.81	147,814
Eligible total loss-absorbing capacity	35.22	196,040	11.68	196,040
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		556,603		
Leverage ratio denominator				1,677,877

1 Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD). 2 Our minimum CET1 leverage ratio requirement of 3.56% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.25% LRD add-on requirement, a 0.25% market share add-on requirement based on our Swiss credit business and a 0.06% Pillar 2 capital add-on related to the supply chain funds matter at Credit Suisse. 3 Reflects the FINMA Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. 4 Includes outstanding low-trigger loss-absorbing additional tier 1 capital instruments, which are available under the Swiss systemically relevant bank framework to meet the going concern requirements until their first call date. As of their first call date, these instruments are eligible to meet the gone concern requirements. 5 A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. 6 From 1 January 2023, the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs) has been replaced with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements). 7 As of July 2024, the Swiss Financial Market Supervisory Authority (FINMA) will have the authority to impose a surcharge of up to 25% of the total going concern capital requirements should obstacles to an SIB's resolvability be identified in future resolvability assessments. 8 Includes applicable add-ons of 1.08% for RWA and 0.38% for LRD.

Semi-annual I The CCyB1 table below provides details of the risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer (CCyB) requirement applicable to UBS Group AG consolidated. In the first half of 2023, the CCyB for Australia was set at 1%, effective from 1 January 2023, the CCyB for Germany was set at 0.75%, effective from 1 February 2023, the CCyB for France was set at 0.5%, effective from 7 April 2023, the CCyB for the Netherlands was set at 1%, effective from 25 May 2023, and the CCyB for Sweden was increased from 1% to 2%, effective from 22 June 2023, on private-sector exposures. These updates increased our bank-specific CCyB requirement to 10 basis points as of 30 June 2023. The acquisition of the Credit Suisse Group further increased our CCyB requirement to 11 basis points.

- › Refer to the “Risk management and control” section of the Annual Report 2022, available under “Annual reporting” at ubs.com/investors, for further information about the methodology of geographical allocation used

CCyB1 – Geographical distribution of credit exposures used in the countercyclical capital buffer

USD m, except where indicated

Geographical breakdown	Countercyclical buffer capital buffer rate, % ¹	30.6.23	
		Risk-weighted assets used in the computation of the countercyclical capital buffer ¹	Bank-specific countercyclical capital buffer rate, %
Hong Kong SAR	1.00	3,229	
Luxembourg	0.50	8,889	
United Kingdom	1.00	16,299	
Sweden	2.00	890	
Australia	1.00	3,585	
Germany	0.75	6,985	
France	0.50	4,121	
Netherlands	1.00	3,034	
Sum		47,034	
Total		349,946	0.11
			631

¹ Included private-sector exposures in the countries that are Basel Committee on Banking Supervision (BCBS)-member jurisdictions, under the following categories: “Credit risk,” “Counterparty credit risk,” “Equity positions in the banking book,” “Settlement risk,” “Securitization exposures in the banking book” and “Amounts below thresholds for deduction,” as well as the corresponding trading book charges included under “Market Risk.”

Explanation of the differences between the IFRS and regulatory scopes of consolidation

Semi-annual I As of 30 June 2023, UBS Asset Management Life Ltd (total assets on a standalone basis as of 30 June 2023: USD 15,112m; total equity on a standalone basis as of 30 June 2023: USD 28m) represented the most significant entity that was included in the International Financial Reporting Standards (IFRS) scope of consolidation but not in the regulatory scope of consolidation. This life insurance entity accounts for most of the difference between the “Balance sheet in accordance with IFRS scope of consolidation” and the “Balance sheet in accordance with regulatory scope of consolidation” columns in the CC2 table. The difference is mainly related to financial assets at fair value not held for trading and other financial liabilities designated at fair value. Further differences are mainly related to other entities that are not active in banking and finance industries and therefore are not consolidated under the regulatory scope of consolidation.

In the banking book, certain equity investments are not consolidated under either the IFRS or under the regulatory scope. As of 30 June 2023, these investments mainly consisted of infrastructure holdings and joint operations (e.g., settlement and clearing institutions, and stock and financial futures exchanges) and included our participation in SIX Group. These investments are risk-weighted based on applicable threshold rules.

- › Refer to our legal entity structure, available under “Holding company and significant regulated subsidiaries and sub-groups” at ubs.com/investors, for more information about the legal structure of UBS Group, and to “Note 1 Summary of material accounting policies” in the “Consolidated financial statements” section of the Annual Report 2022, available under “Annual reporting” at ubs.com/investors, for more information about the IFRS scope of consolidation
- › Refer to the “Linkage between financial statements and regulatory exposures” section of the 31 December 2022 Pillar 3 Report, available under “Pillar 3 disclosures” at ubs.com/investors, for more information about differences between the IFRS and regulatory scopes of consolidation

Semi-annual I The CC2 table below provides a reconciliation of the IFRS balance sheet to the balance sheet according to the regulatory scope of consolidation as defined by the Basel Committee on Banking Supervision (the BCBS) and FINMA. Lines in the balance sheet under the regulatory scope of consolidation are expanded and referenced where relevant to display all components that are used in the “CC1: Composition of regulatory capital” table.

CC2: Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation

As of 30.6.23	Balance sheet in accordance with IFRS scope of consolidation	Effect of deconsolidated, proportionally consolidated or additional consolidated entities for regulatory consolidation	Balance sheet in accordance with regulatory scope of consolidation	References ¹
<i>USD m</i>				
Assets				
Cash and balances at central banks	261,587	0	261,587	
Amounts due from banks	24,392	(160)	24,232	
Receivables from securities financing transactions	86,538	(18)	86,520	
Cash collateral receivables on derivative instruments	54,314	(368)	53,946	
Loans and advances to customers	651,770	(498)	651,271	
Other financial assets measured at amortized cost	64,928	(760)	64,168	
Total financial assets measured at amortized cost	1,143,528	(1,804)	1,141,724	
Financial assets at fair value held for trading	151,098	(870)	150,227	
<i>of which: assets pledged as collateral that may be sold or repledged by counterparties</i>	<i>54,165</i>		<i>54,165</i>	
Derivative financial instruments	185,949	27	185,976	
Brokerage receivables	21,537		21,537	
Financial assets at fair value not held for trading	118,605	(14,920)	103,685	
Total financial assets measured at fair value through profit or loss	477,188	(15,764)	461,424	
Financial assets measured at fair value through other comprehensive income	2,217	(44)	2,173	
Investments in associates	2,691	342	3,034	
<i>of which: goodwill</i>	<i>28</i>		<i>28</i>	<i>4</i>
Property, equipment and software	18,325	16	18,340	
Goodwill and intangible assets	7,569	(71)	7,498	
<i>of which: goodwill</i>	<i>6,052</i>		<i>6,052</i>	<i>4</i>
<i>of which: intangible assets</i>	<i>1,517</i>	<i>(71)</i>	<i>1,446</i>	<i>5</i>
Deferred tax assets	10,342	(17)	10,325	
<i>of which: deferred tax assets recognized for tax loss carry-forwards and unused tax credits carried forward</i>	<i>3,957</i>	<i>(11)</i>	<i>3,946</i>	<i>6</i>
<i>of which: deferred tax assets on temporary differences</i>	<i>6,385</i>	<i>(6)</i>	<i>6,379</i>	<i>10</i>
Other non-financial assets	16,919	(119)	16,800	
<i>of which: net defined benefit pension and other post-employment assets</i>	<i>1,122</i>		<i>1,122</i>	<i>8</i>
Total assets	1,678,780	(17,461)	1,661,319	

CC2: Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation (continued)

	Balance sheet in accordance with IFRS scope of consolidation	Effect of deconsolidated, proportionally consolidated or additional consolidated entities for regulatory consolidation	Balance sheet in accordance with regulatory scope of consolidation	References ¹
As of 30.6.23				
<i>USD m</i>				
Liabilities				
Amounts due to banks	99,167	176	99,343	
Payables from securities financing transactions	22,297		22,297	
Cash collateral payables on derivative instruments	41,416	(260)	41,156	
Customer deposits	712,546	25	712,571	
Debt issued measured at amortized cost	230,857	(1,890)	228,967	
<i>of which: amount eligible for high-trigger loss-absorbing additional tier 1 capital</i>	<i>9,928</i>		<i>9,928</i>	<i>9</i>
<i>of which: amount eligible for low-trigger loss-absorbing additional tier 1 capital</i>	<i>1,190</i>		<i>1,190</i>	<i>9</i>
<i>of which: amount eligible for low-trigger loss-absorbing tier 2 capital</i>				<i>11</i>
Other financial liabilities measured at amortized cost	19,403	(134)	19,268	
Total financial liabilities measured at amortized cost	1,125,687	(2,084)	1,123,603	
Financial liabilities at fair value held for trading	40,364	(351)	40,013	
Derivative financial instruments	193,147	377	193,524	
Brokerage payables designated at fair value	43,852		43,852	
Debt issued designated at fair value	125,050	0	125,050	
Other financial liabilities designated at fair value	36,122	(15,055)	21,067	
Total financial liabilities measured at fair value through profit or loss	438,534	(15,029)	423,505	
Provisions and contingent liabilities	14,929	(1)	14,929	
Other non-financial liabilities	11,994	(325)	11,670	
<i>of which: amount eligible for high-trigger loss-absorbing capital (Deferred Contingent Capital Plan (DCCP))²</i>	<i>1,309</i>		<i>1,309</i>	<i>9</i>
<i>of which: deferred tax liabilities related to goodwill</i>	<i>311</i>		<i>311</i>	<i>4</i>
<i>of which: deferred tax liabilities related to other intangible assets</i>	<i>181</i>		<i>181</i>	<i>5</i>
Total liabilities	1,591,145	(17,438)	1,573,707	
Equity				
Share capital	346	0	346	1
Share premium	12,521	51	12,572	1
Treasury shares	(4,208)		(4,208)	3
Retained earnings	78,180	(96)	78,083	2
Other comprehensive income recognized directly in equity, net of tax	161	46	207	3
<i>of which: unrealized gains / (losses) from cash flow hedges</i>	<i>(4,451)</i>		<i>(4,451)</i>	<i>7</i>
Equity attributable to shareholders	86,999	0	87,000	
Equity attributable to non-controlling interests	636	(23)	613	
Total equity	87,635	(22)	87,613	
Total liabilities and equity	1,678,780	(17,461)	1,661,319	

¹ References link the lines of this table to the respective reference numbers provided in the "References" column in the "CC1: Composition of regulatory capital" table in this section. ² The IFRS carrying amount of total DCCP liabilities was USD 1,548m as of 30 June 2023. Refer to the "Compensation" section of the Annual Report 2022, available under "Annual reporting" at ubs.com/investors, for more information about the DCCP.



Semi-annual | The CC1 table below provides the composition of capital in the format prescribed by the BCBS and FINMA, and is based on BCBS Basel III rules, unless stated otherwise. Reference is made to items reconciling to the balance sheet under the regulatory scope of consolidation as disclosed in the “CC2: Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation” table in this section.

- › Refer to “Capital and total loss-absorbing capacity instruments of UBS Group AG consolidated and UBS AG consolidated and standalone – key features” and “UBS Group AG consolidated capital instruments and TLAC-eligible senior unsecured debt,” available under “Bondholder information” at ubs.com/investors, for an overview of the main features of our regulatory capital instruments, as well as the full terms and conditions

CC1: Composition of regulatory capital

As of 30.6.23	Amounts	References ¹
<i>USD m, except where indicated</i>		
Common Equity Tier 1 capital: instruments and reserves		
1 Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	12,918	1
2 Retained earnings	78,083	2
3 Accumulated other comprehensive income (and other reserves)	(4,002)	3
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6 Common Equity Tier 1 capital before regulatory adjustments	87,000	
Common Equity Tier 1 capital: regulatory adjustments		
7 Prudent valuation adjustments	(488)	
8 Goodwill (net of related tax liability)	(5,761)	4
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	(894)	5
10 Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability) ²	(4,034)	6
11 Cash flow hedge reserve	4,451	7
12 Shortfall of provisions to expected losses	(674)	
13 Securitization gain on sale		
14 Gains and losses due to changes in own credit risk on fair valued liabilities	(272)	
15 Defined benefit pension fund net assets	(987)	8
16 Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	(1,229)	9
17 Reciprocal cross-holdings in common equity		
17a Qualified holdings where a significant influence is exercised with other owners (CET1 instruments)		
17b Immaterial investments (CET1 items)		
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)		
20 Mortgage servicing rights (amount above 10% threshold)		
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		10
22 Amount exceeding the 15% threshold		
23 <i>Of which: significant investments in the common stock of financials</i>		
24 <i>Of which: mortgage servicing rights</i>		
25 <i>Of which: deferred tax assets arising from temporary differences</i>		
26 Expected losses on equity investment under the PD / LGD approach		
26a Further adjustments to financial statements in accordance with a recognized international accounting standard		
26b Other adjustments	3,146 ^{3,4}	
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28 Total regulatory adjustments to Common Equity Tier 1	(6,743)	
29 Common Equity Tier 1 capital (CET1)	80,258	

CC1: Composition of regulatory capital (continued)

As of 30.6.23

USD m, except where indicated

	Amounts	References ¹
Additional Tier 1 capital: instruments		
30	13,030	
31		
32	13,030	
34		
36	13,030	
Additional Tier 1 capital: regulatory adjustments		
37		
38		
38a		
38b		
39		
40		
41		
42		
42a		
43		
44	13,030	9
45	93,287	
Tier 2 capital: instruments and provisions		
46	0 ⁶	11
48		
50		
51	0	
Tier 2 capital: regulatory adjustments		
52		11
53		
53a		
53b		
54		
55		
56		
56a		
57		
58	0	
59	93,287	
60	556,603	
Capital ratios and buffers		
61	14.42	
62	16.76	
63	16.76	
64		
65	3.61	
66	2.50	
67	0.11	
68	1.00	
68	8.76	
Amounts below the thresholds for deduction (before risk weighting)		
72	5,667	
73	3,421	
74	340	
75	4,904	
Applicable caps on the inclusion of provisions in Tier 2		
76		
77		
78		
79		

1 References link the lines of this table to the respective reference numbers provided in the "References" column in the "CC2: Reconciliation of accounting balance sheet to balance sheet under the regulatory scope of consolidation" table in this section. 2 IFRS netting for deferred tax assets and liabilities is reversed for items deducted from CET1 capital. 3 Includes USD 803m in compensation-related charge for regulatory capital purposes. 4 Includes USD 4,897m related to transitional CET1 purchase price allocation adjustments. Refer to the "Key metrics" section of this report for more information. 5 Under IFRS, debt issued and subsequently repurchased is treated as extinguished. 6 Consists of own instruments held and 45% of the gross unrealized gains on debt instruments measured at fair value through other comprehensive income, which are measured at the lower of cost or market value for regulatory capital purposes. 7 BCBS requirements are exceeded by our Swiss SRB requirements. Refer to the "Capital, liquidity and funding, and balance sheet" section of the Annual Report 2022, available under "Annual reporting" at ubs.com/investors, for more information about the Swiss SRB requirements.

Total loss-absorbing capacity

Resolution group – composition of total loss-absorbing capacity

Semi-annual | The TLAC1 table below is based on Basel Committee on Banking Supervision (BCBS) rules, and only applicable to UBS Group AG as the ultimate parent entity of the defined UBS resolution group, to which, in case of resolution, resolution tools (e.g., a bail-in) are expected to be applied.

In the first half of 2023, our eligible additional tier 1 (AT1) instruments increased by USD 0.2bn, mainly driven by interest rate risk hedge, foreign currency translation and other effects.

Our eligible tier 2 (T2) instruments decreased by USD 2.4bn, mainly due to a USD 2.4bn T2 capital instrument that ceased to be eligible as it had less than one year to maturity.

Non-regulatory capital instruments increased by USD 58.2bn, mainly due to the acquisition of the Credit Suisse Group, as 48 total loss-absorbing capacity (TLAC)-eligible senior unsecured debt instruments denominated in US dollars, euro, pounds sterling and yen, amounting to USD 53.5bn equivalent, that were originally issued by the Credit Suisse Group were assumed as gone concern capital by the UBS Group. In addition, an increase of USD 8.6bn was driven by 15 new issuances of TLAC-eligible senior unsecured debt instruments, denominated in US dollars, euro, Australian dollars and yen. These effects were partly offset by calls of three TLAC-eligible unsecured debt instruments denominated in US dollars and Swiss francs amounting to USD 2.4bn equivalent, USD 0.8bn equivalent TLAC-eligible senior unsecured debt that ceased to be eligible as it had less than one year to maturity, and USD 0.8bn reflecting nominal amounts of two instruments bought back under a tender offer. On 6 July 2023, UBS announced that it would redeem TLAC-eligible senior unsecured debt on 30 July 2023 (ISINs 144A: US902613AB45 / Reg S: USH42097B552 with a nominal amount of USD 1.3bn, issued on 30 July 2020). This instrument remained eligible as gone concern capital as of 30 June 2023.

TLAC1: composition for G-SIBs (at resolution group level)

	30.6.23	31.12.22
<i>USD m, except where indicated</i>		
Regulatory capital elements of TLAC and adjustments		
1 Common Equity Tier 1 capital (CET1)	80,258	45,457
2 Additional Tier 1 capital (AT1) before TLAC adjustments	13,030	12,864
3 AT1 ineligible as TLAC as issued out of subsidiaries to third parties		
4 Other adjustments		
5 Total AT1 instruments eligible under the TLAC framework	13,030	12,864
6 Tier 2 capital (T2) before TLAC adjustments	0	484
7 Amortized portion of T2 instruments where remaining maturity > 1 year		1,938
8 T2 capital ineligible as TLAC as issued out of subsidiaries to third parties		
9 Other adjustments		
10 Total T2 instruments eligible under the TLAC framework	0	2,422
11 TLAC arising from regulatory capital	93,287	60,743
Non-regulatory capital elements of TLAC		
12 External TLAC instruments issued directly by the bank and subordinated to excluded liabilities		
13 External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	102,214	44,033
14 <i>of which: amount eligible as TLAC after application of the caps</i>		
15 External TLAC instruments issued by funding vehicles prior to 1 January 2022	539	536
16 Eligible ex ante commitments to recapitalize a G-SIB in resolution		
17 TLAC arising from non-regulatory capital instruments before adjustments	102,753	44,569
Non-regulatory capital elements of TLAC: adjustments		
18 TLAC before deductions	196,040	105,312
19 Deductions of exposures between multiple-point-of-entry (MPE) resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)		
20 Deduction of investments in own other TLAC liabilities		
21 Other adjustments to TLAC		
22 TLAC after deductions	196,040	105,312
Risk-weighted assets and leverage exposure measure for TLAC purposes		
23 Total risk-weighted assets adjusted as permitted under the TLAC regime	556,603	319,585
24 Leverage exposure measure	1,677,877	1,028,461
TLAC ratios and buffers		
25 TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	35.22	32.95
26 TLAC (as a percentage of leverage exposure)	11.68	10.24
27 CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	8.76	9.72
28 Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3.61	3.57
29 <i>of which: capital conservation buffer requirement</i>	2.50	2.50
30 <i>of which: bank-specific countercyclical buffer requirement</i>	0.11	0.07
31 <i>of which: higher loss absorbency requirement</i>	1.00	1.00



Resolution entity – creditor ranking at legal entity level

Semi-annual | The TLAC3 table below provides an overview of the creditor ranking structure of the resolution entity, UBS Group AG, on a standalone basis.

UBS Group AG issues loss-absorbing AT1 capital instruments and TLAC-eligible senior unsecured debt.

UBS Group AG grants Deferred Contingent Capital Plan (DCCP) awards to UBS Group employees, which qualify as Basel III AT1 capital on a UBS Group consolidated basis and totaled USD 1,912m as of 30 June 2023 (31 December 2022: USD 1,794m). The related liabilities of UBS Group AG on a standalone basis of USD 1,298m (31 December 2022: USD 1,365m) are not included in the table below, as these do not give rise to any current claims until the awards are legally vested.

On 12 June 2023, UBS Group AG formally acquired Credit Suisse Group AG. As a result, the table below includes the merged positions with Credit Suisse Group AG as they may apply. AT1 instruments formerly issued by Credit Suisse Group AG in a total amount of USD 17,314m were written down on 19 March 2023.

As of 30 June 2023, the TLAC available on a UBS Group AG consolidated basis amounted to USD 196,040m (31 December 2022: USD 105,312m).

- Refer to “Bondholder information” at ubs.com/investors for more information
- Refer to the “TLAC1: composition for G-SIBs (at resolution group level)” table in this section for more information about TLAC for UBS Group AG consolidated

TLAC3: creditor ranking at legal entity level for the resolution entity, UBS Group AG

As of 30.6.23 USD m		Creditor ranking			Total
		1	2	3	
		Common shares (most junior) ²	Additional Tier 1	Bail-in debt and pari passu liabilities (most senior)	
1	Description of creditor ranking				
2	Total capital and liabilities net of credit risk mitigation ¹	44,532	12,287	123,946	180,765
3	Subset of row 2 that are excluded liabilities				
4	Total capital and liabilities less excluded liabilities (row 2 minus row 3)	44,532	12,287 ^{3,4,5}	123,946 ^{6,7}	180,765
5	Subset of row 4 that are potentially eligible as TLAC	44,532	11,966	113,120 ⁸	169,618
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years			10,150 ⁹	10,150
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years			51,377	51,377
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years			32,730	32,730
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities			18,863	18,863
10	Subset of row 5 that is perpetual securities	44,532	11,966		56,498

1 No credit risk mitigation is applied to capital and liabilities for UBS Group AG standalone. 2 Common shares including the associated reserves are equal to the equity of UBS Group AG standalone attributable to shareholders. 3 Includes interest expense accrued on AT1 capital instruments, which is not eligible as TLAC. 4 An AT1 instrument in the amount of USD 2bn was redeemed during the six months ended 30 June 2023. 5 AT1 capital instruments in the total amount of USD 17.3bn formerly issued by Credit Suisse Group AG were written-down on 19 March 2023. 6 Includes interest expense accrued on bail-in debt, interest-bearing liabilities that consist of loans from UBS AG and UBS Switzerland AG, negative replacement values, and tax and other liabilities that are not excluded liabilities under Swiss law and that rank pari passu to bail-in debt. 7 Bail-in debt of USD 6.4bn was redeemed and bail-in debt of USD 8.7bn was issued during the six months ended 30 June 2023. 8 Bail-in debt of USD 0.8bn has residual maturity of less than one year and is not potentially eligible as TLAC. 9 Includes bail-in debt in the amount of USD 1.3bn, the call of which was announced on 6 July 2023 (redemption date 30 July 2023).



Leverage ratio

Basel III leverage ratio

Quarterly | The Basel Committee on Banking Supervision (the BCBS) leverage ratio, as summarized in the “KM1: Key metrics” table in section 2 of this report, is calculated by dividing the period-end tier 1 capital by the period-end leverage ratio denominator (the LRD).

The LRD consists of on-balance sheet assets and off-balance sheet items based on International Financial Reporting Standards (IFRS). Derivative exposures are adjusted for a number of items, including replacement values and eligible cash variation margin netting, the current exposure method add-on for potential future exposure 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 below shows the difference between total IFRS assets per the 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 in this section. The difference is due to the application of the regulatory scope of consolidation for the purpose of the BCBS calculation. In addition, carrying amounts 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.

Difference between the Swiss SRB and BCBS leverage ratio

The LRD is the same under Swiss systemically relevant bank (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 UBS is required to meet going and 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-eligible senior unsecured debt.

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

USD m	30.6.23	31.3.23	31.12.22
On-balance sheet exposures			
IFRS total assets	1,678,780	1,053,134	1,104,364
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(17,618)	(14,320)	(13,342)
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	3,127		
Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure			
Less carrying amount of derivative financial instruments in IFRS total assets	(232,857)	(146,998)	(185,159)
Less carrying amount of securities financing transactions in IFRS total assets	(148,286)	(87,779)	(89,882)
Adjustments to accounting values			
On-balance sheet items excluding derivatives and securities financing transactions, but including collateral	1,283,144	804,037	815,981
Asset amounts deducted in determining BCBS Basel III tier 1 capital	(12,350)	(10,920)	(10,826)
Transitional CET1 purchase price allocation adjustments	4,939		
Total on-balance sheet exposures (excluding derivatives and securities financing transactions)	1,275,733	793,117	805,155

Quarterly | During the second quarter of 2023, the LRD increased by USD 663.4bn to USD 1,677.9bn, predominantly due to the acquisition of the Credit Suisse Group, which resulted in an increase of USD 644.4bn.

On-balance sheet exposures (excluding derivatives and SFTs) increased by USD 479.1bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 464.2bn. Excluding that acquisition, on-balance sheet exposures increased by USD 14.9bn, due to higher central bank balances and trading portfolio assets, partly offset by lower lending balances.

Derivative exposures increased by USD 49.9bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 48.8bn. Excluding that acquisition, derivative exposures increased by USD 1.1bn, mainly due to an increase in trading volumes driven by equity option contracts in Global Wealth Management and market-driven movements on foreign-currency and interest-rate contracts in the Investment Bank.

SFT exposures increased by USD 65.0bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 63.5bn. Excluding that acquisition, SFT exposures increased by USD 1.5bn, due to collateral sourcing activities.

Off-balance sheet exposures increased by USD 66.0bn, primarily driven by the acquisition of the Credit Suisse Group, which resulted in an increase of USD 64.6bn. Excluding that acquisition, off-balance sheet exposures increased by USD 1.4bn, largely due to an increase in credit risk guarantees in Global Wealth Management.

- › Refer to "Leverage ratio denominator" in the "Capital management" section of the UBS Group second quarter 2023 report, available under "Quarterly reporting" at ubs.com/investors, for more information

LR1: BCBS Basel III leverage ratio summary comparison

<i>USD m</i>		30.6.23	31.3.23	31.12.22
1	Total consolidated assets as per published financial statements	1,678,780	1,053,134	1,104,364
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	(29,969)	(25,240)	(24,169)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure			
4	Adjustments for derivative financial instruments	(91,438)	(55,432)	(94,893)
5	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	13,543	9,074	8,741
6	Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	98,896	32,910	34,416
7	Other adjustments	8,066		
7a	<i>of which: Transitional CET1 purchase price allocation adjustments</i>	4,939		
7b	<i>of which: consolidated entities under the regulatory scope of consolidation</i>	3,127		
8	Leverage ratio exposure (leverage ratio denominator)	1,677,877	1,014,446	1,028,461

¹ Includes assets that are deducted from tier 1 capital.

LR2: BCBS Basel III leverage ratio common disclosure

<i>USD m, except where indicated</i>		30.6.23	31.3.23	31.12.22
On-balance sheet exposures				
1	On-balance sheet items (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,283,144	804,037	815,981
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(12,350)	(10,920)	(10,826)
2a	Transitional CET1 purchase price allocation adjustments	4,939		
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	1,275,733	793,117	805,155
Derivative exposures				
4	Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	74,004	45,853	52,184
5	Add-on amounts for PFE associated with all derivatives transactions	112,704	78,240	72,077
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework			
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(33,349)	(18,141)	(22,067)
8	(Exempted QCCP leg of client-cleared trade exposures)	(15,740)	(14,911)	(12,413)
9	Adjusted effective notional amount of all written credit derivatives ¹	187,506	45,608	41,188
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives) ²	(183,705)	(45,083)	(40,702)
11	Total derivative exposures	141,419	91,566	90,266
Securities financing transaction exposures				
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	244,037	183,513	177,828
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(95,751)	(95,735)	(87,946)
14	CCR exposure for SFT assets	13,543	9,074	8,741
15	Agent transaction exposures			
16	Total securities financing transaction exposures	161,829	96,853	98,623
Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount	345,959	110,419	111,555
18	(Adjustments for conversion to credit equivalent amounts)	(247,063)	(77,509)	(77,139)
19	Total off-balance sheet items	98,896	32,910	34,416
Total exposures (leverage ratio denominator)		1,677,877	1,014,446	1,028,461
Capital and total exposures (leverage ratio denominator)				
20	Tier 1 capital	93,287	57,694	58,321
21	Total exposures (leverage ratio denominator)	1,677,877	1,014,446	1,028,461
Leverage ratio				
22	Basel III leverage ratio (%)	5.6	5.7	5.7

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.



Liquidity and funding

Liquidity coverage ratio

Quarterly | We monitor the liquidity coverage ratio (the 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. ▲

Pillar 3 disclosure requirement	Second quarter 2023 report section	Disclosure	Second quarter 2023 report page number
Concentration of funding sources	Balance sheet and off-balance sheet	Liabilities by product and currency	58

High-quality liquid assets

Quarterly | 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 of the assets on a developed and recognized exchange, existence of an active and sizable market for the assets, and low volatility. Our HQLA predominantly consist of assets that qualify as Level 1 in the LCR framework, including cash, central bank reserves and government bonds. In the second quarter of 2023, our HQLA increased following the acquisition of the Credit Suisse Group, but the composition thereof was unchanged.

High-quality liquid assets (HQLA)

	Average 2Q23 ¹			Average 1Q23 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 bn, except where indicated</i>						
Cash balances ³	163.1		163.1	137.3		137.3
Securities (on- and off-balance sheet)	70.0	24.0	94.0	70.9	22.0	92.9
Total HQLA⁴	233.1	24.0	257.1	208.2	22.0	230.2

¹ Calculated based on an average of 64 data points in the second quarter of 2023 and 64 data points in the first quarter of 2023. ² Calculated after the application of haircuts and, where applicable, caps on Level 2 assets. ³ Includes cash and balances with central banks and other eligible balances as prescribed by FINMA. ⁴ Calculated in accordance with FINMA requirements.



LCR development during the second quarter of 2023

Quarterly | The quarterly average LCR of the UBS Group increased 13.3 percentage points to 175.2%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). This average was calculated based on a simple average of 64 data points in the second quarter of 2023, which includes Credit Suisse's business activity from the acquisition date to 30 June 2023, i.e., 15 business days from 12 June 2023. The post-acquisition, 15-day average LCR of the UBS Group was 199.5%.

› Refer to the "Acquisition of Credit Suisse Group" section of the UBS Group second quarter 2023 report, available under "Quarterly reporting" at ubs.com/investors, report for more information

The movement in the average LCR was primarily driven by an increase in HQLA of USD 26.9bn to USD 257.1bn. This increase was substantially related to the Credit Suisse HQLA, which were mainly made up of cash and government bonds. The 15-day average HQLA of the UBS Group following the acquisition of the Credit Suisse Group was USD 372.1bn.

The increase in HQLA was partly offset by a USD 2.8bn increase in net cash outflows to USD 145.0bn, predominantly attributable to Credit Suisse's net cash outflows related to customer deposits, credit commitments and derivatives. These outflows were partly offset by inflows from loans in Credit Suisse, as well as lower outflows from deposits and prime brokerage transactions of the UBS Group excluding Credit Suisse. The 15-day average net cash outflows of the UBS Group following the acquisition of the Credit Suisse Group was USD 186.5bn.

LIQ1: Liquidity coverage ratio

USD bn, except where indicated	Average 2Q23 ¹		Average 1Q23 ¹	
	Unweighted value	Weighted value ²	Unweighted value	Weighted value ²
High-quality liquid assets (HQLA)				
1 Total HQLA	261.8	257.1	234.5	230.2
Cash outflows				
2 Retail deposits and deposits from small business customers	288.1	32.4	270.2	30.4
3 of which: stable deposits	35.1	1.2	35.0	1.2
4 of which: less stable deposits	253.0	31.2	235.1	29.2
5 Unsecured wholesale funding	216.4	112.1	206.5	109.3
6 of which: operational deposits (all counterparties)	53.9	13.3	48.2	11.9
7 of which: non-operational deposits (all counterparties)	148.7	84.9	145.4	84.5
8 of which: unsecured debt	13.8	13.8	12.9	12.9
9 Secured wholesale funding		65.4		70.0
10 Additional requirements:	131.3	37.6	105.0	33.1
11 of which: outflows related to derivatives and other transactions	69.6	21.9	64.8	22.5
12 of which: outflows related to loss of funding on debt products ³	0.2	0.2	0.1	0.1
13 of which: committed credit and liquidity facilities	61.5	15.5	40.1	10.6
14 Other contractual funding obligations	20.8	19.9	18.6	17.7
15 Other contingent funding obligations	258.0	8.1	201.0	4.2
16 Total cash outflows		275.3		264.7
Cash inflows				
17 Secured lending	252.1	74.2	226.0	70.3
18 Inflows from fully performing exposures	63.8	28.6	52.9	23.8
19 Other cash inflows	27.5	27.5	28.5	28.5
20 Total cash inflows	343.3	130.3	307.3	122.5
		Average 2Q23¹		Average 1Q23¹
		Total adjusted value⁴		Total adjusted value⁴
USD bn, except where indicated				
Liquidity coverage ratio (LCR)				
21 Total HQLA		257.1		230.2
22 Net cash outflows		145.0		142.2
23 LCR (%)		175.2		161.9

¹ Calculated based on an average of 64 data points in the second quarter of 2023 and 64 data points in the first quarter of 2023. 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.

Net stable funding ratio

Net stable funding ratio development during the second quarter of 2023

Semi-annual I As of 30 June 2023, the net stable funding ratio (the NSFR) of the UBS Group decreased by 0.1 percentage points to 117.6%, remaining above the prudential requirement communicated by FINMA. The NSFR for the UBS Group excluding Credit Suisse improved compared with 31 March 2023, and this effect was offset by the acquisition of the Credit Suisse Group.

Available stable funding increased by USD 316.8bn to USD 873.1bn, predominantly driven by the acquisition of the Credit Suisse Group, mainly reflecting deposit balances, debt securities issued, regulatory capital and, to a lesser extent, securities financing transactions. The increase in the UBS Group excluding Credit Suisse was predominantly driven by higher customer deposits and debt securities issued.

Required stable funding increased by USD 269.4bn to USD 742.1bn, substantially reflecting the acquisition of the Credit Suisse Group. This balance predominantly includes lending assets and, to a lesser extent, derivative balances and trading portfolio assets. Required stable funding in the UBS Group excluding Credit Suisse decreased slightly, mainly driven by lower trading assets.

LIQ2: Net stable funding ratio (NSFR)

USD bn	30.6.23					31.3.23				
	Unweighted value by residual maturity				Weighted Value	Unweighted value by residual maturity				Weighted Value
	No Maturity	< 6 months	6 months to < 1 year	≥ 1 year		No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available Stable Funding (ASF) Item										
1	Capital:	87.0		10.3	97.2	56.8		10.9	67.6	
2	Regulatory Capital	87.0		9.8	96.7	56.8		10.3	67.1	
3	Other Capital Instruments			0.5	0.5			0.6	0.6	
4	Retail deposits and deposits from small business customers:		381.6	16.9	13.2	373.7	289.0	8.6	11.7	281.2
5	Stable deposits		36.2			34.4	34.4			32.6
6	Less stable deposits		345.4	16.9	13.2	339.3	254.6	8.6	11.7	248.5
7	Wholesale Funding:		536.8	58.2	235.7	389.4	322.1	33.4	105.7	201.1
8	Operational Deposits		76.8			38.4	49.4			24.7
9	Other wholesale funding		460.0	58.2	235.7	351.0	272.7	33.4	105.7	176.4
10	Liabilities with matching interdependent assets			3.9			4.0			
11	Other liabilities:	47.5	142.2	0.1	2.1	12.7	42.3	96.0	0.0	3.1
12	NSFR derivative liabilities									2.1 ¹
13	All other liabilities and equity not included in the above categories	47.5	142.2	0.1	2.1	12.7	42.3	96.0	0.0	1.0
14	Total ASF				873.1					556.3
Required Stable Funding (RSF) Item										
15	Total NSFR high-quality liquid assets (HQLA)				30.9					28.2
16	Deposits held at other financial institutions for operational purposes		16.4		8.5		9.3			5.0
17	Performing loans and securities:	49.8	302.1	61.4	505.6	575.1	46.4	164.4	25.8	318.9
18	Performing loans to financial institutions secured by Level 1 HQLA or Level 2a HQLA		78.4	1.9	0.2	9.6		33.3	1.7	0.0
19	Performing loans to financial institutions secured by Level 2b HQLA or non-HQLA and unsecured performing loans to financial institutions		80.3	11.3	67.0	88.0		62.8	5.8	38.3
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:		117.9	25.5	175.7	216.0		56.6	11.5	109.7
21	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk		2.5	0.1	9.6	7.3		0.5	0.2	2.2
22	Performing residential mortgages, of which:		23.2	20.3	244.4	200.9		8.4	5.5	157.7
23	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk		11.2	10.5	220.7	169.6		7.4	5.3	140.7
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	49.8	2.3	2.4	18.3	60.6	46.4	3.2	1.4	13.2
25	Assets with matching interdependent liabilities	4.0					3.9			
26	Other assets:	44.6	56.2	0.1	142.0	120.0	37.1	44.7	0.1	81.1
27	Physical traded commodities, including gold	1.8				1.5	0.6			0.5
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				38.9 ¹	33.1				26.4 ¹
29	NSFR derivative assets				0.5 ¹	0.5				
30	NSFR derivative liabilities before deduction of variation margin posted				79.8 ¹	16.0				45.7 ¹
31	All other assets not included in the above categories	42.8	56.2	0.1	22.8	68.9	36.6	44.7	0.1	9.0
32	Off-balance sheet items		16.6	9.5	141.2	7.7		18.1	7.8	35.3
33	Total RSF				742.1					472.7
34	Net Stable Funding Ratio (%)				117.6					117.7

¹ The ≥ 1 year maturity bucket includes balances for which differentiation by maturity is not required.



Requirements for global systemically important banks and related indicators

Semi-annual I The Financial Stability Board (the FSB) has determined that UBS is a global systemically important bank (a G-SIB), using an indicator-based methodology adopted by the Basel Committee on Banking Supervision (the BCBS). Banks that qualify as G-SIBs are required to disclose 13 indicators for assessing the systemic importance of G-SIBs as defined by the BCBS. These indicators are used for the G-SIB score calculation and cover five categories: size, cross-jurisdictional activity, interconnectedness, substitutability / financial institution infrastructure, and complexity.

Based on the published indicators, G-SIBs are subject to additional common equity tier 1 (CET1) capital buffer requirements in a range from 1.0% to 3.5%. In November 2022, the FSB confirmed that, based on the year-end 2021 indicators, the additional CET1 capital buffer requirement for the UBS Group will remain at 1.0%. An updated assessment from the FSB will become available in November 2023.

BCBS requirements are minimum requirements that regulators must put in place in their respective jurisdictions. Based on the BCBS assessment in 2022, the Swiss SRB capital requirements exceed the BCBS requirements. Following the acquisition of the Credit Suisse Group, the BCBS may change the G-SIB buffer requirement in its upcoming assessment. Even if this resulted in the highest G-SIB buffer requirement currently assigned to any bank, which is 2.5%, UBS would not be affected by these additional G-SIB requirements, as the Swiss SRB capital requirement would still be higher. As our Swiss systemically relevant bank Basel III capital requirements exceed the BCBS requirements, including the G-SIB buffer, we are not affected by these additional G-SIB requirements.

The BCBS introduced a leverage ratio buffer for G-SIBs as a part of the finalization of the Basel III framework announced in December 2017. The leverage ratio buffer is set at 50% of risk-weighted higher-loss absorbency requirements. Implementation of the final Basel III framework in Switzerland is expected to enter into force on 1 January 2025. We do not expect these changes to increase our additional CET1 capital buffer requirement.

Our G-SIB indicators as of 31 December 2022 were published in July 2023 under "Pillar 3 disclosures" at ubs.com/investors. ▲

Significant regulated subsidiaries and sub-groups

Introduction

Scope of disclosures in this section

The sections below include capital and other regulatory information as of 30 June 2023 for UBS AG consolidated, UBS AG standalone, UBS Switzerland AG standalone, UBS Europe SE consolidated, UBS Americas Holding LLC consolidated, Credit Suisse AG consolidated, Credit Suisse AG standalone, Credit Suisse (Schweiz) AG consolidated, Credit Suisse (Schweiz) AG standalone, Credit Suisse International standalone and Credit Suisse Holdings (USA), Inc. consolidated. Capital information in the following sections is based on Pillar 1 capital requirements. Entities may be subject to significant additional Pillar 2 requirements, which represent additional amounts of capital considered necessary and are agreed with regulators based on the risk profile of the respective entity.

UBS Americas Holding LLC consolidated and Credit Suisse Holdings (USA), Inc. consolidated

Recent events in the US banking market

In May 2023, the Federal Reserve Board (the FRB) and the Federal Deposit Insurance Corporation (the FDIC) released reports that covered the circumstances leading to the closing of certain banking organizations following the events in the banking market in March 2023. The reports noted shortcomings in the supervisory agencies' execution of examination programs, including escalation of supervisory issues and staffing. They also raised concerns related to the regulatory framework, including the Federal Reserve's Tailoring Rule and other topics, such as interest rate risk management. UBS expects these developments to impact the regulatory environment in the US, where UBS maintains significant operations.

Federal Reserve Board releases stress test results

In June 2023, the Federal Reserve Board released the results of its 2023 Dodd-Frank Act Stress Test (DFAST). UBS's US intermediate holding company, UBS Americas Holding LLC, and Credit Suisse's intermediate holding, Credit Suisse Holdings (USA), Inc., exceeded the minimum capital requirements under the severely adverse scenario. Following the completion of the annual DFAST and the Comprehensive Capital Analysis and Review (CCAR), UBS Americas Holding LLC was assigned a stress capital buffer (an SCB) of 9.1% (previously 4.8%) under the SCB rule as of 1 October 2023, resulting in a total common equity tier 1 (CET1) capital requirement of 13.6%. Credit Suisse Holdings (USA), Inc. was assigned an SCB of 7.2% (previously 9.0%), resulting in a total CET1 capital requirement of 11.7%.

US authorities consult on final Basel III implementation

In July 2023, US banking regulators, including the FRB, the FDIC and the Office of the Comptroller of the Currency (the OCC), issued a public consultation on a proposal that would implement the final components of the Basel III capital standards for US banking organizations and foreign-owned intermediate holding companies, such as UBS Americas Holding LLC and Credit Suisse Holdings (USA), Inc. Among others, the proposed rules would end the use of the internal model approach for credit risk by the largest banking organizations and would introduce instead a new standardized approach. In addition, the proposed rules for operational risks would replace the advanced measurement approach with a standardized measure. The proposal calls for a three-year transition period, starting on 1 July 2025, and full implementation by 1 July 2028. The impact on UBS will depend on new or revised regulatory interpretations, changes in business growth, market conditions and other factors.

UBS AG consolidated

Key metrics of the second quarter of 2023

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules and International Financial Reporting Standards (IFRS).

During the second quarter of 2023, tier 1 capital decreased by USD 0.1bn to USD 55.0bn. Common equity tier 1 (CET1) capital increased by USD 0.5bn to USD 43.3bn, mainly reflecting operating profit before tax of USD 1.5bn, with associated current tax expenses of USD 0.4bn, and positive effects from foreign currency translation of USD 0.2bn, partly offset by additional dividend accruals of USD 0.9bn. Additional tier 1 (AT1) capital decreased by USD 0.6bn, mainly driven by one high-trigger loss-absorbing AT1 capital instrument previously on-lent from the Group to UBS AG that was transferred to Credit Suisse AG on 30 June 2023.

Risk-weighted assets (RWA) increased by USD 2.2bn to USD 323.4bn during the second quarter of 2023, primarily driven by credit risk and counterparty credit risk, mainly as a result of an increase in loans and loan commitments in Personal & Corporate Banking and Global Wealth Management, partly offset by decreases in market risk and non-counterparty-related risk RWA.

Leverage ratio exposure increased by USD 30.3bn to USD 1,048.3bn, mainly driven by higher central bank balances, lending and trading portfolio assets, as well as increases in securities financing transactions, derivatives and off-balance sheet exposures.

Correspondingly, the CET1 capital ratio of UBS AG consolidated increased to 13.4% from 13.3%, reflecting the aforementioned increase in the CET1 capital, largely offset by the increase in RWA. The Basel III leverage ratio decreased to 5.2% from 5.4%, mainly reflecting the higher leverage ratio exposure.

In the second quarter of 2023, the average liquidity coverage ratio (the LCR) of UBS AG consolidated stood at 170.9%. This average LCR was calculated based on the average for the 15 business days from the formal acquisition date of Credit Suisse Group on 12 June 2023 until the end of the second quarter of 2023.

As of 30 June 2023, the net stable funding ratio of UBS AG consolidated stood at 118.2%.

KM1: Key metrics

USD m, except where indicated

	30.6.23
Available capital (amounts)	
1 Common Equity Tier 1 (CET1) ¹	43,300
1a Fully loaded ECL accounting model CET1	43,300
2 Tier 1 ¹	55,017
2a Fully loaded ECL accounting model Tier 1	55,017
3 Total capital ¹	55,017
3a Fully loaded ECL accounting model total capital	55,017
Risk-weighted assets (amounts)	
4 Total risk-weighted assets (RWA)	323,406
4a Minimum capital requirement ²	25,873
4b Total risk-weighted assets (pre-floor)	323,406
Risk-based capital ratios as a percentage of RWA	
5 CET1 ratio (%) ¹	13.39
5a Fully loaded ECL accounting model CET1 ratio (%)	13.39
6 Tier 1 ratio (%) ¹	17.01
6a Fully loaded ECL accounting model Tier 1 ratio (%)	17.01
7 Total capital ratio (%) ¹	17.01
7a Fully loaded ECL accounting model total capital ratio (%)	17.01
Additional CET1 buffer requirements as a percentage of RWA	
8 Capital conservation buffer requirement (%)	2.50
9 Countercyclical buffer requirement (%)	0.10
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.29
10 Bank G-SIB and / or D-SIB additional requirements (%) ³	0.29
11 Total of bank CET1 specific buffer requirements (%) ⁴	2.60
12 CET1 available after meeting the bank's minimum capital requirements (%)	8.89
Basel III leverage ratio	
13 Total Basel III leverage ratio exposure measure	1,048,313
14 Basel III leverage ratio (%) ¹	5.25
14a Fully loaded ECL accounting model Basel III leverage ratio (%)	5.25
Liquidity coverage ratio (LCR)⁵	
15 Total high-quality liquid assets (HQLA)	224,849
16 Total net cash outflow	131,535
16a of which: cash outflows	258,700
16b of which: cash inflows	127,165
17 LCR (%)	170.94
Net stable funding ratio (NSFR)	
18 Total available stable funding	564,491
19 Total required stable funding	477,615
20 NSFR (%)	118.19

¹ As of 1 July 2022, our capital amounts exclude the transitional relief of recognizing ECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks". ² Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ³ Swiss SRB going and gone concern requirements and information for UBS AG consolidated are provided below in this section. ⁴ Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. ⁵ Calculated after the application of haircuts and inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 15 data points in the second quarter of 2023 from the formal acquisition date of Credit Suisse Group as of 12 June 2023.



Swiss SRB going and gone concern requirements and information

Quarterly | The tables below provide details of the Swiss systemically relevant bank RWA- and leverage ratio denominator-based going and gone concern requirements and information as required by the Swiss Financial Market Supervisory Authority (FINMA). Details regarding eligible gone concern instruments are provided below.

In November 2022, the Swiss Federal Council adopted amendments to the Banking Act and the Banking Ordinance, which entered into force as of 1 January 2023. The amendments replaced the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs), including UBS, with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements). In addition, as of July 2024, FINMA will have the authority to impose a surcharge of up to 25% of the total going concern capital requirements based on obstacles to the SIB's resolvability identified in future resolvability assessments. UBS AG's consolidated total gone concern requirements remained substantially unchanged in the second quarter of 2023 as a result of these changes. Outstanding high- and low-trigger loss-absorbing tier 2 capital instruments, non-Basel III-compliant tier 2 capital instruments and total loss-absorbing capacity-eligible senior unsecured debt instruments are eligible to meet gone concern requirements until one year before maturity.

More information about the going and gone concern requirements and information is provided in the "UBS AG consolidated total loss-absorbing capacity and leverage ratio information" section of the Annual Report 2022, available under "Annual reporting" at ubs.com/investors.

Swiss SRB going and gone concern requirements and information

As of 30.6.23	RWA		LRD	
<i>USD m, except where indicated</i>	in %		in %	
Required going concern capital				
Total going concern capital	14.70 ¹	47,527	5.00 ¹	52,416
Common equity tier 1 capital	10.40	33,621	3.50 ²	36,691
<i>of which: minimum capital</i>	4.50	14,553	1.50	15,725
<i>of which: buffer capital</i>	5.50	17,787	2.00	20,966
<i>of which: countercyclical buffer</i>	0.40	1,280		
Maximum additional tier 1 capital	4.30	13,906	1.50	15,725
<i>of which: additional tier 1 capital</i>	3.50	11,319	1.50	15,725
<i>of which: additional tier 1 buffer capital</i>	0.80	2,587		
Eligible going concern capital				
Total going concern capital	17.01	55,017	5.25	55,017
Common equity tier 1 capital	13.39	43,300	4.13	43,300
Total loss-absorbing additional tier 1 capital	3.62	11,718	1.12	11,718
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	3.26	10,528	1.00	10,528
<i>of which: low-trigger loss-absorbing additional tier 1 capital^B</i>	0.37	1,189	0.11	1,189
Required gone concern capital				
Total gone concern loss-absorbing capacity^{4,5,6}	10.73	34,685	3.75	39,312
<i>of which: base requirement including add-ons for market share and LRD</i>	10.73 ⁷	34,685	3.75 ⁷	39,312
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	15.95	51,572	4.92	51,572
Total tier 2 capital	0.17	539	0.05	539
<i>of which: non-Basel III-compliant tier 2 capital</i>	0.17	539	0.05	539
TLAC-eligible senior unsecured debt	15.78	51,033	4.87	51,033
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.42	82,212	8.75	91,727
Eligible total loss-absorbing capacity	32.96	106,589	10.17	106,589
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		323,406		
Leverage ratio denominator				1,048,313

¹ Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD). ² UBS AG's minimum CET1 leverage ratio requirement of 3.5% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.25% LRD add-on requirement and a 0.25% market share add-on requirement based on the Swiss credit business. ³ Existing outstanding low-trigger additional tier 1 capital instruments qualify as going concern capital at the UBS AG consolidated level, as agreed with FINMA, until their first call date. As of their first call date, these instruments are eligible to meet the gone concern requirements. ⁴ A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. ⁵ From 1 January 2023, the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs) has been replaced with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements). ⁶ As of July 2024, FINMA will have the authority to impose a surcharge of up to 25% of the total going concern capital requirements should obstacles to a SIB's resolvability be identified in future resolvability assessments. ⁷ Includes applicable add-ons of 1.08% for RWA and 0.38% for LRD.

Swiss SRB going and gone concern information

<i>USD m, except where indicated</i>	30.6.23	31.3.23	31.12.22
Eligible going concern capital			
Total going concern capital	55,017	55,116	54,770
Total tier 1 capital	55,017	55,116	54,770
Common equity tier 1 capital	43,300	42,801	42,929
Total loss-absorbing additional tier 1 capital	11,718	12,315	11,841
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	10,528	11,118	10,654
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>	1,189	1,198	1,187
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	51,572	52,624	46,991
Total tier 2 capital	539	2,975	2,958
<i>of which: low-trigger loss-absorbing tier 2 capital</i>	0	2,438	2,422
<i>of which: non-Basel III-compliant tier 2 capital</i>	539	538	536
TLAC-eligible senior unsecured debt	51,033	49,649	44,033
Total loss-absorbing capacity			
Total loss-absorbing capacity	106,589	107,741	101,761
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	323,406	321,224	317,823
Leverage ratio denominator	1,048,313	1,018,023	1,029,561
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	17.0	17.2	17.2
<i>of which: common equity tier 1 capital ratio</i>	13.4	13.3	13.5
Gone concern loss-absorbing capacity ratio	15.9	16.4	14.8
Total loss-absorbing capacity ratio	33.0	33.5	32.0
Leverage ratios (%)			
Going concern leverage ratio	5.2	5.4	5.3
<i>of which: common equity tier 1 leverage ratio</i>	4.1	4.2	4.2
Gone concern leverage ratio	4.9	5.2	4.6
Total loss-absorbing capacity leverage ratio	10.2	10.6	9.9



UBS AG standalone

Key metrics of the second quarter of 2023

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules and International Financial Reporting Standards (IFRS).

During the second quarter of 2023, tier 1 capital decreased by USD 0.2bn to USD 65.6bn. Common equity tier 1 (CET1) capital increased by USD 0.4bn to USD 53.9bn, mainly reflecting operating profit before tax, largely offset by additional accruals for capital returns to UBS Group AG. Additional tier 1 (AT1) capital decreased by USD 0.6bn, mainly driven by one high-trigger loss-absorbing AT1 capital instrument previously on-lent from the Group to UBS AG that was transferred to Credit Suisse AG on 30 June 2023.

Phase-in risk-weighted assets (RWA) decreased by USD 4.9bn to USD 343.4bn during the second quarter of 2023, primarily driven by a decrease in participation RWA, partly offset by an increase in credit and counterparty credit risk.

Leverage ratio exposure increased by USD 16.8bn to USD 606.2bn, mainly driven by higher lending balances, central bank balances, trading portfolio assets and derivative exposure, partly offset by lower other non-financial assets.

Correspondingly, the CET1 capital ratio of UBS AG standalone increased to 15.7% from 15.4%, primarily reflecting the decrease in RWA. The firm's Basel III leverage ratio decreased to 10.8% from 11.2%, mainly reflecting the higher leverage ratio exposure.

In the second quarter of 2023, the quarterly average liquidity coverage ratio (the LCR) of UBS AG standalone increased 18.9 percentage points to 208.0%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The increase in average LCR was mainly driven by a decrease in net cash outflows of USD 5.3bn to USD 47.1bn due to lower outflows from prime brokerage and higher inflows from securities financing transactions. High-quality liquid assets were stable at USD 97.7bn.

As of 30 June 2023, the net stable funding ratio increased by 1.2 percentage points to 89.4%, remaining above the prudential requirement communicated by FINMA. Available stable funding decreased by USD 1.1bn to USD 253.9bn, largely driven by lower equity, mainly due to the dividend distribution in April 2023, substantially offset by an increase in debt issued and higher customer deposits. Required stable funding decreased by USD 5.1bn to USD 283.9bn, mainly driven by the release of the prior-year dividend accrual following the dividend distribution and lower investments in subsidiaries and trading assets, partly offset by higher lending assets, largely due to funding provided to Credit Suisse, and higher derivative balances.

KM1: Key metrics

USD m, except where indicated

	30.6.23	31.3.23	31.12.22	30.9.22	30.6.22
Available capital (amounts)					
1 Common Equity Tier 1 (CET1) ¹	53,904	53,476	53,995	53,480	54,146
1a Fully loaded ECL accounting model CET1	53,904	53,476	53,995	53,480	54,139
2 Tier 1 ¹	65,622	65,791	65,836	67,149	68,188
2a Fully loaded ECL accounting model Tier 1	65,622	65,791	65,836	67,149	68,180
3 Total capital ¹	65,622	66,279	66,321	67,634	68,682
3a Fully loaded ECL accounting model total capital	65,622	66,279	66,321	67,634	68,674
Risk-weighted assets (amounts)²					
4 Total risk-weighted assets (RWA)	343,374	348,235	332,864	323,364	327,846
4a Minimum capital requirement ³	27,470	27,859	26,629	25,869	26,228
4b Total risk-weighted assets (pre-floor)	343,374	348,235	332,864	323,364	327,846
Risk-based capital ratios as a percentage of RWA²					
5 CET1 ratio (%) ¹	15.70	15.36	16.22	16.54	16.52
5a Fully loaded ECL accounting model CET1 ratio (%)	15.70	15.36	16.22	16.54	16.51
6 Tier 1 ratio (%) ¹	19.11	18.89	19.78	20.77	20.80
6a Fully loaded ECL accounting model Tier 1 ratio (%)	19.11	18.89	19.78	20.77	20.80
7 Total capital ratio (%) ¹	19.11	19.03	19.92	20.92	20.95
7a Fully loaded ECL accounting model total capital ratio (%)	19.11	19.03	19.92	20.92	20.95
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0.09	0.08	0.06	0.02	0.02
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.00	0.00	0.00	0.00	
10 Bank G-SIB and / or D-SIB additional requirements (%) ⁴					
11 Total of bank CET1 specific buffer requirements (%) ⁵	2.59	2.58	2.56	2.52	2.52
12 CET1 available after meeting the bank's minimum capital requirements (%)	11.11	10.86	11.72	12.04	12.02
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	606,158	589,317	575,461	553,215	569,794
14 Basel III leverage ratio (%) ¹	10.83	11.16	11.44	12.14	11.97
14a Fully loaded ECL accounting model Basel III leverage ratio (%)	10.83	11.16	11.44	12.14	11.97
Liquidity coverage ratio (LCR)⁶					
15 Total high-quality liquid assets (HQLA)	97,726	98,761	101,609	105,768	104,628
16 Total net cash outflow	47,083	52,382	53,616	55,770	55,405
16a of which: cash outflows	160,163	163,526	156,764	155,688	159,568
16b of which: cash inflows	113,080	111,144	103,148	99,919	104,163
17 LCR (%)	207.98	189.11	191.19	190.23	189.29
Net stable funding ratio (NSFR)⁷					
18 Total available stable funding	253,927	254,983	254,433	241,505	244,791
19 Total required stable funding	283,937	288,991	280,166	263,308	265,597
20 NSFR (%)	89.43	88.23	90.82	91.72	92.17

1 As of 1 July 2022, our capital amounts exclude the transitional relief of recognizing ECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks". 2 Based on phase-in rules for RWA. Refer to "Swiss SRB going and gone concern requirements and information" below for more information. 3 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 4 Swiss SRB going and gone concern requirements and information for UBS AG standalone are provided below in this section. 5 Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 6 Calculated after the application of haircuts and inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 64 data points in the second quarter of 2023 and 64 data points in the first quarter of 2023. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information. 7 In accordance with Art. 17h para. 3 and 4 of the Liquidity Ordinance, UBS AG standalone is required to maintain a minimum NSFR of at least 80% without taking into account excess funding of UBS Switzerland AG and 100% after taking into account such excess funding.



Swiss SRB going and gone concern requirements and information

Quarterly | The tables below provide details of the Swiss systemically relevant bank RWA- and leverage ratio denominator-based going and gone concern requirements and information as required by FINMA. Details regarding eligible gone concern instruments are provided below.

Following the amendments to the Banking Act and the Banking Ordinance that entered into force as of 1 January 2023, UBS AG standalone is subject to a gone concern capital requirement based on the sum of: (i) the nominal value of the gone concern instruments issued by UBS entities and held by the parent firm; (ii) 75% of the capital requirements resulting from third-party exposure on a standalone basis; and (iii) a buffer requirement equal to 30% of the Group's gone concern capital requirement on UBS AG's consolidated exposure. A transitional period until 2024 has been granted for the buffer requirement. The gone concern capital coverage ratio reflects how much gone concern capital is available to meet the gone concern requirement. Outstanding high- and low-trigger loss-absorbing tier 2 capital instruments, non-Basel III-compliant tier 2 capital instruments and total loss-absorbing capacity-eligible senior unsecured debt instruments are eligible to meet gone concern requirements until one year before maturity.

More information about the going and gone concern requirements and information is provided in the "UBS AG standalone" section of the 31 December 2022 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors.

Swiss SRB going and gone concern requirements and information

As of 30.6.23	RWA, phase-in		RWA, fully applied as of 1.1.28		LRD	
<i>USD m, except where indicated</i>	in %		in %		in %	
Required going concern capital						
Total going concern capital	14.39 ¹	49,416	14.39 ¹	55,886	5.00 ¹	30,308
Common equity tier 1 capital	10.09	34,651	10.09	39,188	3.50	21,216
<i>of which: minimum capital</i>	4.50	15,452	4.50	17,475	1.50	9,092
<i>of which: buffer capital</i>	5.50	18,886	5.50	21,358	2.00	12,123
<i>of which: countercyclical buffer</i>	0.09	314	0.09	355		
Maximum additional tier 1 capital	4.30	14,765	4.30	16,698	1.50	9,092
<i>of which: additional tier 1 capital</i>	3.50	12,018	3.50	13,591	1.50	9,092
<i>of which: additional tier 1 buffer capital</i>	0.80	2,747	0.80	3,107		
Eligible going concern capital						
Total going concern capital	19.11	65,622	16.90	65,622	10.83	65,622
Common equity tier 1 capital	15.70	53,904	13.88	53,904	8.89	53,904
Total loss-absorbing additional tier 1 capital	3.41	11,718	3.02	11,718	1.93	11,718
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	3.07	10,528	2.71	10,528	1.74	10,528
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>	0.35	1,189	0.31	1,189	0.20	1,189
Risk-weighted assets / leverage ratio denominator						
Risk-weighted assets		343,374		388,327		
Leverage ratio denominator						606,158
Required gone concern capital²						
Total gone concern loss-absorbing capacity		Higher of RWA- or LRD-based				46,157
Eligible gone concern capital						
Total gone concern loss-absorbing capacity						51,566
Gone concern capital coverage ratio		111.72				

¹ Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD). ² A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital.

Swiss SRB going and gone concern information

<i>USD m, except where indicated</i>	30.6.23	31.3.23	31.12.22
Eligible going concern capital			
Total going concern capital	65,622	65,791	65,836
Total tier 1 capital	65,622	65,791	65,836
Common equity tier 1 capital	53,904	53,476	53,995
Total loss-absorbing additional tier 1 capital	11,718	12,315	11,841
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	10,528	11,118	10,654
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>	1,189	1,198	1,187
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	51,566	52,617	46,982
Total tier 2 capital	533	2,968	2,949
<i>of which: low-trigger loss-absorbing tier 2 capital</i>	0	2,437	2,421
<i>of which: non-Basel III-compliant tier 2 capital</i>	533	531	528
TLAC-eligible senior unsecured debt	51,033	49,649	44,033
Total loss-absorbing capacity			
Total loss-absorbing capacity	117,187	118,408	112,818
Denominators for going and gone concern ratios			
Risk-weighted assets, phase-in	343,374	348,235	332,864
<i>of which: investments in Switzerland-domiciled subsidiaries¹</i>	42,112	40,848	39,589
<i>of which: investments in foreign-domiciled subsidiaries¹</i>	120,823	130,492	121,021
Risk-weighted assets, fully applied as of 1.1.28	388,327	396,271	390,128
<i>of which: investments in Switzerland-domiciled subsidiaries¹</i>	46,791	45,387	44,988
<i>of which: investments in foreign-domiciled subsidiaries¹</i>	161,097	173,990	172,887
Leverage ratio denominator	606,158	589,317	575,461
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio, phase-in	19.1	18.9	19.8
<i>of which: common equity tier 1 capital ratio, phase-in</i>	15.7	15.4	16.2
Going concern capital ratio, fully applied as of 1.1.28	16.9	16.6	16.9
<i>of which: common equity tier 1 capital ratio, fully applied as of 1.1.28</i>	13.9	13.5	13.8
Leverage ratios (%)			
Going concern leverage ratio	10.8	11.2	11.4
<i>of which: common equity tier 1 leverage ratio</i>	8.9	9.1	9.4
Capital coverage ratio (%)			
Gone concern capital coverage ratio	111.7	120.6	117.1

¹ Net exposures for direct and indirect investments including holding of regulatory capital instruments in Switzerland-domiciled subsidiaries and for direct and indirect investments including holding of regulatory capital instruments in foreign-domiciled subsidiaries are risk-weighted at 225% and 300%, respectively, for the current year. Risk weights will gradually increase by 5 percentage points per year for Switzerland-domiciled investments and 20 percentage points per year for foreign-domiciled investments until the fully applied risk weights of 250% and 400%, respectively, are applied.



UBS Switzerland AG standalone

Key metrics of the second quarter of 2023

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules and International Financial Reporting Standards (IFRS).

During the second quarter of 2023, common equity tier 1 (CET1) capital was broadly stable at CHF 12.4bn, mainly as operating profit was largely offset by additional dividend accruals.

Total risk-weighted assets (RWA) decreased by CHF 0.9bn to CHF 107.2bn, mainly driven by lower RWA from credit and counterparty credit risk RWA.

Leverage ratio exposure was broadly unchanged compared with the first quarter of 2023.

The quarterly average liquidity coverage ratio (the LCR) of UBS Switzerland AG increased 0.5 percentage points to 142.4%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the average LCR was driven by a CHF 5.7bn decrease in average net cash outflows due to lower average outflows from customer deposits. The effect of lower average net cash outflows was largely offset by CHF 7.7bn lower average high-quality liquid assets due to lower cash balances with the Swiss National Bank, predominantly resulting from a decrease in customer deposits and an ordinary dividend payout to UBS AG in April 2023.

As of 30 June 2023, the net stable funding ratio increased by 1.1 percentage points to 134.8%, remaining above the prudential requirement communicated by FINMA. Available stable funding decreased by CHF 1.1bn to CHF 219.7bn, mainly driven by lower equity due to the dividend distribution in April 2023, partly offset by higher customer deposits. Required stable funding decreased by CHF 2.1bn to CHF 163.0bn, mainly driven by the release of the prior-year dividend accrual following the dividend distribution.

KM1: Key metrics

CHF m, except where indicated

	30.6.23	31.3.23	31.12.22	30.9.22	30.6.22
Available capital (amounts)					
1 Common Equity Tier 1 (CET1) ¹	12,354	12,356	12,586	12,520	12,718
1a Fully loaded ECL accounting model CET1	12,354	12,356	12,586	12,520	12,717
2 Tier 1 ¹	17,735	17,745	17,978	17,939	18,124
2a Fully loaded ECL accounting model Tier 1	17,735	17,745	17,978	17,939	18,123
3 Total capital ¹	17,735	17,745	17,978	17,939	18,124
3a Fully loaded ECL accounting model total capital	17,735	17,745	17,978	17,939	18,123
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	107,203	108,077	107,208	109,163	107,344
4a Minimum capital requirement ²	8,576	8,646	8,577	8,733	8,588
4b Total risk-weighted assets (pre-floor)	98,566	98,250	97,662	98,242	96,583
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%) ¹	11.52	11.43	11.74	11.47	11.85
5a Fully loaded ECL accounting model CET1 ratio (%)	11.52	11.43	11.74	11.47	11.85
6 Tier 1 ratio (%) ¹	16.54	16.42	16.77	16.43	16.88
6a Fully loaded ECL accounting model Tier 1 ratio (%)	16.54	16.42	16.77	16.43	16.88
7 Total capital ratio (%) ¹	16.54	16.42	16.77	16.43	16.88
7a Fully loaded ECL accounting model total capital ratio (%)	16.54	16.42	16.77	16.43	16.88
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0.04	0.03	0.02	0.02	0.02
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.79	0.74	0.75	0.74	
10 Bank G-SIB and / or D-SIB additional requirements (%) ³					
11 Total of bank CET1 specific buffer requirements (%) ⁴	2.54	2.53	2.52	2.52	2.52
12 CET1 available after meeting the bank's minimum capital requirements (%)	7.02	6.93	7.24	6.97	7.35
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	330,318	330,362	332,280	334,765	340,969
14 Basel III leverage ratio (%) ¹	5.37	5.37	5.41	5.36	5.32
14a Fully loaded ECL accounting model Basel III leverage ratio (%)	5.37	5.37	5.41	5.36	5.32
Liquidity coverage ratio (LCR)⁵					
15 Total high-quality liquid assets (HQLA)	77,594	85,286	88,889	89,016	93,651
16 Total net cash outflow	54,497	60,151	62,437	63,082	66,248
16a of which: cash outflows	74,687	80,906	84,826	85,858	90,247
16b of which: cash inflows	20,190	20,755	22,389	22,776	23,999
17 LCR (%)	142.41	141.87	142.41	141.15	141.42
Net stable funding ratio (NSFR)⁶					
18 Total available stable funding	219,728	220,838	221,689	224,149	225,178
19 Total required stable funding	163,021	165,152	162,306	158,853	156,232
20 NSFR (%)	134.79	133.72	136.59	141.10	144.13

1 As of 1 July 2022, our capital amounts exclude the transitional relief of recognizing ECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks". 2 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 3 Swiss SRB going and gone concern requirements and information for UBS Switzerland AG are provided below. 4 Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 5 Calculated after the application of haircuts and inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows. Calculated based on an average of 64 data points in the second quarter of 2023 and 64 data points in the first quarter of 2023. For the prior-quarter data points, refer to the respective Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors, for more information. 6 UBS Switzerland AG is required to maintain a minimum NSFR of at least 100% on an ongoing basis, as defined by Art. 17h para. 1 of the Liquidity Ordinance. A portion of the excess funding is needed to fulfill the NSFR requirement of UBS AG.



Swiss SRB going and gone concern requirements and information

Quarterly | UBS Switzerland AG is considered a systemically relevant bank (an SRB) under Swiss banking law and is subject to capital regulations on a standalone basis. As of 30 June 2023, the going concern capital and leverage ratio requirements for UBS Switzerland AG standalone were 15.13% (including a countercyclical buffer of 0.83%) and 5.00%, respectively.

The Swiss SRB framework and requirements applicable to UBS Switzerland AG standalone are the same as those applicable to UBS Group AG consolidated, with the exception of a lower gone concern requirement, corresponding to 62% of the Group's gone concern requirement.

The gone concern requirements were 8.87% for the RWA-based requirement and 3.10% for the leverage ratio denominator-based requirement.

Swiss SRB going and gone concern requirements and information

As of 30.6.23	RWA		LRD	
CHF m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	15.13 ¹	16,223	5.00 ¹	16,516
Common equity tier 1 capital	10.83	11,613	3.50	11,561
of which: minimum capital	4.50	4,824	1.50	4,955
of which: buffer capital	5.50	5,896	2.00	6,606
of which: countercyclical buffer	0.83	893		
Maximum additional tier 1 capital	4.30	4,610	1.50	4,955
of which: additional tier 1 capital	3.50	3,752	1.50	4,955
of which: additional tier 1 buffer capital	0.80	858		
Eligible going concern capital				
Total going concern capital	16.54	17,735	5.37	17,735
Common equity tier 1 capital	11.52	12,354	3.74	12,354
Total loss-absorbing additional tier 1 capital	5.02	5,381	1.63	5,381
of which: high-trigger loss-absorbing additional tier 1 capital	5.02	5,381	1.63	5,381
Required gone concern capital²				
Total gone concern loss-absorbing capacity	8.87	9,505	3.10	10,240
of which: base requirement	7.97	8,548	2.79	9,216
of which: additional requirement for market share and LRD	0.89	957	0.31	1,024
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	10.48	11,235	3.40	11,235
TLAC-eligible senior unsecured debt	10.48	11,235	3.40	11,235
Total loss-absorbing capacity				
Required total loss-absorbing capacity	24.00	25,728	8.10	26,756
Eligible total loss-absorbing capacity	27.02	28,971	8.77	28,971
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		107,203		
Leverage ratio denominator				330,318

¹ Includes applicable add-ons of 1.44% for risk-weighted assets (RWA) and 0.50% for leverage ratio denominator (LRD). ² A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital.

Swiss SRB loss-absorbing capacity

Quarterly I

Swiss SRB going and gone concern information

CHF m, except where indicated	30.6.23	31.3.23	31.12.22
Eligible going concern capital			
Total going concern capital	17,735	17,745	17,978
Total tier 1 capital	17,735	17,745	17,978
Common equity tier 1 capital	12,354	12,356	12,586
Total loss-absorbing additional tier 1 capital	5,381	5,389	5,393
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	5,381	5,389	5,393
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	11,235	11,257	11,267
TLAC-eligible senior unsecured debt	11,235	11,257	11,267
Total loss-absorbing capacity			
Total loss-absorbing capacity	28,971	29,001	29,245
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	107,203	108,077	107,208
Leverage ratio denominator	330,318	330,362	332,280
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	16.5	16.4	16.8
<i>of which: common equity tier 1 capital ratio</i>	11.5	11.4	11.7
Gone concern loss-absorbing capacity ratio	10.5	10.4	10.5
Total loss-absorbing capacity ratio	27.0	26.8	27.3
Leverage ratios (%)			
Going concern leverage ratio	5.4	5.4	5.4
<i>of which: common equity tier 1 leverage ratio</i>	3.7	3.7	3.8
Gone concern leverage ratio	3.4	3.4	3.4
Total loss-absorbing capacity leverage ratio	8.8	8.8	8.8



Capital instruments

Quarterly I

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	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	UBS Switzerland AG, Switzerland	
2 Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	–					–				
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 ³				
8 Amount recognized in regulatory capital (currency in million, as of most recent reporting date) ¹	CHF 10.0	CHF 1,000	CHF 825	USD 425	CHF 475	CHF 500	CHF 700	CHF 675	CHF 825	
9 Par value of instrument (currency in million)	CHF 10.0	CHF 1,000	CHF 825	USD 425	CHF 475	CHF 500	CHF 700	CHF 675	CHF 825	
10 Accounting classification ⁴	Equity attributable to UBS Switzerland AG shareholders					Due to banks held at amortized cost				
11 Original date of issuance	–	18 December 2017	12 December 2018	12 December 2018	11 December 2019	29 October 2020	11 March 2021	2 June 2021	2 June 2021	
12 Perpetual or dated	–					Perpetual				
13 Original maturity date	–					–				
14 Issuer call subject to prior supervisory approval	–					Yes				

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

Presented according to issuance date.

	Share capital	Additional tier 1 capital								
15	Optional call date, contingent call dates and redemption amount	–	First optional repayment date: 18 December 2022 ⁵	First optional repayment date: 12 December 2023	First optional repayment date: 12 December 2023	First optional repayment date: 11 December 2024	First optional repayment date: 29 October 2025	First optional repayment date: 11 March 2026	First optional repayment date: 2 June 2026	First optional repayment date: 2 June 2028
			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.					Repayable on the first optional repayment date or on any of every second interest payment date thereafter. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon.	Repayable on the first optional repayment date or on any interest payment date thereafter. Repayment subject to FINMA approval. Optional repayment amount: principal amount, together with any accrued and unpaid interest thereon.	
16	Subsequent call dates, if applicable	–	Early repayment possible due to a tax or regulatory event. Repayment due to a tax event subject to FINMA approval. Repayment amount: principal amount, together with accrued and unpaid interest.							

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

Presented according to issuance date.

Coupons	Share capital	Additional tier 1 capital								
		Floating								
17	Fixed or floating dividend / coupon	–								
18	Coupon rate and any related index	–	3-month SARON Compound + 250 bps per annum quarterly	3-month SARON Compound + 489 bps per annum quarterly	3-month SOFR Compound + 561 bps per annum quarterly	3-month SARON Compound + 433 bps per annum quarterly	3-month SARON Compound + 397 bps per annum quarterly	3-month SARON Compound + 337 bps per annum quarterly	3-month SARON Compound + 307 bps per annum quarterly	3-month SARON Compound + 308 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: CET 1 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, each obligation of UBS Switzerland AG that is unsubordinated or is subordinated and not ranked 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. 2 Based on Swiss SRB requirements applicable as of 1 January 2020. 3 Loans granted by UBS AG, Switzerland. 4 As applied in UBS Switzerland AG's financial statements under Swiss GAAP. 5 The entity decided not to trigger the call option. There is no expected date for the repayment.



UBS Europe SE consolidated

Quarterly | The table below provides information about the regulatory capital components, capital ratios, leverage ratio and liquidity of UBS Europe SE consolidated based on Basel Committee on Banking Supervision Pillar 1 requirements and in accordance with EU regulatory rules and International Financial Reporting Standards (IFRS).

During the second quarter of 2023, common equity tier 1 capital and total capital remained stable, at EUR 2.4bn and EUR 3.0bn, respectively. Risk-weighted assets increased by EUR 0.6bn to EUR 11.1bn, as a result of an increase in credit risk, mainly driven by an increase in securities financing transactions. Leverage ratio exposure increased by EUR 1.4bn to EUR 49.4bn, mainly reflecting increases in balances with central banks, trading inventory and holdings of high-quality liquid assets (HQLA).

The average liquidity coverage ratio remained well above the regulatory requirements of 100%, at 152.4%. The ratio decreased 2.6 percentage points, with a EUR 0.3bn decrease in HQLA, while net cash outflows were stable. The net stable funding ratio decreased by 8.9 percentage points to 144.9%, with a EUR 0.5bn increase in required stable funding, which was partly due to clients increasing their Asian market exposure.

KM1: Key metrics¹

EUR m, except where indicated

	30.6.23	31.3.23 ²	31.12.22	30.9.22 ²	30.6.22 ²
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	2,438	2,435	2,441	2,436	2,427
2 Tier 1	3,038	3,035	3,041	3,036	3,027
3 Total capital	3,038	3,035	3,041	3,036	3,027
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	11,118	10,561	10,726	11,924	11,412
4a Minimum capital requirement ³	886	845	858	954	913
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%)	21.9	23.1	22.8	20.4	21.3
6 Tier 1 ratio (%)	27.3	28.7	28.3	25.5	26.5
7 Total capital ratio (%)	27.3	28.7	28.3	25.5	26.5
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
9 Countercyclical buffer requirement (%)	0.5	0.4	0.3	0.2	0.1
10 Bank G-SIB and / or D-SIB additional requirements (%)					
11 Total of bank CET1 specific buffer requirements (%)	3.0	2.9	2.8	2.7	2.6
12 CET1 available after meeting the bank's minimum capital requirements (%) ⁴	17.5	18.6	18.3	15.9	16.8
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	49,351	47,909	41,818	51,736	47,364
14 Basel III leverage ratio (%) ⁵	6.2	6.3	7.3	5.9	6.4
Liquidity coverage ratio (LCR)⁶					
15 Total high-quality liquid assets (HQLA)	20,026	20,349	20,597	20,056	19,060
16 Total net cash outflow	13,210	13,206	13,082	12,221	11,640
17 LCR (%)	152.4	155.0	158.7	166.2	165.8
Net stable funding ratio (NSFR)					
18 Total available stable funding	13,148	13,176	13,856	13,912	13,853
19 Total required stable funding	9,072	8,569	7,935	9,220	9,343
20 NSFR (%)	144.9	153.8	174.6	150.9	148.3

¹ Based on applicable EU regulatory rules. ² Comparative figures have been restated to align with the regulatory reports as submitted to the European Central Bank (the ECB). ³ Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ⁴ This represents the CET1 ratio that is available for meeting buffer requirements. It is calculated as the CET1 ratio minus 4.5% and after considering, where applicable, CET1 capital that has been used to meet tier 1 and / or total capital ratio requirements under Pillar 1. ⁵ On the basis of tier 1 capital. ⁶ Figures are calculated on a 12-month average.



UBS Americas Holding LLC consolidated

Quarterly | The table below provides information about the regulatory capital components, capital, liquidity, funding and leverage ratios of UBS Americas Holding LLC consolidated, based on Basel Committee on Banking Supervision (BCBS) Pillar 1 requirements and in accordance with US Basel III rules.

Effective 1 October 2022, and through 30 September 2023, UBS Americas Holding LLC is subject to a stress capital buffer (an SCB) of 4.8%, in addition to the minimum capital requirements. The SCB was determined by the Federal Reserve Board following the completion of the 2022 Comprehensive Capital Analysis and Review (the CCAR) based on Dodd–Frank Act Stress Test (DFAST) results and planned future dividends. Based on the results of the 2023 CCAR, the SCB has been adjusted to 9.1% effective 1 October 2023. The SCB, which replaces the static capital conservation buffer of 2.5%, is subject to change on an annual basis or as otherwise determined by the Federal Reserve Board.

During the second quarter of 2023, common equity tier 1 capital decreased by USD 0.3bn, due to operating losses and preferred share dividend payments to UBS AG. Risk-weighted assets decreased by USD 1.8bn to USD 70.1bn, driven by decreases in market risk. Leverage ratio exposure, calculated on an average basis, decreased by USD 2.0bn to USD 186.3bn, primarily due to lower lending activity levels.

The average liquidity coverage ratio increased 5.1 percentage points, driven by a USD 1.6bn reduction in net cash outflows, primarily from an increase in secured lending, partly offset by a USD 1.3bn decrease in high-quality liquid assets.

The first public disclosure of the net stable funding ratio (the NSFR) is for the second quarter of 2023. The average NSFR for the second quarter of 2023 was 126.5%.

KM1: Key metrics

USD m, except where indicated

	30.6.23	31.3.23	31.12.22 ¹	30.9.22	30.6.22
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	10,275	10,579	10,536	12,588	12,454
2 Tier 1	15,361	15,673	15,618	16,643	16,509
3 Total capital	15,581	15,889	15,749	16,786	16,661
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	70,135	71,901	70,324	73,043	74,651
4a Minimum capital requirement ²	5,611	5,752	5,626	5,843	5,972
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%)	14.7	14.7	15.0	17.2	16.7
6 Tier 1 ratio (%)	21.9	21.8	22.2	22.8	22.1
7 Total capital ratio (%)	22.2	22.1	22.4	23.0	22.3
Additional CET1 buffer requirements as a percentage of RWA					
8 BCBS capital conservation buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
8a US stress capital buffer requirement (%)	4.8	4.8	4.8	7.1	7.1
9 Countercyclical buffer requirement (%)					
10 Bank G-SIB and / or D-SIB additional requirements (%)					
11 BCBS total of bank CET1 specific buffer requirements (%)	2.5	2.5	2.5	2.5	2.5
11a US total bank specific capital buffer requirements (%)	4.8	4.8	4.8	7.1	7.1
12 CET1 available after meeting the bank's minimum capital requirements (%) ³	10.2	10.2	10.5	12.7	12.2
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	186,340	188,330	193,837	191,695	198,332
14 Basel III leverage ratio (%) ⁴	8.2	8.3	8.1	8.7	8.3
14a Total Basel III supplementary leverage ratio exposure measure	207,357	209,465	214,543	214,292	224,259
14b Basel III supplementary leverage ratio (%) ⁴	7.4	7.5	7.3	7.8	7.4
Liquidity coverage ratio (LCR)⁵					
15 Total high-quality liquid assets (HQLA)	29,203	30,484 ⁶	26,296	30,249	34,065
16 Total net cash outflow ⁷	19,464	21,032 ⁶	18,323	21,557	23,596
17 LCR (%)	150.0	144.9 ⁶	143.5	140.3	144.4
Net stable funding ratio (NSFR)^{5,8}					
18 Total available stable funding	100,697	100,904			
19 Total required stable funding ⁷	79,576	80,022			
20 NSFR (%)	126.5	126.1			

¹ Comparative information has been aligned with UBS Americas Holding LLC's final 2022 audited financial statements. ² Calculated as 8% of total RWA, based on total minimum capital requirements, excluding CET1 buffer requirements. ³ This represents the CET1 ratio that is available for meeting buffer requirements. It is calculated as the CET1 ratio minus 4.5%. ⁴ On the basis of tier 1 capital. ⁵ Figures are calculated on a quarterly average. ⁶ Comparative information for 31 March 2023 has been restated for revisions to HQLA and net cash outflows. ⁷ Reflected at 85% of the full amount in accordance with the Federal Reserve tailoring rule. ⁸ The net stable funding ratio requirement became effective as of 1 July 2021 and related disclosures came into effect in the second quarter of 2023.



Material sub-group entity – creditor ranking at legal entity level

Semi-annual I The TLAC2 table below provides an overview of the creditor ranking structure of UBS Americas Holding LLC on a standalone basis.

As of 30 June 2023, UBS Americas Holding LLC had a total loss-absorbing capacity of USD 22.8bn after regulatory capital deductions and adjustments. This amount included tier 1 capital of USD 15.4bn and USD 7.4bn of internal long-term debt that is eligible as internal TLAC issued to UBS AG, a wholly owned subsidiary of the UBS Group AG resolution entity.

TLAC2: Material sub-group entity – creditor ranking at legal entity level

As of 30.6.23		Creditor ranking				Total
USD m		1	2	3	4	
1	Is the resolution entity the creditor / investor?	No	No	No	No	
2	Description of creditor ranking	Common Equity (most junior) ¹	Preferred Shares (Additional tier 1)	Subordinated debt	Unsecured loans and other pari passu liabilities (most senior)	
3	Total capital and liabilities net of credit risk mitigation	19,138	5,150		37,281	61,569
4	Subset of row 3 that are excluded liabilities				1,012	1,012
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	19,138	5,150		36,269	60,557
6	Subset of row 5 that are eligible as TLAC	19,138	5,150		7,400	31,688
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years				0	
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years				4,300	4,300
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years				3,100	3,100
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities				0	
11	Subset of row 6 that is perpetual securities	19,138	5,150			24,288

¹ Equity attributable to shareholders, which includes share premium and reserves.



Credit Suisse AG consolidated

Key metrics of the second quarter of 2023

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules.

During the second quarter of 2023, the common equity tier 1 (CET1) capital of Credit Suisse AG consolidated decreased by CHF 8.7bn to CHF 45.5bn, driven by a net loss of CHF 8.9bn. Tier 1 capital decreased by CHF 8.2bn to CHF 46.0bn, reflecting the aforementioned decrease in CET1 capital, partially offset by a CHF 0.5bn increase in additional tier 1 (AT1) capital. The increase in AT1 capital was mainly driven by one loss-absorbing AT1 capital instrument of CHF 0.5bn, denominated in Singapore dollars and downstreamed from UBS Group AG to Credit Suisse AG standalone.

Risk-weighted assets (RWA) decreased by CHF 25.8bn to CHF 217.1bn during the second quarter of 2023, primarily in credit risk and operational risk.

Leverage ratio exposure decreased by CHF 69.8bn to CHF 585.7bn, mainly driven by lower lending and trading portfolio assets, as well as decreases in derivative exposures and securities financing transactions.

Correspondingly, the CET1 capital ratio of Credit Suisse AG consolidated decreased to 21.0% from 22.3%, mainly reflecting a decrease in CET1 capital, primarily due to the aforementioned net loss, partially offset by the decrease in RWA. The firm's Basel III leverage ratio decreased to 7.9% from 8.3%, mainly reflecting the decrease in CET1 capital, primarily due to aforementioned net loss, partially offset by the lower leverage ratio exposure.

In the second quarter of 2023, the quarterly average liquidity coverage ratio (the LCR) of Credit Suisse AG consolidated increased 73.8 percentage points to 256.7%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The increase in the average LCR was driven by a CHF 13.6bn increase in high-quality liquid assets (HQLA) to CHF 131.7bn, mainly reflecting the benefits from the liquidity facilities from the Swiss National Bank.

As of 30 June 2023, the net stable funding ratio (the NSFR) of Credit Suisse AG consolidated increased 11.3 percentage points to 120.1%, remaining above the prudential requirement communicated by FINMA. The increase in the NSFR mainly reflected lower required stable funding, primarily related to a decrease in the firm's loan portfolio, a decrease in the trading portfolio and a decrease in the derivatives portfolio.

Applicable rules and methodologies

In 2022, in light of the bank's transformation, FINMA reduced the size of the capital surcharges for the bank's market share and its size in accordance with the Capital Adequacy Ordinance. This resulted in a lower total capital requirement for Credit Suisse and its domestic subsidiaries. As a result of the merger with UBS, these surcharges will increase by the end of 2023 to align with UBS's current surcharges.

KM1: Key metrics

CHF m, except where indicated

	30.6.23	31.3.23	31.12.22	30.9.22	30.6.22
Available capital (amounts)					
1 Common Equity Tier 1 (CET1) ¹	45,542	54,244	40,987	39,879	42,443
1a Fully loaded CECL accounting model CET1	45,542	54,244	40,987	39,879	42,443
2 Tier 1 ¹	46,004	54,244	54,843	54,628	57,208
2a Fully loaded CECL accounting model Tier 1	46,004	54,244	54,843	54,628	57,208
3 Total capital ¹	46,004	54,244	54,843	54,628	57,689
3a Fully loaded CECL accounting model total capital	46,004	54,244	54,843	54,628	57,689
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	217,102	242,919	249,953	272,973	274,199
4a Minimum capital requirement ²	17,368	19,434	19,996	21,838	21,936
4b Total risk-weighted assets (pre-floor)	217,102	242,919	249,953	272,973	274,199
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%) ¹	20.98	22.33	16.40	14.61	15.48
5a Fully loaded CECL accounting model CET1 ratio (%)	20.98	22.33	16.40	14.61	15.48
6 Tier 1 ratio (%) ¹	21.19	22.33	21.94	20.01	20.86
6a Fully loaded CECL accounting model Tier 1 ratio (%)	21.19	22.33	21.94	20.01	20.86
7 Total capital ratio (%) ¹	21.19	22.33	21.94	20.01	21.04
7a Fully loaded CECL accounting model total capital ratio (%)	21.19	22.33	21.94	20.01	21.04
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0.13	0.11	0.08	0.03	0.03
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.28	0.25	0.24	0.23	0.00
10 Bank G-SIB and / or D-SIB additional requirements (%) ³	1.00	1.00	1.00	1.00	1.00
11 Total of bank CET1 specific buffer requirements (%) ⁴	3.63	3.61	3.58	3.53	3.53
12 CET1 available after meeting the bank's minimum capital requirements (%)	13.19	14.33	11.90	10.11	10.98
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	585,681	655,439	653,551	843,779	869,272
14 Basel III leverage ratio (%) ¹	7.85	8.28	8.39	6.47	6.58
14a Fully loaded CECL accounting model Basel III leverage ratio (%)	7.85	8.28	8.39	6.47	6.58
Liquidity coverage ratio (LCR)⁵					
15 Total high-quality liquid assets (HQLA)	131,725	118,086	119,978	226,873	234,964
16 Total net cash outflow	51,315	64,579	81,239	116,500	121,366
16a of which: cash outflows	94,073	130,255	161,608	213,724	235,897
16b of which: cash inflows	42,758	65,676	80,369	97,224	114,531
17 LCR (%)	256.70	182.86	147.69	194.74	193.60
Net stable funding ratio (NSFR)					
18 Total available stable funding	295,741	295,402	342,800	421,224	425,579
19 Total required stable funding	246,214	271,352	289,297	311,432	322,987
20 NSFR (%)	120.12	108.86	118.49	135.25	131.76

¹ Credit Suisse has a transitional relief of recognizing CECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks" until June 30, 2024. The fully loaded US GAAP CECL accounting model excludes the transitional relief. ² Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ³ Swiss SRB going and gone concern requirements and information for Credit Suisse AG consolidated are provided below in this section. ⁴ Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. ⁵ Calculated based on an average of 61 data points in the second quarter of 2023, 64 data points in the first quarter of 2023, 65 data points in the fourth quarter of 2022, 66 data points in the third quarter of 2022 and 62 data points in the second quarter of 2022.



Swiss SRB going and gone concern requirements and information

Quarterly | The tables below provide details about the Swiss systemically relevant bank (SRB) RWA- and leverage ratio denominator (LRD)-based going and gone concern requirements and information as required by FINMA. Details regarding eligible gone concern instruments are provided below.

Credit Suisse AG consolidated is considered an SRB under Swiss banking law and is subject to capital regulations on a consolidated basis. As of 30 June 2023, the going concern capital and leverage ratio requirements for Credit Suisse AG consolidated were 14.81% and 5.06%, respectively.

The gone concern requirements were 10.19% for the RWA-based requirement and 3.75% for the LRD-based requirement.

Swiss SRB going and gone concern requirements and information

As of 30.6.23	RWA		LRD	
CHF m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	14.81 ¹	32,154	5.06 ¹	29,612
Common equity tier 1 capital	10.51	22,819	3.56 ²	20,826
of which: minimum capital	4.50	9,770	1.50	8,785
of which: buffer capital	4.78	10,377	1.75	10,249
of which: countercyclical buffer	0.41	880		
of which: Pillar 2 add-on	0.83	1,792 ³	0.31	1,792 ³
Maximum additional tier 1 capital	4.30	9,335	1.50	8,785
of which: additional tier 1 capital	3.50	7,599	1.50	8,785
of which: additional tier 1 buffer capital	0.80	1,737		
Eligible going concern capital				
Total going concern capital	21.19	46,004	7.85	46,004
Common equity tier 1 capital	20.98	45,542	7.78	45,542
Total loss-absorbing additional tier 1 capital	0.21	463	0.08	463
of which: high-trigger loss-absorbing additional tier 1 capital	0.21	463	0.08	463
Required gone concern capital⁴				
Total gone concern loss-absorbing capacity	10.19	22,112	3.75	21,963
of which: base requirement including add-ons for market share and LRD	10.19 ⁵	22,112	3.75 ⁵	21,963
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	18.14	39,375	6.72	39,375
TLAC-eligible senior unsecured debt	18.14	39,375	6.72	39,375
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.00	54,266	8.81	51,575
Eligible total loss-absorbing capacity	39.33	85,379	14.58	85,379
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		217,102		
Leverage ratio denominator				585,681

1 Includes applicable add-ons of 0.72% for risk-weighted assets (RWA) and 0.25% for leverage ratio denominator (LRD). 2 Our minimum CET1 leverage ratio requirement of 3.56% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.125% LRD add-on requirement, a 0.125% market share add-on requirement based on our Swiss credit business and a Pillar 2 add-on of 0.306%. 3 Reflects the FINMA Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. 4 A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. 5 The gone concern requirement after the application of the reduction for the use of higher-quality capital instruments is floored at 10% and 3.75% for the RWA- and LRD-based requirements, respectively.

Swiss SRB going and gone concern information

<i>CHF m, except where indicated</i>	30.6.23	31.3.23	31.12.22
Eligible going concern capital			
Total going concern capital	46,004	54,244	54,843
Total tier 1 capital	46,004	54,244	54,843
Common equity tier 1 capital	45,542	54,244	40,987
Total loss-absorbing additional tier 1 capital	463	0	13,856
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	463	0	10,495
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>	0	0	3,360
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	39,375	42,227	42,930
TLAC-eligible senior unsecured debt	39,375	42,227	42,930
Total loss-absorbing capacity			
Total loss-absorbing capacity	85,379	96,471	97,773
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	217,102	242,919	249,953
Leverage ratio denominator	585,681	655,439	653,551
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	21.2	22.3	21.9
<i>of which: common equity tier 1 capital ratio</i>	21.0	22.3	16.4
Gone concern loss-absorbing capacity ratio	18.1	17.4	17.2
Total loss-absorbing capacity ratio	39.3	39.7	39.1
Leverage ratios (%)			
Going concern leverage ratio	7.9	8.3	8.4
<i>of which: common equity tier 1 leverage ratio</i>	7.8	8.3	6.3
Gone concern leverage ratio	6.7	6.4	6.6
Total loss-absorbing capacity leverage ratio	14.6	14.7	15.0



Credit Suisse AG standalone

Key metrics of the second quarter of 2023

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules.

During the second quarter of 2023, the common equity tier 1 (CET1) capital of Credit Suisse AG standalone decreased by CHF 5.8bn to CHF 28.4bn. This was mainly driven by a net loss of CHF 6.1bn, which included CHF 2.7bn of participation impairments. Tier 1 capital decreased by CHF 5.4bn to CHF 28.9bn, reflecting the aforementioned decrease in CET1 capital, partially offset by a CHF 0.5bn increase in additional tier 1 (AT1) capital. The increase in AT1 capital was mainly driven by one loss-absorbing AT1 capital instrument of CHF 0.5bn, denominated in Singapore dollars and downstreamed from UBS Group AG to Credit Suisse AG standalone.

Phase-in risk-weighted assets (RWA) decreased by CHF 31.3bn to CHF 199.5bn during the second quarter of 2023, primarily driven by a decrease in credit risk due to lower lending exposures and a decrease in participation RWA due to the impairment of investments in Switzerland- and foreign-domiciled subsidiaries, as well as a decrease in operational risk RWA.

Leverage ratio exposure decreased by CHF 80.1bn to CHF 362.1bn, mainly driven by lower lending and central bank balances, as well as decreases in securities financing transactions and trading assets.

Correspondingly, the CET1 capital ratio of Credit Suisse AG standalone decreased to 14.2% from 14.8%, mainly reflecting the decrease in CET1 capital. The firm's Basel III leverage ratio increased to 8.0% from 7.7%, mainly reflecting the lower leverage ratio exposure, partially offset by the decrease in CET1 capital.

In the second quarter of 2023, the quarterly average liquidity coverage ratio (the LCR) of Credit Suisse AG standalone increased 222.3 percentage points to 390.9%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The increase in the average LCR was driven by an CHF 11.8bn increase in high-quality liquid assets (HQLA) to CHF 63.2bn, mainly due to an increase in cash held at central banks, and a decrease in net cash outflows. The net cash outflows decreased by CHF 14.3bn to CHF 16.2bn, driven by lower outflows from unsecured wholesale funding, partly offset by lower inflows from secured lending and other cash inflows.

As of 30 June 2023, the net stable funding ratio (the NSFR) of Credit Suisse AG standalone increased 10.7 percentage points to 100.1%, remaining above the prudential requirement communicated by FINMA. The movement in the NSFR was driven by a decrease in required stable funding of CHF 22.8bn to CHF 168.1bn, primarily due to decreases in the firm's loan portfolio and other assets. Available stable funding decreased by CHF 2.4bn to CHF 168.3bn, mainly due to decreases in the capital and debt portfolio, partly offset by an increase in deposits.

During the second quarter of 2023, the total assets of Credit Suisse AG standalone decreased to CHF 315.5bn, compared with CHF 378.0bn as of the end of the first quarter of 2023.

Applicable rules and methodologies

In October 2017, FINMA issued a decree (the 2017 FINMA Decree) specifying the treatment of investments in subsidiaries for capital adequacy purposes for Credit Suisse AG standalone. As of the end of the second quarter of 2023, Credit Suisse AG standalone financed Swiss subsidiaries with a carrying value of CHF 17.5bn and foreign subsidiaries with a carrying value of CHF 18.2bn.

The 2017 FINMA Decree also applied an adjustment (referred to as a regulatory filter) as an impact on CET1 capital arising from the accounting change under applicable Swiss banking rules for Credit Suisse AG standalone's participations in subsidiaries, from the portfolio valuation method to the individual valuation method. In contrast to the accounting treatment, the regulatory filter permits Credit Suisse to measure the regulatory capital position as if Credit Suisse AG standalone had maintained the portfolio valuation method. As of the end of the second quarter of 2023, the CET1 capital impact from the regulatory filter was CHF 6.2bn. The related RWA increase from higher total participation values subject to risk weighting was CHF 16.3bn, reflecting the different risk-weights for these direct participations.

The valuation of a bank parent company's participations in subsidiaries is reviewed for potential impairment on at least an annual basis, as of December 31, and at any other time that events or circumstances indicate that the value(s) of any participation(s) may be impaired. As a result of the acquisition of Credit Suisse Group AG by UBS Group AG and anticipated changes in strategy in the future, reliable financial plans are no longer available for the valuation of Credit Suisse AG standalone's participations in subsidiaries. In the second quarter of 2023, the valuation of Credit Suisse AG standalone's participations was calculated using alternative estimates of fair value based on the subsidiaries' financial positions as of the end of the second quarter of 2023, and included for the more significant participations (i) estimations of recoverable amounts in liquidation and (ii) valuations based on a multiple of book value, earnings or assets under management and custody. For certain other participations, a valuation based on net asset value was applied.

Once financial plans reflecting UBS's strategy for each subsidiary are available, a reassessment of the valuation methods used will be required and may result in reverting to the previously used valuation methods of income approach or market approach or a combination of the two, or using alternative methods. The consideration of UBS-approved financial plans could impact the valuations of subsidiaries, potentially resulting in material changes to these valuations in the future.

In 2022, in light of the bank's transformation, FINMA reduced the size of the capital surcharges for the bank's market share and its size in accordance with the Capital Adequacy Ordinance (the CAO). This resulted in a lower total capital requirement for Credit Suisse and its domestic subsidiaries. As a result of the merger with UBS, these surcharges will increase by the end of 2023 to align with UBS's current surcharges. In addition, Credit Suisse AG standalone is allowed to temporarily use capital buffers until the end of 2025, in line with the CAO and regulatory guidance by FINMA. This allows the bank to have effective and efficient capital management during the strategic transformation.

KM1: Key metrics

CHF m, except where indicated

	30.6.23	31.3.23	31.12.22	30.9.22	30.6.22
Available capital (amounts)					
1 Common Equity Tier 1 (CET1) ¹	28,394	34,206	32,262	27,556	37,168
1a Fully loaded CECL accounting model CET1	28,394	34,206	32,262	27,556	37,168
2 Tier 1 ¹	28,856	34,206	46,153	42,185	51,810
2a Fully loaded CECL accounting model Tier 1	28,856	34,206	46,153	42,185	51,810
3 Total capital ¹	28,856	34,206	46,153	42,185	52,291
3a Fully loaded CECL accounting model total capital	28,856	34,206	46,153	42,185	52,291
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	199,504	230,782	263,844	282,823	324,943
4a Minimum capital requirement ²	15,960	18,463	21,108	22,626	25,995
4b Total risk-weighted assets (pre-floor)	199,504	230,782	263,844	282,823	324,943
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%) ¹	14.23	14.82	12.23	9.74	11.44
5a Fully loaded CECL accounting model CET1 ratio (%)	14.23	14.82	12.23	9.74	11.44
6 Tier 1 ratio (%) ¹	14.46	14.82	17.49	14.92	15.94
6a Fully loaded CECL accounting model Tier 1 ratio (%)	14.46	14.82	17.49	14.92	15.94
7 Total capital ratio (%) ¹	14.46	14.82	17.49	14.92	16.09
7a Fully loaded CECL accounting model total capital ratio (%)	14.46	14.82	17.49	14.92	16.09
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0.14	0.12	0.09	0.03	0.02
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.00	0.01	0.00	0.00	
10 Bank G-SIB and / or D-SIB additional requirements (%) ³	1.00	1.00	1.00	1.00	1.00
11 Total of bank CET1 specific buffer requirements (%) ⁴	3.64	3.62	3.59	3.53	3.52
12 CET1 available after meeting the bank's minimum capital requirements (%)	6.46	6.82	7.73	5.24	6.94
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	362,074	442,168	456,691	599,279	628,827
14 Basel III leverage ratio (%) ¹	7.97	7.74	10.11	7.04	8.24
14a Fully loaded CECL accounting model Basel III leverage ratio (%)	7.97	7.74	10.11	7.04	8.24
Liquidity coverage ratio (LCR)⁵					
15 Total high-quality liquid assets (HQLA)	63,202	51,379	50,091	101,340	102,072
16 Total net cash outflow	16,169	30,478	40,198	57,366	56,254
16a of which: cash outflows	56,717	76,407	89,414	119,143	126,050
16b of which: cash inflows	41,096 ⁶	48,116 ⁶	49,216	61,777	69,796
17 LCR (%)	390.88	168.58	124.61	176.66	181.45
Net stable funding ratio (NSFR)⁷					
18 Total available stable funding	168,255	170,657	207,520	259,762	263,919
19 Total required stable funding	168,122	190,934	224,037	258,126	265,972
20 NSFR (%)	100.08	89.38	92.63	100.63	99.23

¹ Credit Suisse has a transitional relief of recognizing CECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks" until June 30, 2024. The fully loaded US GAAP CECL accounting model excludes the transitional relief. ² Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. ³ Swiss SRB going and gone concern requirements and information for Credit Suisse AG standalone are provided below in this section. ⁴ Excludes non-BCBS capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. ⁵ Calculated based on an average of 61 data points in the second quarter of 2023, 64 data points in the first quarter of 2023, 65 data points in the fourth quarter of 2022, 66 data points in the third quarter of 2022 and 62 data points in the second quarter of 2022. ⁶ In accordance with LCR rules, cash inflows are capped at 75% of cash outflows, which is calculated on a daily basis for the purpose of the Pillar 3 disclosures. ⁷ Based on the Liquidity Ordinance, Credit Suisse AG standalone is allowed to fulfill the minimum NSFR of 100% by taking into consideration any excess funding of Credit Suisse (Schweiz) AG standalone, and Credit Suisse AG standalone has an NSFR requirement of at least 80% without taking into consideration any such excess funding. Credit Suisse (Schweiz) AG must always fulfill the NSFR of at least 100% on a standalone basis.



Swiss SRB going and gone concern requirements and information

Quarterly | The tables below provide details of the Swiss systemically relevant bank RWA- and leverage ratio denominator-based going and gone concern requirements and information as required by FINMA. Details regarding eligible gone concern instruments are provided below.

Following the amendments to the Banking Act and the Banking Ordinance that entered into force as of 1 January 2023, Credit Suisse AG standalone is subject to a gone concern capital requirement based on the sum of: (i) the nominal value of the gone concern instruments issued by Credit Suisse entities and held by the parent firm; (ii) 75% of the capital requirements resulting from third-party exposure on a standalone basis; and (iii) a buffer requirement equal to 30% of Credit Suisse AG standalone's gone concern capital requirement on Credit Suisse AG's consolidated exposure. A transitional period until 2024 has been granted for the buffer requirement. The gone concern capital coverage ratio reflects how much gone concern capital is available to meet the gone concern requirement. Outstanding high- and low-trigger loss-absorbing tier 2 capital instruments and total loss-absorbing capacity-eligible senior unsecured debt instruments are eligible to meet gone concern requirements until one year before maturity.

Swiss SRB going and gone concern requirements and information

As of 30.6.23	RWA, phase-in		RWA, fully applied as of 1.1.28		LRD	
<i>CHF m, except where indicated</i>	in %		in %		in %	
Required going concern capital						
Total going concern capital	14.63 ¹	29,181	14.54 ¹	32,278	5.24 ¹	18,990
Common equity tier 1 capital	10.33	20,603	10.24	22,729	3.74 ²	13,559
<i>of which: minimum capital</i>	4.50	8,978	4.50	9,993	1.50	5,431
<i>of which: buffer capital</i>	4.78	9,536	4.78	10,614	1.75	6,336
<i>of which: countercyclical buffer</i>	0.15	297	0.15	331		
<i>of which: Pillar 2 add-on</i>	0.90	1,792 ³	0.81	1,792 ³	0.49	1,792 ³
Maximum additional tier 1 capital	4.30	8,579	4.30	9,548	1.50	5,431
<i>of which: additional tier 1 capital</i>	3.50	6,983	3.50	7,772	1.50	5,431
<i>of which: additional tier 1 buffer capital</i>	0.80	1,596	0.80	1,776		
Eligible going concern capital						
Total going concern capital	14.46	28,856	13.00	28,856	7.97	28,856
Common equity tier 1 capital	14.23	28,394	12.79	28,394	7.84	28,394
Total loss-absorbing additional tier 1 capital	0.23	463	0.21	463	0.13	463
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	0.23	463	0.21	463	0.13	463
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>	0.00	0	0.00	0	0.00	0
Risk-weighted assets / leverage ratio denominator						
Risk-weighted assets		199,504		222,058		
Leverage ratio denominator						362,074
Required gone concern capital⁴						
Total gone concern loss-absorbing capacity		Higher of RWA- or LRD-based				29,231
Eligible gone concern capital						
Total gone concern loss-absorbing capacity						39,325
TLAC-eligible senior unsecured debt						39,325
Gone concern capital coverage ratio		134.53				

1 Includes applicable add-ons of 0.72% for risk-weighted assets (RWA) and 0.25% for leverage ratio denominator (LRD). 2 Our minimum CET1 leverage ratio requirement of 3.74% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.125% LRD add-on requirement, a 0.125% market share add-on requirement based on our Swiss credit business and a Pillar 2 add-on of 0.495%. 3 Reflects the FINMA Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. 4 A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital.

Swiss SRB going and gone concern information

CHF m, except where indicated	30.6.23	31.3.23	31.12.22
Eligible going concern capital			
Total going concern capital	28,856	34,206	46,153
Total tier 1 capital	28,856	34,206	46,153
Common equity tier 1 capital	28,394	34,206	32,262
Total loss-absorbing additional tier 1 capital	463	0	13,891
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	463	0	10,519
<i>of which: low-trigger loss-absorbing additional tier 1 capital</i>	0	0	3,372
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	39,325	42,362	43,139
TLAC-eligible senior unsecured debt	39,325	42,362	43,139
Total loss-absorbing capacity			
Total loss-absorbing capacity	68,182	76,568	89,292
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets, phase-in	199,504	230,782	263,844
<i>of which: investments in Switzerland-domiciled subsidiaries¹</i>	39,477	41,804	52,004
<i>of which: investments in foreign-domiciled subsidiaries¹</i>	54,500	60,496	74,247
Risk-weighted assets fully applied as of 1.1.28	222,058	255,592	302,756
<i>of which: investments in Switzerland-domiciled subsidiaries¹</i>	43,863	46,449	59,095
<i>of which: investments in foreign-domiciled subsidiaries¹</i>	72,667	80,661	106,067
Leverage ratio denominator	362,074	442,168	456,691
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio, phase-in	14.5	14.8	17.5
<i>of which: common equity tier 1 capital ratio, phase-in</i>	14.2	14.8	12.2
Going concern capital ratio, fully applied as of 1.1.28	13.0	13.4	15.2
<i>of which: common equity tier 1 capital ratio, fully applied as of 1.1.28</i>	12.8	13.4	10.7
Leverage ratios (%)			
Going concern leverage ratio	8.0	7.7	10.1
<i>of which: common equity tier 1 leverage ratio</i>	7.8	7.7	7.1
Capital coverage ratio (%)			
Gone concern capital coverage ratio	134.5	130.7	142.0

¹ Net exposures for direct and indirect investments including holding of regulatory capital instruments in Switzerland-domiciled subsidiaries and for direct and indirect investments including holding of regulatory capital instruments in foreign-domiciled subsidiaries are risk-weighted at 225% and 300%, respectively, for the current year. Risk weights will gradually increase by 5 percentage points per year for Switzerland-domiciled investments and 20 percentage points per year for foreign-domiciled investments until the fully applied risk weights of 250% and 400%, respectively, are applied.



Credit Suisse (Schweiz) AG consolidated

Key metrics of the second quarter of 2023

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules.

During the second quarter of 2023, the common equity tier 1 (CET1) capital of Credit Suisse (Schweiz) AG consolidated increased by CHF 0.4bn to CHF 13.0bn, mainly driven by a decrease in CET1 deductions. Tier 1 capital increased by CHF 0.4bn to CHF 16.1bn, reflecting the aforementioned increase in CET1 capital.

Risk-weighted assets (RWA) decreased by CHF 2.0bn to CHF 88.1bn during the second quarter of 2023, primarily driven by a decrease in credit risk, partly offset by an increase in participation RWA.

Leverage ratio exposure increased by CHF 4.9bn to CHF 256.0bn, mainly driven by higher central bank balances, partly offset by lower lending exposure.

Correspondingly, the CET1 capital ratio of Credit Suisse (Schweiz) AG consolidated increased to 14.7% from 14.0%, mainly reflecting the aforementioned increase in CET1 capital. The firm's Basel III leverage ratio was stable at 6.3%.

In the second quarter of 2023, the quarterly average liquidity coverage ratio (the LCR) of Credit Suisse (Schweiz) AG consolidated decreased 3.3 percentage points to 140.2%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the average LCR was driven by an increase in net cash outflows of CHF 5.0bn to CHF 30.6bn due to lower inflows from loans, partly offset by lower cash outflows. This was mostly offset by a CHF 6.1bn increase in high-quality liquid assets (HQLA) to CHF 42.9bn, mainly due to an increase in cash held at central banks.

As of 30 June 2023, the net stable funding ratio (the NSFR) of Credit Suisse (Schweiz) AG consolidated increased 4.2 percentage points to 109.0%, remaining above the prudential requirement communicated by FINMA. The movement in the NSFR was driven by a decrease in required stable funding of CHF 3.7bn to CHF 123.9bn, mainly due to a decrease in the loan portfolio. Available stable funding increased by CHF 1.3bn to CHF 135.1bn, primarily due to increases in deposits.

KM1: Key metrics

CHF m, except where indicated

	30.6.23	31.3.23	31.12.22	30.9.22	30.6.22
Available capital (amounts)¹					
1 Common Equity Tier 1 (CET1) ²	12,958	12,602	12,492	12,948	13,059
1a Fully loaded CECL accounting model CET1	12,958	12,602	12,492	12,948	13,059
2 Tier 1 ²	16,058	15,702	15,592	16,060	16,170
2a Fully loaded CECL accounting model Tier 1	16,058	15,702	15,592	16,060	16,170
3 Total capital ²	16,058	15,702	15,592	16,060	16,170
3a Fully loaded CECL accounting model total capital	16,058	15,702	15,592	16,060	16,170
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	88,130	90,129	88,602	93,531	93,152
4a Minimum capital requirement ³	7,050	7,210	7,088	7,482	7,452
4b Total risk-weighted assets (pre-floor)	80,689	84,373	81,161	82,580	82,347
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%) ²	14.70	13.98	14.10	13.84	14.02
5a Fully loaded CECL accounting model CET1 ratio (%)	14.70	13.98	14.10	13.84	14.02
6 Tier 1 ratio (%) ²	18.22	17.42	17.60	17.17	17.36
6a Fully loaded CECL accounting model Tier 1 ratio (%)	18.22	17.42	17.60	17.17	17.36
7 Total capital ratio (%) ²	18.22	17.42	17.60	17.17	17.36
7a Fully loaded CECL accounting model total capital ratio (%)	18.22	17.42	17.60	17.17	17.36
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0.08	0.07	0.04	0.02	0.02
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.67	0.66	0.65	0.65	
10 Bank G-SIB and / or D-SIB additional requirements (%) ⁴	1.00	1.00	1.00	1.00	1.00
11 Total of bank CET1 specific buffer requirements (%) ⁵	3.58	3.57	3.54	3.52	3.52
12 CET1 available after meeting the bank's minimum capital requirements (%)	10.20	9.42	9.60	9.17	9.36
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	256,015	251,086	243,946	282,190	286,155
14 Basel III leverage ratio (%) ²	6.27	6.25	6.39	5.69	5.65
14a Fully loaded CECL accounting model Basel III leverage ratio (%)	6.27	6.25	6.39	5.69	5.65
Liquidity coverage ratio (LCR)⁶					
15 Total high-quality liquid assets (HQLA)	42,881	36,762	32,420	63,290	65,763
16 Total net cash outflow	30,582	25,624	27,438	45,792	47,687
16a of which: cash outflows	40,278	42,119	44,646	58,510	61,877
16b of which: cash inflows	9,696	16,495	17,208	12,718	14,190
17 LCR (%)	140.22	143.47	118.16	138.21	137.91
Net stable funding ratio (NSFR)					
18 Total available stable funding	135,120	133,863	151,197	171,288	170,907
19 Total required stable funding	123,928	127,635	126,181	126,717	129,129
20 NSFR (%)	109.03	104.88	119.83	135.17	132.35

1 Net income and dividend accruals will only be recognized in the fourth quarter of 2023. 2 Credit Suisse has a transitional relief of recognizing CECL allowances and provisions in CET1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks" until June 30, 2024. The fully loaded US GAAP CECL accounting model excludes the transitional relief. 3 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 4 Swiss SRB going and gone concern requirements and information for Credit Suisse (Schweiz) AG consolidated are provided below in this section. 5 Excludes non-BCBS countercyclical capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 6 Calculated based on an average of 61 data points in the second quarter of 2023, 64 data points in the first quarter of 2023, 65 data points in the fourth quarter of 2022, 66 data points in the third quarter of 2022 and 62 data points in the second quarter of 2022.



Swiss SRB going and gone concern requirements and information

Quarterly | Credit Suisse (Schweiz) AG consolidated is considered a systemically relevant bank (an SRB) under Swiss banking law and is subject to capital regulations on a consolidated basis. As of 30 June 2023, the going concern capital and leverage ratio requirements for Credit Suisse (Schweiz) AG consolidated were 14.33% (including a countercyclical buffer of 0.75%) and 4.75%, respectively.

The Swiss SRB framework and requirements applicable to Credit Suisse (Schweiz) AG consolidated differ from those applicable to UBS Group AG in terms of lower add-on requirements for market share and size and in terms of the gone concern requirement being 62% of the going concern requirement (excluding countercyclical buffer requirements).

The gone concern requirements were 8.42% for the RWA-based requirement and 2.95% for the leverage ratio denominator-based requirement.

Swiss SRB going and gone concern requirements and information

As of 30.6.23	RWA		LRD	
CHF m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	14.33¹	12,630	4.75¹	12,161
Common equity tier 1 capital	10.03	8,840	3.25	8,320
of which: minimum capital	4.50	3,966	1.50	3,840
of which: buffer capital	4.78	4,213	1.75	4,480
of which: countercyclical buffer	0.75	662		
Maximum additional tier 1 capital	4.30	3,790	1.50	3,840
of which: additional tier 1 capital	3.50	3,085	1.50	3,840
of which: additional tier 1 buffer capital	0.80	705		
Eligible going concern capital²				
Total going concern capital	18.22	16,058	6.27	16,058
Common equity tier 1 capital	14.70	12,958	5.06	12,958
Total loss-absorbing additional tier 1 capital	3.52	3,100	1.21	3,100
of which: high-trigger loss-absorbing additional tier 1 capital	3.52	3,100	1.21	3,100
Required gone concern capital³				
Total gone concern loss-absorbing capacity	8.42	7,420	2.95	7,540
of which: base requirement	7.97	7,027	2.79	7,143
of which: additional requirement for market share and LRD	0.45	393	0.16	397
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	10.55	9,300	3.63	9,300
TLAC-eligible senior unsecured debt	10.55	9,300	3.63	9,300
Total loss-absorbing capacity				
Required total loss-absorbing capacity	22.75	20,050	7.70	19,700
Eligible total loss-absorbing capacity	28.77	25,358	9.90	25,358
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		88,130		
Leverage ratio denominator				256,015

¹ Includes applicable add-ons of 0.72% for risk-weighted assets (RWA) and 0.25% for leverage ratio denominator (LRD). ² Net income and dividend accruals will only be recognized in the fourth quarter of 2023.

³ The gone-concern requirement of Credit Suisse (Schweiz) AG consolidated is 62% of the going-concern requirement (excluding countercyclical buffer requirements). A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital.

Swiss SRB loss-absorbing capacity

Quarterly I

Swiss SRB going and gone concern information

CHF m, except where indicated	30.6.23	31.3.23	31.12.22
Eligible going concern capital¹			
Total going concern capital	16,058	15,702	15,592
Total tier 1 capital	16,058	15,702	15,592
Common equity tier 1 capital	12,958	12,602	12,492
Total loss-absorbing additional tier 1 capital	3,100	3,100	3,100
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	3,100	3,100	3,100
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	9,300	9,300	10,000
TLAC-eligible senior unsecured debt	9,300	9,300	10,000
Total loss-absorbing capacity			
Total loss-absorbing capacity	25,358	25,002	25,592
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	88,130	90,129	88,602
Leverage ratio denominator	256,015	251,086	243,946
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	18.2	17.4	17.6
<i>of which: common equity tier 1 capital ratio</i>	14.7	14.0	14.1
Gone concern loss-absorbing capacity ratio	10.6	10.3	11.3
Total loss-absorbing capacity ratio	28.8	27.7	28.9
Leverage ratios (%)			
Going concern leverage ratio	6.3	6.3	6.4
<i>of which: common equity tier 1 leverage ratio</i>	5.1	5.0	5.1
Gone concern leverage ratio	3.6	3.7	4.1
Total loss-absorbing capacity leverage ratio	9.9	10.0	10.5

¹ Net income and dividend accruals will only be recognized in the fourth quarter of 2023.



Credit Suisse (Schweiz) AG standalone

Key metrics of the second quarter of 2023

Quarterly | The table below is based on Basel Committee on Banking Supervision (BCBS) Basel III rules.

During the second quarter of 2023, the common equity tier 1 (CET1) capital of Credit Suisse (Schweiz) AG standalone was stable at CHF 11.9bn. Tier 1 capital was stable at CHF 15.0bn.

Risk-weighted assets (RWA) decreased by CHF 3.0bn to CHF 87.4bn during the second quarter of 2023, primarily driven by lower credit risk.

Leverage ratio exposure increased by CHF 4.7bn to CHF 254.0bn, mainly driven by higher central bank balances, partly offset by lower lending exposure.

Correspondingly, the CET1 capital ratio of Credit Suisse (Schweiz) AG standalone increased to 13.6% from 13.1%, mainly reflecting the decrease in RWA. The firm's Basel III leverage ratio decreased to 5.9% from 6.0%, mainly reflecting the higher leverage ratio exposure.

In the second quarter of 2023, the quarterly average liquidity coverage ratio (the LCR) of Credit Suisse (Schweiz) AG standalone decreased 3.2 percentage points to 138.2%, remaining above the prudential requirement communicated by the Swiss Financial Market Supervisory Authority (FINMA). The movement in the average LCR was driven by an increase in net cash outflows of CHF 5.0bn to CHF 31.0bn due to lower inflows from loans, partially offset by lower cash outflows from deposits. This was mostly offset by a CHF 6.1bn increase in high-quality liquid assets (HQLA) to CHF 42.9bn, mainly due to an increase in cash held at central banks.

As of 30 June 2023, the net stable funding ratio (the NSFR) of Credit Suisse (Schweiz) AG standalone increased 3.7 percentage points to 109.7%, remaining above the prudential requirement communicated by FINMA. The movement in the NSFR was driven by a decrease in required stable funding of CHF 2.9bn to CHF 121.7bn, mainly due to a decrease in the loan portfolio. Available stable funding increased by CHF 1.5bn to CHF 133.5bn, primarily due to increases in deposits.

As of 30 June 2023, Credit Suisse (Schweiz) AG standalone held assets with a carrying value of CHF 948m that are pledged under the covered bonds program of Credit Suisse AG and for which the related liabilities of CHF 567m as of 30 June 2023 are reported by Credit Suisse AG.

KM1: Key metrics

CHF m, except where indicated

	30.6.23	31.3.23	31.12.22	30.9.22	30.6.22
Available capital (amounts)¹					
1 Common Equity Tier 1 (CET1) ²	11,884	11,841	11,724	12,243	12,279
1a Fully loaded CECL accounting model CET1	11,884	11,841	11,724	12,243	12,279
2 Tier 1 ²	14,984	14,941	14,824	15,355	15,390
2a Fully loaded CECL accounting model Tier 1	14,984	14,941	14,824	15,355	15,390
3 Total capital ²	14,984	14,941	14,824	15,355	15,390
3a Fully loaded CECL accounting model total capital	14,984	14,941	14,824	15,355	15,390
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	87,414	90,414	88,949	93,610	92,840
4a Minimum capital requirement ³	6,993	7,233	7,116	7,489	7,427
4b Total risk-weighted assets (pre-floor)	78,910	82,666	79,565	80,853	80,432
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%) ²	13.60	13.10	13.18	13.08	13.23
5a Fully loaded CECL accounting model CET1 ratio (%)	13.60	13.10	13.18	13.08	13.23
6 Tier 1 ratio (%) ²	17.14	16.53	16.67	16.40	16.58
6a Fully loaded CECL accounting model Tier 1 ratio (%)	17.14	16.53	16.67	16.40	16.58
7 Total capital ratio (%) ²	17.14	16.53	16.67	16.40	16.58
7a Fully loaded CECL accounting model total capital ratio (%)	17.14	16.53	16.67	16.40	16.58
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0.08	0.07	0.04	0.02	0.02
9a Additional countercyclical buffer for Swiss mortgage loans (%)	0.68	0.66	0.65	0.65	
10 Bank G-SIB and / or D-SIB additional requirements (%) ⁴	1.00	1.00	1.00	1.00	1.00
11 Total of bank CET1 specific buffer requirements (%) ⁵	3.58	3.57	3.54	3.52	3.52
12 CET1 available after meeting the bank's minimum capital requirements (%)	9.10	8.53	8.67	8.40	8.58
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	253,987	249,268	242,288	280,227	284,156
14 Basel III leverage ratio (%) ²	5.90	5.99	6.12	5.48	5.42
14a Fully loaded CECL accounting model Basel III leverage ratio (%)	5.90	5.99	6.12	5.48	5.42
Liquidity coverage ratio (LCR)⁶					
15 Total high-quality liquid assets (HQLA)	42,858	36,752	32,410	63,280	65,753
16 Total net cash outflow	31,007	25,984	27,787	46,118	48,032
16a of which: cash outflows	40,563	42,376	44,836	58,737	62,115
16b of which: cash inflows	9,556	16,392	17,049	12,619	14,083
17 LCR (%)	138.22	141.44	116.64	137.21	136.89
Net stable funding ratio (NSFR)⁷					
18 Total available stable funding	133,504	132,048	149,441	169,589	169,297
19 Total required stable funding	121,686	124,582	123,162	125,130	127,378
20 NSFR (%)	109.71	105.99	121.34	135.53	132.91

1 Net income and dividend accruals will only be recognized in the fourth quarter of 2023. 2 Credit Suisse has a transitional relief of recognizing CECL allowances and provisions in CET 1 capital in accordance with FINMA Circular 2013/1 "Eligible capital – banks" until June 30, 2024. The fully loaded US GAAP CECL accounting model excludes the transitional relief. 3 Calculated as 8% of total RWA, based on total capital minimum requirements, excluding CET1 buffer requirements. 4 Swiss SRB going and gone concern requirements and information for Credit Suisse (Schweiz) AG standalone are provided below in this section. 5 Excludes non-BCBS countercyclical capital buffer requirements for risk-weighted positions that are directly or indirectly backed by residential properties in Switzerland. 6 Calculated based on an average of 61 data points in the second quarter of 2023, 64 data points in the first quarter of 2023, 65 data points in the fourth quarter of 2022, 66 data points in the third quarter of 2022 and 62 data points in the second quarter of 2022. 7 Based on the Liquidity Ordinance, Credit Suisse AG standalone is allowed to fulfill the minimum NSFR of 100% by taking into consideration any excess funding of Credit Suisse (Schweiz) AG standalone, and Credit Suisse AG standalone has an NSFR requirement of at least 80% without taking into consideration any such excess funding. Credit Suisse (Schweiz) AG must always fulfill the NSFR of at least 100% on a standalone basis.



Swiss SRB going and gone concern requirements and information

Quarterly | Credit Suisse (Schweiz) AG standalone is considered a systemically relevant bank (an SRB) under Swiss banking law and is subject to capital regulations on a standalone basis. As of 30 June 2023, the going concern capital and leverage ratio requirements for Credit Suisse (Schweiz) AG standalone were 14.34% (including a countercyclical buffer of 0.76%) and 4.75%, respectively.

The Swiss SRB framework and requirements applicable to Credit Suisse (Schweiz) AG consolidated differ from those applicable to UBS Group AG in terms of lower add-on requirements for market share and size and in terms of the gone concern requirement being 62% of the going concern requirement (excluding countercyclical buffer requirements).

The gone concern requirements were 8.42% for the RWA-based requirement and 2.95% for the leverage ratio denominator-based requirement.

Swiss SRB going and gone concern requirements and information

As of 30.6.23	RWA		LRD	
CHF m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	14.34 ¹	12,533	4.75 ¹	12,064
Common equity tier 1 capital	10.04	8,774	3.25	8,255
<i>of which: minimum capital</i>	4.50	3,934	1.50	3,810
<i>of which: buffer capital</i>	4.78	4,178	1.75	4,445
<i>of which: countercyclical buffer</i>	0.76	662		
Maximum additional tier 1 capital	4.30	3,759	1.50	3,810
<i>of which: additional tier 1 capital</i>	3.50	3,059	1.50	3,810
<i>of which: additional tier 1 buffer capital</i>	0.80	699		
Eligible going concern capital²				
Total going concern capital	17.14	14,984	5.90	14,984
Common equity tier 1 capital	13.60	11,884	4.68	11,884
Total loss-absorbing additional tier 1 capital	3.55	3,100	1.22	3,100
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	3.55	3,100	1.22	3,100
Required gone concern capital³				
Total gone concern loss-absorbing capacity	8.42	7,360	2.95	7,480
<i>of which: base requirement</i>	7.97	6,970	2.79	7,086
<i>of which: additional requirement for market share and LRD</i>	0.45	390	0.16	394
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	10.64	9,300	3.66	9,300
TLAC-eligible senior unsecured debt	10.64	9,300	3.66	9,300
Total loss-absorbing capacity				
Required total loss-absorbing capacity	22.76	19,893	7.70	19,544
Eligible total loss-absorbing capacity	27.78	24,284	9.56	24,284
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		87,414		
Leverage ratio denominator				253,987

¹ Includes applicable add-ons of 0.72% for risk-weighted assets (RWA) and 0.25% for leverage ratio denominator (LRD). ² Net income and dividend accruals will only be recognized in the fourth quarter of 2023.

³ The gone-concern requirement of Credit Suisse (Schweiz) AG standalone is 62% of the going-concern requirement (excluding countercyclical buffer requirements). A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital.

Swiss SRB loss-absorbing capacity

Quarterly I

Swiss SRB going and gone concern information

CHF m, except where indicated	30.6.23	31.3.23	31.12.22
Eligible going concern capital¹			
Total going concern capital	14,984	14,941	14,824
Total tier 1 capital	14,984	14,941	14,824
Common equity tier 1 capital	11,884	11,841	11,724
Total loss-absorbing additional tier 1 capital	3,100	3,100	3,100
<i>of which: high-trigger loss-absorbing additional tier 1 capital</i>	3,100	3,100	3,100
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	9,300	9,300	10,000
TLAC-eligible senior unsecured debt	9,300	9,300	10,000
Total loss-absorbing capacity			
Total loss-absorbing capacity	24,284	24,241	24,824
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	87,414	90,414	88,949
Leverage ratio denominator	253,987	249,268	242,288
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	17.1	16.5	16.7
<i>of which: common equity tier 1 capital ratio</i>	13.6	13.1	13.2
Gone concern loss-absorbing capacity ratio	10.6	10.3	11.2
Total loss-absorbing capacity ratio	27.8	26.8	27.9
Leverage ratios (%)			
Going concern leverage ratio	5.9	6.0	6.1
<i>of which: common equity tier 1 leverage ratio</i>	4.7	4.8	4.8
Gone concern leverage ratio	3.7	3.7	4.1
Total loss-absorbing capacity leverage ratio	9.6	9.7	10.2

¹ Net income and dividend accruals will only be recognized in the fourth quarter of 2023.



Credit Suisse International standalone

Quarterly | The table below provides information about the regulatory capital components, capital ratios, leverage ratio and liquidity of Credit Suisse International standalone based on Basel Committee on Banking Supervision (BCBS) Pillar 1 requirements and in accordance with UK Prudential Regulatory Authority regulations and International Financial Reporting Standards (IFRS).

During the second quarter of 2023, the common equity tier 1 capital of Credit Suisse International standalone decreased by USD 0.4bn to USD 14.6bn from USD 15.0bn. Total capital decreased by USD 0.4bn to USD 15.8bn from USD 16.2bn in the first quarter of 2023. Risk-weighted assets decreased by USD 0.4bn to USD 48.6bn from USD 49.0bn in the first quarter of 2023. Leverage ratio exposure decreased by USD 14.3bn to USD 98.4bn, mainly reflecting a material decrease in reverse repos due to lower high-quality liquid asset (HQLA) sourcing. Additionally, there was a reduction in derivative exposures due to lower trading volumes across multiple counterparties, and a drop in inventory.

The average liquidity coverage ratio was 197.0%, compared with 162.8% in the first quarter of 2023. The increase was driven by a USD 3.4bn reduction in outflows, primarily due to a reduction in outflows from the historical look-back approach (HLBA), which was partly offset by a reduction in inflows. HQLA decreased by USD 3.8bn, largely due a reduction in government securities held.

The net stable funding ratio (the NSFR) of Credit Suisse International standalone remained well above the regulatory requirements of 100%, at 128.1%, and was stable compared with the first quarter of 2023. Overall, there was a reduction in required stable funding, mainly driven by decreases in derivative exposures and trading inventory assets, with a reduction in available stable funding, mainly driven by a decrease in long-term funding.

KM1: Key metrics

USD m, except where indicated

	30.6.23	31.3.23	31.12.22 ¹	30.9.22	30.6.22
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	14,589	14,951	14,609	14,859	14,908
2 Tier 1	15,789	16,151	15,809	14,859	14,908
3 Total capital	15,792	16,154	15,812	14,863	14,919
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	48,633	49,042	60,646	57,706	62,475
4a Minimum capital requirement ²	3,891	3,923	4,852	4,616	4,998
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%)	30.00	30.49	24.09	25.75	23.86
6 Tier 1 ratio (%)	32.47	32.93	26.07	25.75	23.86
7 Total capital ratio (%)	32.47	32.94	26.07	25.76	23.88
Additional CET1 buffer requirements as a percentage of RWA					
8 BCBS capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0.49	0.45	0.41	0.08	0.07
10 Bank G-SIB and / or D-SIB additional requirements (%)					
11 BCBS total of bank CET1 specific buffer requirements (%)	2.99	2.95	2.91	2.58	2.57
12 CET1 available after meeting the bank's minimum capital requirements (%) ³	24.47	24.94	18.07	17.76	15.88
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	98,366	112,642	126,360	160,024	170,769
14 Basel III leverage ratio (%) ⁴	16.05	14.34	12.51	9.29	8.73
Liquidity coverage ratio (LCR)⁵					
15 Total high-quality liquid assets (HQLA)	20,095	23,899	25,457	27,964	25,881
16 Total net cash outflow	11,471	14,906	16,608	17,478	16,640
17 LCR (%)	197.04	162.79	150.42	159.31	155.35
Net stable funding ratio (NSFR)⁶					
18 Total available stable funding	39,764	44,280	49,315		
19 Total required stable funding	31,086	34,728	38,717		
20 NSFR (%)	128.14	127.51	127.54		

¹ Comparative information has been aligned with Credit Suisse International standalone's final 2022 audited financial statements. ² Calculated as 8% of total RWA, based on total minimum capital requirements, excluding CET1 buffer requirements. ³ This represents the CET1 ratio that is available for meeting buffer requirements. It is calculated as the CET1 ratio minus 4.5% and after considering, where applicable, CET1 capital that was used to meet the BIS additional tier 1 minimum requirement of 1.5% and/or the BIS tier 2 minimum requirement of 2% under Pillar 1. ⁴ On the basis of tier 1 capital. ⁵ Based on Pillar 1 requirements; calculated using a 12-month average. ⁶ The net stable funding ratio requirement became effective as of 1 January 2022 and related disclosures came into effect in the first quarter of 2023.

Material sub-group entity – creditor ranking at legal entity level

Semi-annual I The TLAC2 table below provides an overview of the creditor ranking structure of Credit Suisse International on a standalone basis.

As of 30 June 2023, Credit Suisse International had a total loss-absorbing capacity (TLAC) of USD 20.4bn after regulatory capital deductions and adjustments. This amount included tier 1 capital, excluding minority interests, of USD 15.8bn and USD 4.6bn of internal long-term debt that was eligible as internal TLAC issued to Credit Suisse AG, a wholly owned subsidiary of the UBS Group AG resolution entity.

TLAC2: Material sub-group entity – creditor ranking at legal entity level

As of 30.6.23		Creditor ranking				Total
USD m		1	2	3	4	
1	Is the resolution entity the creditor / investor?	No	No	No	No	
2	Description of creditor ranking	Common Equity (most junior) ¹	Preferred Shares (Additional tier 1)	Subordinated debt	Unsecured loans and other pari passu liabilities (most senior)	
3	Total capital and liabilities net of credit risk mitigation	15,951	1,200	4	4,604	21,759
4	Subset of row 3 that are excluded liabilities					
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	15,951	1,200	4	4,604	21,759
6	Subset of row 5 that are eligible as TLAC	15,951	1,200	4	4,586	21,741
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years					
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years			1	4,586	4,587
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years			2		2
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities					
11	Subset of row 6 that is perpetual securities	15,951	1,200	1		17,152

¹ Equity attributable to shareholders, which includes share premium and reserves.



Credit Suisse Holdings (USA), Inc. consolidated

Quarterly | The table below provides information about the regulatory capital components and capital, liquidity and leverage ratios of Credit Suisse Holdings (USA), Inc. consolidated, based on Basel Committee on Banking Supervision (BCBS) Pillar 1 requirements and in accordance with US Basel III rules.

Effective 1 October 2022 and through 30 September 2023, Credit Suisse Holdings (USA), Inc. is subject to a stress capital buffer (an SCB) of 9.0%, in addition to the minimum capital requirements. The SCB was determined by the Federal Reserve Board (the FRB) following the completion of the 2022 Comprehensive Capital Analysis and Review (the CCAR) based on Dodd-Frank Act Stress Test (DFAST) results and planned future dividends. Based on the results of the 2023 CCAR, the SCB has been adjusted to 7.2% effective 1 October 2023. The SCB, which replaces the static capital conservation buffer of 2.5%, is subject to change on an annual basis or as otherwise determined by the FRB.

During the second quarter of 2023, the common equity tier 1 (CET1) ratio of Credit Suisse Holdings (USA), Inc. consolidated increased to 50.5% from 39.3%, as risk-weighted assets (RWA) decreased by USD 10.4bn to USD 21.3bn, which outpaced losses for the quarter. The decrease in RWA was driven by decreases of USD 6.6bn in market risk RWA and USD 3.8bn in credit risk RWA. Leverage ratio exposure, calculated on an average basis, decreased by USD 13.0bn to USD 42.8bn, due to reductions in virtually all asset categories, driven by overall business and risk reductions.

The average liquidity coverage ratio (the LCR) of Credit Suisse Holdings (USA), Inc. consolidated increased 153.6 percentage points to 293.0%, mostly driven by a USD 5.9bn decrease in net cash outflows, the largest components of which were reductions in unsecured funding and a reduction of mark-to-market risk on derivatives.

The net stable funding ratio (the NSFR) of Credit Suisse Holdings (USA), Inc. consolidated remained well above the regulatory requirements of 100%, at 219.6% for the second quarter of 2023, an increase of 29.8 percentage points compared with 189.8% in the first quarter of 2023. The NSFR was driven by a USD 3.1bn decrease in required stable funding, which was due to a reduction of the loans and securities held and a decrease in deferred tax assets. This was partly offset by a USD 2.5bn decrease in available stable funding, which was mainly due to changes in the wholesale funding tenor structure, as well as a small reduction in regulatory capital.

KM1: Key metrics¹

USD m, except where indicated

	30.6.23	31.3.23	31.12.22	30.9.22	30.6.22
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	10,759	12,491	12,405	13,041	14,775
2 Tier 1	11,282	13,013	12,928	13,563	15,297
3 Total capital	11,348	13,080	13,037	13,668	15,407
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	21,313	31,762	44,644	52,368	60,473
4a Minimum capital requirement ²	1,705	2,541	3,572	4,189	4,838
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%)	50.5	39.3	27.8	24.9	24.4
6 Tier 1 ratio (%)	52.9	41.0	29.0	25.9	25.3
7 Total capital ratio (%)	53.2	41.2	29.2	26.1	25.5
Additional CET1 buffer requirements as a percentage of RWA					
8 BCBS capital conservation buffer requirement (%)	9.0	9.0	9.0	6.9	6.9
9 Countercyclical buffer requirement (%)	0.3	0.3	0.3	0.0	0.0
10 Bank G-SIB and / or D-SIB additional requirements (%)					
11 BCBS total of bank CET1 specific buffer requirements (%)					
11a US total bank specific capital buffer requirements (%)	9.3	9.3	9.3	6.9	6.9
12 CET1 available after meeting the bank's minimum capital requirements (%) ³	45.2	33.2	21.2	18.1	17.5
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	42,798	55,789	65,298	87,803	96,491
14 Basel III leverage ratio (%) ⁴	26.4	23.3	19.8	15.4	15.9
14a Total Basel III supplementary leverage ratio exposure measure	51,448	66,825	78,593	98,033	107,010
14b Basel III supplementary leverage ratio (%) ⁴	21.9	19.5	16.4	13.8	14.3
Liquidity coverage ratio (LCR)⁵					
15 Total high-quality liquid assets (HQLA)	17,043	16,740	17,383	25,246	32,994
16 Total net cash outflow	6,271	12,181	11,884	7,727	13,169
17 LCR (%)	293.0	139.4	150.1	404.2	257.9
Net stable funding ratio (NSFR)					
18 Total available stable funding	25,031	27,503			
19 Total required stable funding	11,434	14,527			
20 NSFR (%)	219.6	189.8			

¹ The net stable funding ratio requirement became effective as of 1 July 2021 and related disclosures came into effect in the second quarter of 2023. ² Calculated as 8% of total RWA, based on total minimum capital requirements, excluding CET1 buffer requirements. ³ Reflects the CET1 ratio that is available for meeting buffer requirements. Calculated as the CET1 ratio less the BIS CET1 ratio minimum requirement of 4.5% and after considering, where applicable, CET1 capital that was used to meet the BIS additional tier 1 minimum requirement of 1.5% and/or the BIS tier 2 minimum requirement of 2% under Pillar 1. ⁴ On the basis of tier 1 capital. ⁵ Figures are calculated on a quarterly average.

Material sub-group entity – creditor ranking at legal entity level

Semi-annual I The TLAC2 table below provides an overview of the creditor ranking structure of Credit Suisse Holdings (USA), Inc. on a consolidated basis.

As of 30 June 2023, Credit Suisse Holdings (USA), Inc. had a total loss-absorbing capacity (TLAC) of USD 14.3bn after regulatory capital deductions and adjustments. This amount included tier 1 capital, excluding minority interests, of USD 11.3bn and USD 3.0bn of internal long-term debt that was eligible as internal TLAC issued to Credit Suisse AG, a wholly owned subsidiary of the UBS Group AG resolution entity.

TLAC2: Material sub-group entity – creditor ranking at legal entity level

As of 30.6.23		Creditor ranking				Total
USD m		1	2	3	4	
1	Is the resolution entity the creditor / investor?	No	No	No	No	
2	Description of creditor ranking	Common Equity (most junior) ¹	Preferred Shares	Subordinated debt	Unsecured loans and other pari passu liabilities (most senior)	
3	Total capital and liabilities net of credit risk mitigation	10,642	550		6,007	17,199
4	Subset of row 3 that are excluded liabilities	0	0		0	0
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	10,642	550		6,007	17,199
6	Subset of row 5 that are eligible as TLAC	10,642	550		3,000	14,192
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	0	0		0	0
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	0	0		1,000	1,000
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	0	0		1,000	1,000
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities	0	0		1,000	1,000
11	Subset of row 6 that is perpetual securities	10,642	550		0	11,192

¹ Equity attributable to shareholders, which includes share premium and reserves.



Appendix

Abbreviations frequently used in our financial reports

A		CRM	credit risk mitigation (credit risk) or comprehensive risk measure (market risk)	FSB	Financial Stability Board
ABS	asset-backed securities			FTA	Swiss Federal Tax Administration
AG	Aktiengesellschaft				
AGM	Annual General Meeting of shareholders	CST	combined stress test	FVA	funding valuation adjustment
A-IRB	advanced internal ratings-based	CUSIP	Committee on Uniform Security Identification Procedures	FVOCI	fair value through other comprehensive income
AIV	alternative investment vehicle	CVA	credit valuation adjustment	FVTPL	fair value through profit or loss
ALCO	Asset and Liability Committee	D		FX	foreign exchange
AMA	advanced measurement approach	DBO	defined benefit obligation	G	
AML	anti-money laundering	DCCP	Deferred Contingent Capital Plan	GAAP	generally accepted accounting principles
AoA	Articles of Association	DE&I	diversity, equity and inclusion	GBP	pound sterling
APM	alternative performance measure	DFAST	Dodd–Frank Act Stress Test	GCRG	Group Compliance, Regulatory & Governance
ARR	alternative reference rate	DM	discount margin	GDP	gross domestic product
ARS	auction rate securities	DOJ	US Department of Justice	GEB	Group Executive Board
ASF	available stable funding	DTA	deferred tax asset	GHG	greenhouse gas
AT1	additional tier 1	DVA	debit valuation adjustment	GIA	Group Internal Audit
AuM	assets under management	E		GRI	Global Reporting Initiative
B		EAD	exposure at default	G-SIB	global systemically important bank
BCBS	Basel Committee on Banking Supervision	EB	Executive Board		
BIS	Bank for International Settlements	EC	European Commission	H	
BoD	Board of Directors	ECB	European Central Bank	HQLA	high-quality liquid assets
C		ECL	expected credit loss	I	
CAO	Capital Adequacy Ordinance	EGM	Extraordinary General Meeting of shareholders	IAS	International Accounting Standards
CCAR	Comprehensive Capital Analysis and Review	EIR	effective interest rate	IASB	International Accounting Standards Board
CCF	credit conversion factor	EL	expected loss	IBOR	interbank offered rate
CCP	central counterparty	EMEA	Europe, Middle East and Africa	IFRIC	International Financial Reporting Interpretations Committee
CCR	counterparty credit risk	EOP	Equity Ownership Plan	IFRS	International Financial Reporting Standards
CCRC	Corporate Culture and Responsibility Committee	EPS	earnings per share	IRB	internal ratings-based
CDS	credit default swap	ESG	environmental, social and governance	IRRBB	interest rate risk in the banking book
CEA	Commodity Exchange Act	ESR	environmental and social risk	ISDA	International Swaps and Derivatives Association
CEO	Chief Executive Officer	ETD	exchange-traded derivatives	ISIN	International Securities Identification Number
CET1	common equity tier 1	ETF	exchange-traded fund		
CFO	Chief Financial Officer	EU	European Union		
CGU	cash-generating unit	EUR	euro		
CHF	Swiss franc	EURIBOR	Euro Interbank Offered Rate		
CIO	Chief Investment Office	EVE	economic value of equity		
C&ORC	Compliance & Operational Risk Control	EY	Ernst & Young Ltd		
		F			
		FA	financial advisor		
		FCA	UK Financial Conduct Authority		
		FDIC	Federal Deposit Insurance Corporation		
		FINMA	Swiss Financial Market Supervisory Authority		
		FMIA	Swiss Financial Market Infrastructure Act		

Abbreviations frequently used in our financial reports (continued)

K		R		T	
KRT	Key Risk Taker	RBC	risk-based capital	TBTF	too big to fail
L		RbM	risk-based monitoring	TCFD	Task Force on Climate-related Financial Disclosures
LAS	liquidity-adjusted stress	REIT	real estate investment trust	TIBOR	Tokyo Interbank Offered Rate
LCR	liquidity coverage ratio	RMBS	residential mortgage-backed securities	TLAC	total loss-absorbing capacity
LGD	loss given default	RniV	risks not in VaR	TTC	through the cycle
LIBOR	London Interbank Offered Rate	RoCET1	return on CET1 capital	U	
LLC	limited liability company	RoU	right-of-use	USD	US dollar
LoD	lines of defense	rTSR	relative total shareholder return	V	
LRD	leverage ratio denominator	RWA	risk-weighted assets	VaR	value-at-risk
LTIP	Long-Term Incentive Plan	S		VAT	value added tax
LTV	loan-to-value	SA	standardized approach or société anonyme		
M		SA-CCR	standardized approach for counterparty credit risk		
M&A	mergers and acquisitions	SAR	Special Administrative Region of the People's Republic of China		
MRT	Material Risk Taker	SDG	Sustainable Development Goal		
N		SEC	US Securities and Exchange Commission		
NII	net interest income	SFC	Swiss Federal Council		
NSFR	net stable funding ratio	SFT	securities financing transaction		
NYSE	New York Stock Exchange	SI	sustainable investing or sustainable investment		
O		SIBOR	Singapore Interbank Offered Rate		
OCA	own credit adjustment	SICR	significant increase in credit risk		
OCI	other comprehensive income	SIX	SIX Swiss Exchange		
OECD	Organisation for Economic Co-operation and Development	SME	small and medium-sized entities		
OTC	over-the-counter	SMF	Senior Management Function		
P		SNB	Swiss National Bank		
PCI	purchased credit-impaired	SOR	Singapore Swap Offer Rate		
PD	probability of default	SPPI	solely payments of principal and interest		
PIT	point in time	SRB	systemically relevant bank		
P&L	profit or loss	SRM	specific risk measure		
Q		SVaR	stressed value-at-risk		
QCCP	Qualifying central counterparty				

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.

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 most recent Annual Report 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



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

UBS Group AG

By: /s/ David Kelly

Name: David Kelly

Title: Managing Director

By: /s/ Ella Campi

Name: Ella Campi

Title: Executive Director

UBS AG

By: /s/ David Kelly

Name: David Kelly

Title: Managing Director

By: /s/ Ella Campi

Name: Ella Campi

Title: Executive Director

Credit Suisse AG

By: /s/ Simon Grimwood

Name: Simon Grimwood

Title: Chief Financial Officer

By: /s/ Damian Vogel

Name: Damian Vogel

Title: Chief Risk Officer

Date: August 31, 2023