

Rating Action

Moody's Ratings affirms the long-term senior unsecured debt and deposit ratings of UBS AG and its branches with a stable outlook and upgrades the long-term senior unsecured debt rating of UBS Group AG with a stable outlook

London, July 11, 2025 -- Moody's Ratings (Moody's) today affirmed the Aa2 long-term senior unsecured debt rating, long-term deposit and long-term Counterparty Risk Ratings (CRR), the (P)A3 long-term subordinated programme rating, the P-1 short-term deposit ratings, the (P)P-1 other short-term debt rating and the a3 Baseline Credit Assessment (BCA) of UBS AG (UBS).

We have also upgraded to A2 from A3 the long-term senior unsecured debt rating and affirmed the Baa3 (hyb) Additional Tier 1 ratings of UBS Group AG (UBSG, the group holding company).

We have changed the outlook on UBSG's senior unsecured debt ratings to stable from developing and the outlooks on UBS's senior unsecured debt, long-term deposit and long-term issuer ratings to stable from negative.

Further, we have affirmed the Aa3 long-term deposits and issuer ratings of UBS Europe SE (UBSE), the Aa2 backed long-term deposit and long-term issuer ratings of Credit Suisse International (CSI) and the Aa2 backed senior unsecured debt rating of Credit Suisse (USA) LLC (CS USA). The outlook on these ratings was changed to stable from negative.

Please click on this link https://www.moody's.com/viewresearchdoc.aspx?docid=PBC_ARFTL509912 for the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer.

RATINGS RATIONALE

UBS AG (UBS) and UBS Group AG (UBSG)

The affirmation of all ratings of UBS and of the junior ratings of UBSG reflects the affirmation of UBS's a3 BCA. The affirmation of UBS's BCA is driven by the group's meaningful progress in integrating Credit Suisse AG (Credit Suisse), stabilising its franchise, and delivering on targeted gross cost saves of around \$13 billion. The affirmation also reflects: i) the group's strong positioning in Global wealth management and domestic Swiss banking, ii) the solid capital position of the group, and iii) the higher levels of profitability that are expected from 2026 due to the phasing-out of restructuring and integration costs. The tail risks arising from the confidence-sensitive capital markets business and the high net-worth deposits is mitigated by the strong credibility and proven track record of management, the group's restrained risk appetite in its investment bank unit and its ample liquidity buffers.

The upgrade of the long-term senior unsecured debt ratings of UBSG reflects our expectation that regulatory requirements for bail-in debt, subordinated debt and AT1 securities will incentivize the group to maintain a sufficient volume of senior long-term holding company debt, subordinated debt and AT1s to warrant a one-notch uplift from UBS's a3 BCA for UBSG's senior unsecured holding company debt rating under our advanced Loss Given Failure framework.

The stable outlooks on the long-term deposit, long-term issuer and senior unsecured debt ratings, where applicable of the holding company, the operating companies and their branches, reflect the diminished operational risks from Credit Suisse's integration, the improvements in profitability, and the expectation of stronger capital and liquidity.

The legislative package aimed at strengthening the Swiss Too-Big-To-Fail (TBTF) regime announced by the Swiss Federal Council, if fully implemented, would strengthen the group's capital and liquidity profile, improve regulatory oversight and crisis preparedness, and enhance market confidence in UBSG's long-term stability.

UBS Europe SE (UBSE)

The affirmation of UBSE's ratings reflects the affirmation of its BCA and unchanged level of parental support. The affirmation of UBSE's baa1 BCA reflects its i) robust risk-based capital ratios and solid leverage ratios; ii) stable profitability; and iii) conservative liquidity policy. These strengths are balanced against UBSE's high exposure to capital markets activities, as the bank is UBSG's EEA-compliant booking entity, providing capital markets activities and financing solutions to corporate and institutional clients as well as wealth management services to high net worth clients. UBSE's a3 Adjusted BCA continues to incorporate a notch of affiliate support from UBS, its parent company.

The stable outlooks on UBSE's long-term bank deposit and long-term issuer ratings reflect the stable outlooks on the equivalent ratings at UBS.