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To the General Meeting of
UBS AG, Zurich and Basel

Basel, 14 March 2025

Report of the statutory auditor

Report on the audit of the financial statements

Opinion

We have audited the financial statements of UBS AG (the Company), which comprise the balance sheet as at 31 December 2024, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of investments in subsidiaries and other participations

Area of focus	As of 31 December 2024, the carrying amount of UBS AG's investments in subsidiaries and other participations is USD 73.1 billion. Investments in subsidiaries and other participations are equity interests that are held to carry on the business of UBS AG or for other strategic purposes. They include all subsidiaries directly held by UBS AG through which UBS AG conducts its business on a global basis. The investments are measured individually and carried at cost less impairment. The carrying amount is tested for impairment annually, with the recoverable amount being determined using a discounted dividend model. Due to the inherent uncertainties in valuing investments in subsidiaries, including forecasting and management's judgments, and considering the significance of the account we identified this area as a key audit matter.
Our audit response	Our audit procedures included the review of management's process over the valuation of investments in subsidiaries and other participations, including impairment tests. We obtained an understanding and evaluated the relevant controls addressing the identified risks and tested the design and operating effectiveness of these controls. Our focus was on controls over the review of the valuation models and the estimation of future cashflows, as well as governance and oversight over management's valuation process. We assessed the appropriateness of the valuation methodology, taking into account the nature of the investment and the underlying business. With the support of valuation specialists, we assessed the assumptions and methodologies used by management, to determine the recoverable amount of the investment in subsidiaries and other participations. We also assessed the relevant disclosures regarding investments in subsidiaries and other participations (within note 4 to the financial statements).

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Valuation of complex or illiquid instruments at fair value

Area of focus	At 31 December 2024, UBS AG held financial assets and liabilities measured at fair value, including financial instruments that did not trade in active markets. These instruments are reported within the following accounts: financial assets and liabilities at fair value held for trading, derivative financial instruments, financial assets at fair value not held for trading, debt issued designated at fair value, brokerage payables designated at fair value, and other financial liabilities designated at fair value. In determining the fair value of these financial instruments, the Company used valuation techniques, modelling assumptions, and estimates of unobservable market inputs which required significant management judgment. Auditing management's judgments and assumptions used in the estimation of the fair value of these instruments was complex due to the highly judgmental nature of valuation techniques, key modelling assumptions and significant unobservable inputs. Auditing the valuation of complex or illiquid instruments at fair value included consideration of any incremental risks arising from the impact of current macroeconomic influences on valuation techniques and inputs, such as geopolitics and inflation. The valuation techniques that required especially complex judgement included discounted cash flow and earnings-based valuation techniques. Highly judgmental modelling assumptions result from a range of different models or model calibrations used by market participants. Valuation inputs which were particularly complex and subjective included those with a limited degree of observability and the associated extrapolation, interpolation or calibration of curves using limited and proxy data points. Examples of such inputs included unobservable credit spreads and bond prices, interest rate and FX correlation and equity volatility.
Our audit response	We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over management's financial instrument valuation processes, including controls over market data inputs, model and methodology governance, and valuation adjustments. We tested the valuation techniques, models and methodologies, and the inputs used in those models, as outlined above, by performing an independent revaluation of certain complex or illiquid financial assets and liabilities with the support of specialists. We used independent models and inputs and compared inputs to available market data among other procedures. We also independently challenged key judgments in relation to a sample of fair value adjustments. We also assessed management's disclosures regarding fair value measurement (within Notes 15, 16a and 16b to the financial statements).

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Expected credit losses

Area of focus	UBS AG applies in its standalone financial statements the ECL approach which is used in its consolidated financial statements under the IFRS Accounting Standards. ECL is recognized for financial assets measured at amortized cost, fee and lease receivables, claims arising from Group-internal funding presented as Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity, guarantees, irrevocable loan commitments, revolving revocable credit lines, and forward starting reverse repurchase and securities borrowing agreements. The allowances and provisions for ECL consists of exposures that are in default which are individually evaluated for impairment ("stage 3" as well as losses inherent in the loan portfolio that are not specifically identified ("stage 1 and stage 2"). Management's ECL estimates represent the difference between contractual cash flows and those the Company expects to receive, discounted at the effective interest rate. The method used to calculate ECL is based on a combination of the following principal factors: probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). Auditing management's estimate of the allowances and provisions for ECL was complex due to the highly judgmental nature of forward-looking economic scenarios that form the basis of the ECL calculation, their probability weightings, post-model adjustments, and the credit risk models used to estimate stage 1 and stage 2 ECL. The macroeconomic developments during 2024, including persisting geopolitical tensions and inflation, contributed to further uncertainty and complexity in estimating ECL. As a result, the ECL estimation required higher management judgement, specifically within the following three areas: (i) scenario selection, including assumptions about the scenario severity, underlying macroeconomic variables, and the number of scenarios necessary to sufficiently cover the bandwidth of potential outcomes, as well as related scenario weights (ii) credit risk models, since the output from historic data based models may not be indicative of current or future conditions; and (iii) post-model adjustments. Additionally, auditing the measurement of individual ECL for stage 3 was complex due to the high degree of judgment involved in management's process for estimating ECL based on assumptions. These assumptions take into account expected future cash flows from collateral and other credit enhancements or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims.

Our audit response	We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the ECL estimate, including management's choice of forward-looking economic scenarios used to measure ECL and the probability weighting assigned to such scenarios. We evaluated management's methodologies and governance controls for developing and monitoring the economic scenarios used and the probability weightings assigned to them, and selected post-model adjustments. Supported by specialists, we assessed the key macroeconomic variables used in the forward-looking scenarios, such as real gross domestic product growth, unemployment rate, interest rates and house price indices, and evaluated the modelled correlation and translation of those macroeconomic factors to the ECL estimate. We further assessed the appropriateness of the post-model adjustments by considering management's governance process, assumptions used and sensitivity analysis. We also obtained an understanding, evaluated the design and tested the operating effectiveness of controls over credit risk models used in the ECL estimate, including controls over the completeness and accuracy of data flow and calculation logic in the ECL calculation. With the support of specialists, on a sample basis, we performed an evaluation of management's models and tested the model outcomes by inspecting model documentation, reperforming model calculations, and comparing data used as inputs to management's forecast to external sources, among other procedures. For the measurement of stage 3, we obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's process, including an evaluation of the assumptions used by management regarding the future cash flows from debtors' continuing operations and/or the liquidation of collateral. Supported by specialists in certain areas, we additionally tested collateral valuation, cash flow assumptions and exit strategies by performing inquiries of management, inspecting underlying documents, such as loan contracts, financial statements, covenants, budgets and business plans, and by re-performing discounted cash flow calculations among other procedures, on a sample basis. We also assessed management's disclosures regarding financial assets at amortized cost and other positions in scope of expected credit loss measurement (within Notes 13a to 13e to the financial statements).

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Legal provisions

Area of focus	UBS AG operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcomes may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the legal provisions which have been established. Auditing management's assessment of legal provisions was complex and judgmental due to the significant subjectivity involved in management's estimate of the amount and probability that an outflow of resources will be required for existing legal matters, including inquiries regarding cross-border wealth management businesses. The legal provisions for these matters are based on management's estimation of the amount and likelihood of the occurrence of certain scenarios.
Our audit response	We obtained an understanding, evaluated the design and tested the operational effectiveness of management's controls over the legal provision process. Our procedures included testing management's review of the accuracy of the inputs to the estimation of the amount and likelihood of the occurrence of certain scenarios. Where appropriate, we assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the underlying information. We inspected internal and external legal analyses of the matters supporting the judgmental aspects impacted by legal interpretations. We obtained correspondence directly from external legal counsel to assess the information provided by management and performed inquiries with external counsel as necessary. We also assessed the appropriateness of the accounting treatment for the remeasurement of legal provisions. We also assessed management's disclosure regarding legal provisions (within Note 13b to the financial statements).

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework for banks, the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Maurice McCormick
Licensed audit expert
(Auditor in charge)

Kristina Prenrecaj
Licensed audit expert

UBS AG standalone financial statements (audited)

Income statement

		USD m		CHF m	
		For the year ended		For the year ended	
	Note	31.12.24	31.12.23	31.12.24	31.12.23
Interest and discount income		30,753	18,473	27,217	16,540
Interest and dividend income from trading portfolio		4,063	2,664	3,607	2,389
Interest and dividend income from financial investments		1,544	1,216	1,364	1,089
Interest expense		(39,684)	(24,683)	(35,129)	(22,104)
Gross interest income		(3,324)	(2,330)	(2,940)	(2,086)
Credit loss (expense) / release	13	(206)	(13)	(179)	(13)
Net interest income		(3,531)	(2,343)	(3,120)	(2,099)
Fee and commission income from securities and investment business and other fee and commission income		4,256	2,435	3,760	2,193
Credit-related fees and commissions		330	125	292	111
Fee and commission expense		(1,041)	(705)	(920)	(632)
Net fee and commission income		3,545	1,855	3,132	1,672
Net trading income	3	9,451	7,253	8,334	6,527
Net income from disposal of financial investments		68	43	52	38
Dividend income from investments in subsidiaries and other participations	4	6,275	5,430	5,730	4,862
Income from real estate holdings		463	405	409	363
Sundry ordinary income	5	2,814	1,596	2,470	1,426
Sundry ordinary expenses	5	(800)	(407)	(700)	(366)
Other income from ordinary activities		8,821	7,068	7,960	6,323
Total operating income		18,286	13,832	16,307	12,422
Personnel expenses	6	5,511	3,408	4,868	3,063
General and administrative expenses	7	8,097	4,118	7,144	3,684
Subtotal operating expenses		13,608	7,526	12,012	6,747
Impairment of investments in subsidiaries and other participations	4	543	3,715	500	3,343
Depreciation, amortization and impairment of property, equipment, software and intangible assets		1,028	765	907	687
Changes in provisions for litigation, regulatory and similar matters, and other provisions	8	1,078	33	942	29
Total operating expenses		16,258	12,040	14,361	10,805
Operating profit		2,028	1,792	1,946	1,617
Extraordinary income	9	4,211	34	3,693	32
Extraordinary expenses	9	600	2	505	2
Tax expense / (benefit)	10	501	310	451	283
Net profit / (loss)		5,138	1,515	4,684	1,364

Balance sheet

		USD m		CHF m	
	Note	31.12.24	31.12.23	31.12.24	31.12.23
Assets					
Cash and balances at central banks	13	69,614	49,449	63,217	41,620
Due from banks	13, 24	96,243	56,082	87,399	47,204
Receivables from securities financing transactions	11, 13, 24	117,338	69,381	106,555	58,398
Due from customers	12, 13, 24	148,955	107,463	135,266	90,451
Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity[1]	12, 13, 24	43,652	29,380	39,640	24,729
Mortgage loans	12, 13	8,438	5,116	7,662	4,306
Trading portfolio assets	14	148,686	124,682	135,022	104,943
Derivative financial instruments	15	21,941	10,056	19,925	8,464
Financial investments	16	39,850	40,874	36,188	34,403
Accrued income and prepaid expenses	13	4,194	3,000	3,808	2,525
Investments in subsidiaries and other participations	4	73,103	48,090	66,385	40,477
Property, equipment and software		5,364	5,049	4,871	4,250
Other assets	12, 13, 17	13,918	9,905	12,638	8,336
Total assets		791,297	558,527	718,576	470,106
of which: subordinated assets		*34,918*	*20,183*	*31,709*	*16,988*
of which: subject to mandatory conversion and / or debt waiver		*33,344*	*19,250*	*30,279*	*16,202*
Liabilities					
Due to banks	24	87,538	62,428	79,493	52,545
Payables from securities financing transactions	11,24	42,638	23,774	38,720	20,011
Due to customers	24	227,493	147,388	206,587	124,055
Funding received from UBS Group AG measured at amortized cost	21, 24	113,898	70,620	103,431	59,440
Trading portfolio liabilities	14	29,316	27,280	26,622	22,961
Derivative financial instruments	15	14,005	16,921	12,718	14,242
Financial liabilities designated at fair value	14, 20	102,901	80,859	93,444	68,058
of which: funding received from UBS Group AG	20, 21, 24	*4,998*	*2,711*	*4,539*	*2,282*
Bonds issued	21	72,673	67,144	65,994	56,514
Accrued expenses and deferred income		8,230	5,474	7,474	4,608
Other liabilities	17	5,196	1,755	4,718	1,475
Provisions	13	3,101	2,008	2,816	1,690
Total liabilities		706,989	505,650	642,016	425,600
Equity					
Share capital	22	386	386	380	380
Statutory capital reserve		65,627	36,334	60,185	35,655
of which: capital contribution reserve[2]		*77,661*	*22,190*	*70,626*	*23,936*
of which: other statutory capital reserve		*(12,034)*	*14,144*	*(10,441)*	*11,719*
Voluntary earnings reserve		13,157	14,642	11,311	7,107
Net profit / (loss) for the period		5,138	1,515	4,684	1,364
Total equity		84,308	52,877	76,560	44,506
Total liabilities and equity		791,297	558,527	718,576	470,106
of which: subordinated liabilities		*121,588*	*77,573*	*110,414*	*65,293*
of which: subject to mandatory conversion and / or debt waiver		*120,865*	*77,012*	*109,757*	*64,820*

1 Represents the Swiss GAAP carrying amount of instruments qualifying as total loss-absorbing capital at the level of the respective subsidiaries. 2 The amount of the capital contribution reserve represents Credit Suisse AG's capital contribution reserve and nominal share capital as of 31 December 2023 transferred upon the merger of UBS AG and Credit Suisse AG, in addition to the existing capital contribution reserve of USD 22.2bn of UBS AG. Refer to Note 2c for more information. The amount of the capital contribution reserve is subject to formal review and confirmation by the Swiss Federal Tax Administration.

Balance sheet (continued)

	USD m		CHF m	
	31.12.24	31.12.23	31.12.24	31.12.23
Off-balance sheet items				
Contingent liabilities, gross	34,989	31,360	31,773	26,395
Sub-participations	(1,141)	(990)	(1,036)	(834)
Contingent liabilities, net	33,848	30,369	30,737	25,562
of which: guarantees to third parties related to subsidiaries	*8,389*	*6,362*	*7,618*	*5,355*
Irrevocable loan commitments, gross	44,469	19,900	40,382	16,749
Sub-participations	(26)	(8)	(24)	(7)
Irrevocable loan commitments, net	44,443	19,892	40,359	16,743
Forward starting transactions[1]	101,465	102,122	92,140	85,955
of which: forward starting reverse repurchase agreements	*64,036*	*63,527*	*58,151*	*53,470*
of which: repurchase agreements	*37,428*	*38,595*	*33,989*	*32,485*
Liabilities for calls on shares and other equity instruments	5	5	4	4

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

Off-balance sheet items

Contingent liabilities include indemnities and guarantees issued by UBS AG for the benefit of subsidiaries and creditors of subsidiaries.

Where the indemnity amount issued by UBS AG is not specifically defined, the indemnity relates to the solvency or minimum capitalization of a subsidiary, and therefore no amount is included in the table above.

Joint and several liability – value-added tax

UBS AG is jointly and severally liable for the combined value-added tax (VAT) liability of UBS entities that belong to the VAT group of UBS in Switzerland. This contingent liability is not included in the table above.

Guarantees – UBS Europe SE

Following the combined UK business transfer and cross-border merger of UBS Limited into UBS Europe SE in March 2019, UBS AG issued a guarantee for the benefit of counterparties of UBS Europe SE's investment banking business, covering transactions subject to master netting agreements.

A similar guarantee that UBS AG issued in 2003 for the benefit of each counterparty of UBS Limited also continues to be effective. This guarantee covers transactions in accordance with and contemplated under any agreement entered into by UBS Limited prior to the merger into UBS Europe SE, to the extent that such an agreement has not been amended by UBS Europe SE thereafter.

Under both guarantees, UBS AG promises to pay to the beneficiary counterparties any unpaid liabilities covered under the terms of the guarantees on demand. These guarantees are included as contingent liabilities in the off-balance sheet items table above.

Indemnities – UBS Europe SE

In connection with the establishing of UBS Europe SE in 2016, UBS AG entered into agreements with UBS Europe SE under which UBS AG would provide UBS Europe SE with limited indemnification of payment obligations that may arise from certain litigation, regulatory and similar matters.

As of 31 December 2024, the amount of such potential payment obligations could not be reliably estimated and the likelihood of an outflow is not considered to be probable or the probability of an outflow was assessed to be remote; therefore, the table above does not include any amount related to this limited indemnification.

In addition, in accordance with the bylaws of the Deposit Protection Fund of the Association of German Banks, UBS AG issued an indemnity in favor of this fund on behalf of UBS Europe SE. The probability of an outflow was assessed to be remote, and as a result, the table above does not include any exposure arising under this indemnity.

Statement of changes in equity

USD m	Share capital	Statutory capital reserve	*of which: capital contribution reserve*	*of which: other statutory capital reserve*	Voluntary earnings reserve and profit / (loss) carried forward	Net profit / (loss) for the period	Total equity
Balance as of 1 January 2024	386	36,334	*22,190*	*14,144*	14,642	1,515	52,877
Equity recognized upon the merger of UBS AG and Credit Suisse AG[1]		29,293	*55,471*	*(26,178)[2]*			29,293
Net profit / (loss) appropriation					1,515	(1,515)	0
Dividend distribution					(3,000)		(3,000)
Net profit / (loss) for the period						5,138	5,138
Balance as of 31 December 2024	386	65,627	*77,661*	*(12,034)*	13,157	5,138	84,308

1 Refer to Note 2c for more information. 2 Includes a foreign currency translation effect of USD 2,049m recorded as a reduction of Other statutory capital reserves within Statutory capital reserves.

CHF m	Share capital	Statutory capital reserve	*of which: capital contribution reserve*	*of which: other statutory capital reserve*	Voluntary earnings reserve and profit / (loss) carried forward	Net profit / (loss) for the period	Total equity
Balance as of 1 January 2024	380	35,655	*23,936*	*11,719*	7,107	1,364	44,506
Equity recognized upon the merger of UBS AG and Credit Suisse AG[1]		24,531	*46,690*	*(22,159)[2]*			24,531
Net profit / (loss) appropriation					1,364	(1,364)	0
Dividend distribution					(2,758)		(2,758)
Currency translation difference					5,598		5,598
Net profit / (loss) for the period						4,684	4,684
Balance as of 31 December 2024	380	60,185	*70,626*	*(10,441)*	11,311	4,684	76,560

1 Refer to Note 2c for more information. 2 Includes a foreign currency translation effect of CHF 1,851m recorded as a reduction of Other statutory capital reserves within Statutory capital reserves.

Note 1 Name, legal form and registered office

UBS AG is incorporated and domiciled in Switzerland. Its registered offices are at Bahnhofstrasse 45, CH-8001 Zurich and Aeschenvorstadt 1, CH-4051 Basel, Switzerland. UBS AG operates under Art. 620 et seq. of the Swiss Code of Obligations and Swiss banking law as an *Aktiengesellschaft*, a corporation limited by shares.

UBS AG is a regulated bank in Switzerland and is 100% owned by UBS Group AG, the ultimate parent of the UBS Group. UBS AG holds investments in and provides funding to subsidiaries, including the other banking subsidiaries of the UBS Group. In addition, UBS AG operates globally, including business activities from all five UBS business divisions and Group functions. In the ordinary course of business, the main contributors to the net profit / (loss) of UBS AG are Group Treasury, Global Wealth Management, the Investment Bank and Group Services. The balance sheet is mainly composed of financial assets and liabilities from the Investment Bank, Global Wealth Management and Group Treasury, as well as investments in subsidiaries and other participations in Group Treasury and fixed assets of Group Services.

UBS AG employed 18,161 personnel on a full-time equivalent basis as of 31 December 2024, compared with 10,398 personnel as of 31 December 2023.

Note 2 Accounting policies

a) Significant accounting policies

UBS AG standalone financial statements are prepared in accordance with Swiss GAAP (the FINMA Accounting Ordinance, FINMA Circular 2020/1 "Accounting – banks" and the Banking Ordinance) and represent "reliable assessment statutory single-entity financial statements". The accounting policies are principally the same as those outlined in Note 1 to the consolidated financial statements of UBS AG included in the UBS AG Annual Report 2024. Major differences between the Swiss GAAP requirements and IFRS Accounting Standards are described in Note 33 to the consolidated financial statements of UBS AG. The significant accounting policies applied for the standalone financial statements of UBS AG are discussed below.

› **Refer to the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Compensation policy

The compensation structure and processes of UBS AG conform to the compensation principles and framework of UBS Group AG.

› **Refer to the UBS Group AG Compensation Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Deferred compensation

Expenses for deferred compensation awards granted by UBS Group AG to employees of UBS AG in the form of UBS shares, notional investment funds and notional additional tier 1 (AT1) capital instruments are charged by UBS Group AG to UBS AG.

› **Refer to "Note 27 Employee benefits: variable compensation" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Foreign currency translation

Non-US dollar-denominated transactions are translated into US dollars at the spot exchange rate on the date of the transaction. At the balance sheet date, all non-US dollar-denominated monetary assets and liabilities, as well as non-US dollar-denominated equity instruments recorded in *Trading portfolio assets* and *Financial investments*, are translated into US dollars using the closing exchange rate. Non-monetary items measured at historic cost are translated at the spot exchange rate on the date of the transaction. Assets and liabilities of branches with functional currencies other than the US dollar are translated into US dollars at the closing exchange rate. Income and expense items of such branches are translated at weighted-average exchange rates for the period. All currency translation effects are recognized in the income statement.

› **Refer to Note 2c for information about the retroactive translation of Credit Suisse AG's financial information in 2024 following the merger of UBS AG and Credit Suisse AG**

The main currency translation rates used by UBS AG are provided in Note 32 to the UBS AG consolidated financial statements in the UBS AG Annual Report 2024.

› **Refer to the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Presentation currencies

The primary presentation currency of the financial statements of UBS AG is the US dollar. Amounts in Swiss francs are additionally presented for each component of the financial statements. UBS AG applies the modified closing rate method for converting the US dollar presentation currency amounts into Swiss francs: assets and liabilities are converted at the closing rate, equity positions at historic rates and income and expense items at the weighted-average rate for the period. The resulting currency translation effects are recognized separately in *Voluntary earnings reserve*.

On 31 May 2024, UBS AG completed the absorption merger of Credit Suisse AG and retroactively recognized Credit Suisse AG's balance sheet as of 1 January 2024, and its accounting records for the period from 1 January to 31 May 2024, expressed in Credit Suisse AG's presentation currency, Swiss francs. Thereby, the merger balance sheet was translated to UBS AG's primary presentation currency, the US dollar, at the exchange rate of the opening balance sheet, and the transactions recorded in profit and loss were translated at the monthly average exchange rate. The balance sheet as of 31 May 2024 was translated at the 31 May 2024 closing rate. The resulting currency effects were recognized in *Statutory capital reserve*.

› **Refer to Note 2c for more information**

Structured debt instruments

Structured debt instruments consist of debt instruments issued and transacted over the counter and include a host contract and one or more embedded derivatives that do not relate to UBS AG's own equity. By applying the fair value option, the vast majority of structured debt instruments are measured at fair value as a whole and recognized in *Financial liabilities designated at fair value.* The fair value option for structured debt instruments can be applied only if the following criteria are cumulatively met:
- the structured debt instrument is measured on a fair value basis and is subject to risk management that is equivalent to risk management for trading activities;
- the application of the fair value option eliminates or significantly reduces an accounting mismatch that would otherwise arise; and
- changes in fair value attributable to changes in unrealized own credit are not recognized.

Fair value changes related to *Financial liabilities designated at fair value,* excluding changes in unrealized own credit, are recognized in *Net trading income.* Interest expense on *Financial liabilities designated at fair value* is recognized in *Interest expense.*

Where the designation criteria for the fair value option are not met, the embedded derivatives are assessed for bifurcation for measurement purposes. Bifurcated embedded derivatives are measured at fair value through profit or loss and presented in the same balance sheet line as the host contract.

› **Refer to Note 20 for more information**

Group-internal funding

UBS AG obtains funding from UBS Group AG in the form of loans that are subject to mandatory conversion and / or debt waiver, as explained below, and generally either qualify as loss-absorbing tier 1 capital or as gone concern loss-absorbing capacity, i.e. total funding eligible as total loss-absorbing capacity (TLAC), at the UBS AG consolidated and standalone levels. A portion of Group-internal funding obtained is further on lent by UBS AG to certain subsidiaries in the form of loans.

› **Refer to Note 21 for information about funding eligible as total loss-absorbing capacity at the UBS AG level**

UBS AG's obligations arising from Group-internal funding it has received are presented as *Funding received from UBS Group AG measured at amortized cost* and *Funding received from UBS Group AG* within *Financial liabilities designated at fair value.* UBS AG's claims arising from the Group-internal funding it has provided are presented as *Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity* and are measured at amortized cost less any allowance for expected credit losses.

Subordinated assets and liabilities

Subordinated assets are composed of claims that, based on an irrevocable written declaration, in the event of liquidation, bankruptcy or composition concerning the debtor rank after the claims of all other creditors and may not be offset against amounts payable to the debtor nor be secured by its assets. *Subordinated liabilities* are composed of corresponding obligations.

Subordinated assets and liabilities that contain a point-of-non-viability clause in accordance with Swiss capital requirements pursuant to Art. 29 and 30 of the Capital Adequacy Ordinance are disclosed as being *Subject to mandatory conversion and / or debt waiver* and provide for the claim or the obligation to be written off or converted into equity in the event that the issuing bank reaches a point of non-viability.

Investments in subsidiaries and other participations

Investments in subsidiaries and other participations are equity interests that are held to carry on the business of UBS AG or for other strategic purposes. They include all subsidiaries directly held by UBS AG through which UBS AG conducts its business on a global basis. The investments are measured individually and carried at cost less impairment. The carrying amount is tested for impairment when indicators of a potential decrease in value exist, which include significant operating losses incurred or a severe depreciation of the currency in which the investment is denominated. If an investment in a subsidiary is impaired, its value is generally written down to the net asset value or a value above the net asset value if, in the opinion of management, forecasts of future profitability provide sufficient evidence that a carrying amount above net assets is supported. Subsequent recoveries in value are recognized up to the original cost value based on either an increased net asset value or a value above the net asset value if aforementioned conditions are met. Management may exercise its discretion as to what extent, and in which period, a recovery in value is recognized. Impairments of investments are presented *as Impairment of investments in subsidiaries and other participations* and reversals of impairments are presented as *Extraordinary income* in the income statement. Impairments and partial or full reversals of impairments for a subsidiary during the same annual period are determined on a net basis.

› **Refer to Note 4 for more information**

Hedge accounting for Investments in subsidiaries and other participations

UBS AG applies hedge accounting for certain investments in subsidiaries and other participations denominated in currencies other than the US dollar, which are designated as hedged items. For this purpose, foreign exchange (FX) derivatives, mainly FX forwards and FX swaps, are used and designated as hedging instruments.

The hedged risk is determined as the change in the carrying amount of the hedged item arising solely from changes in spot FX rates. Consequently, UBS AG only designates the spot element of the FX derivatives as hedging instruments. Changes in the fair value of the hedging instruments attributable to changes in forward points are not part of a hedge accounting designation. These amounts, therefore, do not form part of the effectiveness assessment and are recognized in *Net trading income*.

The effective portion of gains and losses of these FX derivatives is deferred on the balance sheet as *Other assets* or *Other liabilities* to the extent no change is recognized in the carrying amount of the hedged item arising from changes in spot FX rates. Otherwise, the effective portion of gains and losses of these FX derivatives is matched with the corresponding valuation adjustments of the hedged item recorded in the income statement and recorded either as a reduction of *Impairment of investments in subsidiaries and other participations* or as *Extraordinary income.*

Revenue and expense transfers with other Group entities

UBS AG pays to and receives amounts from other Group entities in connection with revenue-sharing arrangements. Revenues transferred to and received from Group entities are settled in cash as entity revenue transfers paid or received. When the nature of the underlying transaction between UBS AG and the Group entity contains a single, clearly identifiable service component, related income and expenses are presented in the respective income statement line item, e.g. *Fee and commission income from securities and investment business and other fee and commission income*, *Fee and commission expense* or *Net trading income*. To the extent the nature of the underlying transaction contains various service components and is not clearly attributable to a particular income statement line item, related income and expenses are presented in *Sundry ordinary income* and *Sundry ordinary expenses*.

UBS AG receives services from UBS Business Solutions AG, mainly relating to the Group Operations and Technology Office, as well as certain other services from other Group entities.

UBS AG provides services to Group entities, mainly relating to real estate and selected other Group Services functions.

Services received from and provided to Group entities are settled in cash as entity cost transfers paid or received. Entity cost transfers paid are presented within *General and administrative expenses* and entity cost transfers received are presented within *Sundry ordinary income* or *Income from real estate holdings*.

› **Refer to Notes 5 and 7 for more information**

Post-employment benefit plans

Swiss GAAP permit the use of IFRS Accounting Standards or Swiss accounting standards for post-employment benefit plans, with the election made on a plan-by-plan basis.

UBS AG has elected to apply Swiss accounting standards for the Swiss pension plans in its standalone financial statements. The requirements of the Swiss accounting standards are better aligned with the specific nature of Swiss pension plans, which are hybrid in that they combine elements of defined contribution and defined benefit plans but are treated as defined benefit plans under IFRS Accounting Standards. Swiss accounting standards require that the employer contributions to the pension fund are recognized as *Personnel expenses* in the income statement. The employer contributions to the Swiss pension fund are determined as a percentage of contributory compensation. Furthermore, Swiss accounting standards require an assessment as to whether, based on the financial statements of the pension funds prepared in accordance with Swiss accounting standards (Swiss GAAP FER 26), an economic benefit to, or obligation of, UBS AG arises from the pension funds that is recognized in the balance sheet when conditions are met. Conditions for recording a pension asset or liability would be met if, for example, an employer contribution reserve is available or UBS AG is required to contribute to the reduction of a pension deficit (on the pension plan's Swiss GAAP FER 26 basis).

Key differences between Swiss accounting standards and IFRS Accounting Standards include the treatment of dynamic elements, such as future salary increases and future interest credits on retirement savings, which are not considered under the static method used in accordance with Swiss accounting standards. Also, the discount rate used to determine the defined benefit obligation in accordance with IFRS Accounting Standards is based on the yield of high-quality corporate bonds of the market in the respective pension plan country. The discount rate used in accordance with Swiss accounting standards, i.e. the technical interest rate, is determined by the Pension Foundation Boards.

› **Refer to Note 23 for more information**

UBS AG has elected to apply IFRS Accounting Standards (IAS 19) for its non-Swiss defined benefit plans. However, remeasurements of the defined benefit obligation and the plan assets are recognized in the income statement rather than directly in equity.

› **Refer to the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Deferred taxes

Deferred tax assets are not recognized in UBS AG's standalone financial statements. However, deferred tax liabilities may be recognized for taxable temporary differences. Changes in the deferred tax liability balance are recognized in the income statement.

Allowances and provisions for expected credit losses

UBS AG is required to apply expected credit loss (ECL) approaches for credit-impaired and non-credit-impaired financial instruments in its standalone financial statements.

For the substantial majority of non-credit-impaired exposures within the scope of the Swiss GAAP ECL requirements, UBS AG has chosen to apply the IFRS Accounting Standards ECL approach, which is also applied in its consolidated financial statements. These exposures include all financial assets that are measured at amortized cost under both frameworks, Swiss GAAP and IFRS Accounting Standards, fee and lease receivables, claims arising from Group-internal funding presented as *Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity*, guarantees, irrevocable loan commitments, revolving revocable credit lines, and forward starting reverse repurchase and securities borrowing agreements. Further information about the ECL approach under IFRS Accounting Standards is provided in Note 1 to the consolidated financial statements of UBS AG.

› **Refer to the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

For the small residual population of exposures within the scope of the Swiss GAAP ECL requirements, which are not subject to ECL under IFRS Accounting Standards due to classification differences, alternative approaches are applied.

- For exposures for which Pillar 1 internal ratings-based models are applied for measurement of credit risk risk-weighted assets (RWA), ECL for such exposures is calculated as the regulatory expected loss (EL), with an add-on to scale up to the residual maturity of exposures maturing beyond the next 12 months. This approach is mainly applied for brokerage receivables presented within *Due from customers,* which generally mature within 12 months. For detailed information about regulatory EL, refer to the "Risk management and control" section of the UBS AG Annual Report 2024.
- For exposures for which the standardized approach is applied for the measurement of credit risk RWA, ECL is determined using a portfolio approach that derives a conservative probability of default (PD) and a conservative loss given default (LGD) for the entire portfolio. This approach is mainly applied for a small number of loans to large corporate clients presented within *Due from customers.*

Note 2 Accounting policies (continued)

UBS applies a single definition of default for credit risk management purposes, regulatory reporting and ECL, with a counterparty classified as defaulted based on quantitative and qualitative criteria.

› **Refer to the "Risk management and control" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

An allowance for credit losses is reported as a decrease in the carrying amount of a financial asset. For an off-balance sheet item, such as a commitment, a provision for credit losses is reported in *Provisions*. Changes to allowances and provisions for credit losses are recognized in *Credit loss (expense) / release*.

› **Refer to Note 13 for more information**

Dispensations in the standalone financial statements

As UBS AG prepares consolidated financial statements in accordance with IFRS Accounting Standards, UBS AG is exempt from various disclosures in the standalone financial statements. The dispensations include the management report, the statement of cash flows and various note disclosures, as well as the publication of full interim financial statements.

b) Changes in accounting policies

In 2024, the following accounting policies were adopted in context of the absorption merger of Credit Suisse AG.

In an absorption merger executed retroactively for accounting purposes in accordance with Swiss law, currency effects arising upon the initial recognition of the merger balance sheet and the activity of the absorbed entity until the legal effective date of the merger are recorded directly in the *Statutory capital reserve* in equity to the extent such effects relate to the translation of financial information presented by the absorbed entity in a currency other than UBS AG's presentation currency, the US dollar.

The income statement effect resulting from the initial application of UBS AG's accounting policies and practices to the merger balance sheet is recognized as a merger adjustment in *Extraordinary expenses*.

› **Refer to Note 9 for more information**

c) Change in organization

In 2024, UBS continued the integration of Credit Suisse, with a focus on client account migrations, infrastructure decommissioning and legal entity integration.

› **Refer to the "Our business model and environment" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Merger of UBS AG and Credit Suisse AG

In December 2023, the Board of Directors of UBS Group AG approved the merger of UBS AG and Credit Suisse AG, and both entities entered into a definitive merger agreement, as amended on 30 April 2024. On 31 May 2024, UBS AG formally completed the merger by absorption of Credit Suisse AG. In the standalone financial statements of UBS AG, the acquisition has been accounted for retroactively as of 1 January 2024, applying the previous book values of Credit Suisse AG. The merger balance sheet with assets of USD 306,447m (CHF 257,935m) and liabilities of USD 275,105m (CHF 231,554m) was recognized, together with a corresponding increase of *Statutory capital reserves* in equity of USD 31,343m (CHF 26,381m), of which USD 55,471m (CHF 46,690m) was attributed to *Capital contribution reserve* and negative USD 24,129m (negative CHF 20,309m) to *Other statutory capital reserve.*

UBS AG's accounting policies and methodologies were applied retroactively from 1 January 2024. This resulted in an adjustment, which was recorded in *Extraordinary expenses* of USD 598m (CHF 504m).

› **Refer to Note 9 for more information**

Furthermore, the retroactive translation of Credit Suisse AG's financial information, previously expressed in Swiss francs, (i.e. the merger balance sheet, the accounting policy application and the activity from 1 January 2024 to 31 May 2024) to UBS AG's presentation currency, the US dollar, resulted in a foreign currency translation effect of USD 2,049m (CHF 1,851m), which was recorded as a reduction of *Other statutory capital reserves* within *Statutory capital reserves*.

Profit and loss information for 2024 includes the full-year profit and loss of the merged Credit Suisse AG. Comparative full-year profit and loss information for 2023 and the balance sheet as of 31 December 2023 include pre-merger UBS AG standalone data only.

Other integration activities

In June 2024, following the merger with Credit Suisse AG, UBS AG contributed its subsidiary Credit Suisse Holdings (USA), Inc. to the entity holding its Americas business, UBS Americas Holding LLC.

In July 2024, UBS Switzerland AG completed its merger by absorption of Credit Suisse (Schweiz) AG.

› **Refer to Note 4 for more information**

Note 2 Accounting policies (continued)

d) Events after the reporting period

There were no significant events after the reporting period.

e) Risk management

UBS AG is fully integrated into the Group-wide risk management process described in the audited part of the "Risk management and control" section of the UBS AG Annual Report 2024.

Further information about the use of derivative instruments and hedge accounting is provided on the following pages and in Notes 1, 11 and 25 to the consolidated financial statements of UBS AG.

› **Refer to the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Note 3a Net trading income by business

	USD m		CHF m	
	For the year ended		For the year ended	
	31.12.24	31.12.23	31.12.24	31.12.23
Investment Bank[1]	7,450	6,575	6,586	5,922
Other business divisions and Group Items	2,001	678	1,748	605
Total net trading income	9,451	7,253	8,334	6,527

1 Almost entirely Global Markets.

Note 3b Net trading income by underlying risk category

	USD m		CHF m	
	For the year ended		For the year ended	
	31.12.24	31.12.23	31.12.24	31.12.23
Equity instruments (including funds)	6,198	5,479	5,485	4,930
Foreign exchange instruments	1,588	1,128	1,397	1,017
Interest rate and credit instruments (including funds)	1,780	524	1,551	471
Other	(114)	122	(99)	110
Total net trading income	9,451	7,253	8,334	6,527
of which: net gains / (losses) from financial liabilities designated at fair value[1]	*(981)*	*(1,839)*	*(829)*	*(1,471)*

1 Excludes fair value changes of hedges related to financial liabilities designated at fair value and foreign currency effects arising from translating foreign currency transactions into the respective functional currency, both of which are reported within Net trading income.

Note 4 Investments in subsidiaries and other participations

The table below provides the carrying amount, the equity interest and the registered office information regarding the investments in subsidiaries and other participations.

	Registered office	Equity interest accumulated in %	Carrying amount in USD m		Carrying amount in CHF m	
			31.12.24	31.12.23	31.12.24	31.12.23
UBS Americas Holding LLC	Wilmington, Delaware, USA	100	31,834	31,484	28,908	26,500
UBS Switzerland AG	Zurich, Switzerland	100	20,996	7,985	19,066	6,721
Credit Suisse International	London, United Kingdom	98	5,040		4,577	
UBS Europe SE	Frankfurt, Germany	100	4,175	3,914	3,791	3,294
UBS Asset Management AG	Zurich, Switzerland	100	2,260	1,732	2,053	1,457
Other			8,799	2,976	7,990	2,505
Total investments in subsidiaries and other participations			73,103	48,090	66,385	40,477

Reorganizations

As of 1 January 2024, the merger of UBS AG and Credit Suisse AG resulted in an increase in the carrying amount of *Investments in subsidiaries and other participations* of USD 33.9bn (CHF 28.5bn), mainly driven by Credit Suisse Holdings (USA) Inc. (USD 6.4bn (CHF 5.4bn)), Credit Suisse (Schweiz) AG (USD 13.6bn (CHF 11.5bn)) and Credit Suisse International (USD 8.2bn (CHF 6.9bn)).

In June 2024, as part of the transition to a single US intermediate holding company, UBS AG contributed its investment in Credit Suisse Holdings (USA) Inc. to UBS Americas Holding LLC, increasing the carrying amount of UBS Americas Holding LLC by USD 6.3bn (CHF 5.7bn).

As of 1 July 2024, the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG was completed, increasing the carrying amount of UBS Switzerland AG by USD 13.0bn (CHF 11.7bn).

Impairments and reversal of impairments

In 2024, UBS AG recognized *Impairments of investments in subsidiaries and other participations* of USD 543m (CHF 500m). In 2023, UBS AG recognized Impairments of investments in subsidiaries and other participations of USD 3,715m (CHF 3,343m), mainly due to an impairment related to UBS Americas Holding LLC as the recoverable amount of this participation declined, mostly due to lower forecasted profits and dividend payouts.

In 2024, UBS AG recognized *Reversal of impairments of investments in subsidiaries and other participations* of USD 3,996m (CHF 3,497m), mainly due to a reversal of an impairment related to Credit Suisse International as the recoverable amount of this participation increased, mainly due to progressed integration including improved actual financials and forecasted financial performance.

Dividends and capital repayments

Dividend income from investments in subsidiaries and other participations of USD 6,275m (CHF 5,730m) in 2024 and USD 5,430m (CHF 4,862m) in 2023 was mainly attributable to UBS Switzerland AG, UBS Americas Holding LLC, UBS Asset Management AG and UBS Europe SE. In addition, in 2024 Credit Suisse Securities (Europe) Limited contributed a substantial dividend.

In December 2024, UBS Americas Holding LLC repaid capital of USD 6.0bn (CHF 5.4bn) and Credit Suisse International repaid capital of USD 7.0bn (CHF 6.3bn) to UBS AG.

Note 5 Sundry ordinary income and expenses

	USD m		CHF m	
	For the year ended		For the year ended	
	31.12.24	31.12.23	31.12.24	31.12.23
Income from services provided to UBS Group AG or its subsidiaries[1]	2,779	1,511	2,436	1,354
Net unrealized gains on financial investments[2]	0	70	0	59
Other	36	14	34	14
Total sundry ordinary income	2,814	1,596	2,470	1,426
Expenses from revenue transfers to UBS Group AG or its subsidiaries	(641)	(394)	(566)	(355)
Net unrealized losses on financial investments[2]	(116)	0	(98)	0
Other	(42)	(13)	(36)	(11)
Total sundry ordinary expenses	(800)	(407)	(700)	(366)

1 Services provided by UBS AG primarily related to Group Items. 2 Refer to Note 16a for more information.

Note 6 Personnel expenses

	USD m		CHF m	
	For the year ended		For the year ended	
	31.12.24	31.12.23	31.12.24	31.12.23
Salaries	2,929	1,710	2,588	1,536
Variable compensation – performance awards	1,450	1,115	1,280	1,003
Variable compensation – other	308	83	274	74
Contractors	55	27	49	25
Social security	340	242	300	217
Post-employment benefit plans	277	124	243	115
of which: value adjustments for economic benefits or obligations from non-Swiss pension funds [1]	*9*	*31*	*6*	*31*
Other personnel expenses	152	106	134	95
Total personnel expenses	5,511	3,408	4,868	3,063

1 Reflects the remeasurement of the defined benefit obligation and return on plan assets excluding amounts included in interest income for the non-Swiss defined benefit plans, for which IAS 19 is applied.

Note 7 General and administrative expenses

	USD m		CHF m	
	For the year ended		For the year ended	
	31.12.24	31.12.23	31.12.24	31.12.23
Real estate	630	451	556	404
Outsourcing costs	275	75	243	67
Technology costs	242	98	214	88
Market data services	229	129	202	115
Travel and entertainment	101	65	89	58
Marketing and communication	88	35	78	31
Fees to audit firms	48	12	42	11
of which: financial and regulatory audits	*43*	*9*	*38*	*8*
of which: audit-related services	*4*	*2*	*3*	*2*
of which: tax and other services	*2*	*0*	*1*	*0*
Other professional fees	487	173	431	153
Other	5,997	3,081	5,288	2,757
of which: shared services costs charged by UBS Group AG or its subsidiaries	*5,572*	*2,806*	*4,911*	*2,514*
Total general and administrative expenses	8,097	4,118	7,144	3,684

Note 8 Changes in provisions for litigation, regulatory and similar matters, and other provisions

2024 included litigation expenses of USD 1,005m (CHF 905m), largely in the Non-core and Legacy business division.

› **Refer to "Note 18 Provisions and contingent liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Note 9 Extraordinary income and expenses

	USD m For the year ended		CHF m For the year ended	
	31.12.24	31.12.23	31.12.24	31.12.23
Reversal of impairments of and provisions for subsidiaries and other participations[1]	3,996	9	3,497	10
Gains from disposals of subsidiaries and other participations	198	9	181	8
Net gains from disposals of properties	16	10	14	9
Other extraordinary income	1	5	1	5
Total extraordinary income	4,211	34	3,693	32
Accounting policy and methodology alignment effect upon merger of UBS AG and Credit Suisse AG[2]	598	0	504	0
Other extraordinary expense	3	2	1	2
Total extraordinary expenses	600	2	505	2

1 Refer to Note 4 for more information. 2 Refer to Note 2c for more information.

Gains from disposals of subsidiaries and other participations in 2024 included a gain of USD 169m (CHF 155m) on the sale of Credit Suisse Services India Ltd, a former subsidiary of Credit Suisse AG, to UBS Business Solutions AG.

Accounting policy and methodology alignment effect upon merger of UBS AG and Credit Suisse AG

As a result of the merger of UBS AG and Credit Suisse AG, UBS AG's accounting policies and methodologies were applied to the merger balance sheet of Credit Suisse AG as of 1 January 2024.

This resulted in a merger adjustment of USD 598m (CHF 504m), which was recorded in *Extraordinary expenses*. The adjustment included the alignment of methodologies related to credit allowances and provisions (USD –559m (CHF –471m)), which Credit Suisse AG generally accounted for by reference to US GAAP compared with UBS AG's general application of IFRS Accounting Standards, own credit adjustment curves (USD –537m (CHF –452m)), and smaller adjustments related to the classification of certain debt instruments at fair value compared to a legacy Credit Suisse AG amortized cost treatment, and full expense recognition of certain loan origination costs and fees at inception, which were previously deferred and recognized over time by Credit Suisse AG. These effects were partly reduced by the effects of electing the fair value option for certain structured TLAC instruments under UBS AG's accounting policies (USD 513m (CHF 432m)), and smaller adjustments related to the measurement of real estate and the recognition of net defined benefit assets.

Note 10 Taxes

	USD m		CHF m	
	For the year ended		For the year ended	
	31.12.24	31.12.23	31.12.24	31.12.23
Income tax expense / (benefit)	461	279	416	255
of which: current	*492*	*277*	*443*	*254*
of which: deferred	*(31)*	*2*	*(28)*	*2*
Capital tax	40	31	35	28
Total tax expense / (benefit)	501	310	451	283

An income tax expense of USD 461m (CHF 416m) was recognized for UBS AG in 2024, compared with USD 279m (CHF 255m) for 2023. The income tax expense for 2024 was reduced by a benefit of USD 36m (CHF 32m) in respect of the utilization of tax losses carried forward, primarily in Jersey and Singapore.

The income tax expense for 2023 was reduced by a benefit of USD 15m (CHF 13m) in respect of the utilization of tax losses carried forward, primarily in Jersey.

The income tax expenses for 2024 and 2023 related to UBS AG's taxable profits that are not offset by tax losses carried forward.

For 2024, the average tax rate, defined as income tax expense divided by the sum of operating profit and extraordinary income minus extraordinary expenses and capital tax, was 8.2% (2023: 15.5%). This reflected the aforementioned benefit in respect of the utilization of tax losses carried forward and also that no tax expense was recognized in respect of dividends that UBS AG received from its subsidiaries.

Note 11 Securities financing transactions

	USD bn		CHF bn	
	31.12.24	31.12.23	31.12.24	31.12.23
On-balance sheet				
Receivables from securities financing transactions, gross	200.9	157.0	182.4	132.1
Netting of securities financing transactions	(83.5)	(87.6)	(75.8)	(73.7)
Receivables from securities financing transactions, net	117.3	69.4	106.6	58.4
Payables from securities financing transactions, gross	126.2	111.4	114.6	93.7
Netting of securities financing transactions	(83.5)	(87.6)	(75.8)	(73.7)
Payables from securities financing transactions, net	42.6	23.8	38.7	20.0
Assets pledged as collateral in connection with securities financing transactions	74.8	75.7	67.9	63.7
of which: trading portfolio assets	*61.8*	*68.2*	*56.1*	*57.4*
of which: assets that may be sold or repledged by counterparties	*44.5*	*49.9*	*40.4*	*42.0*
of which: financial investments	*13.0*	*7.5*	*11.8*	*6.3*
of which: assets that may be sold or repledged by counterparties	*12.8*	*7.4*	*11.7*	*6.2*
Off-balance sheet				
Fair value of assets received as collateral in connection with securities financing transactions	425.2	372.6	386.1	313.6
of which: repledged	*266.1*	*246.5*	*241.6*	*207.5*
of which: sold in connection with short sale transactions	*29.3*	*27.3*	*26.6*	*23.0*

Note 12a Collateral for loans and off-balance sheet transactions

	31.12.24					31.12.23				
	Secured			Unsecured	Total	Secured			Unsecured	Total
	Secured by collateral		Secured by other credit enhancements[2]			Secured by collateral		Secured by other credit enhancements[2]		
USD m	Real estate	Other collateral[1]				Real estate	Other collateral[1]			
On-balance sheet										
Due from customers, gross[3]	41	102,479	4,515	43,630[4]	150,665		65,884	48	41,733[4]	107,665
Mortgage loans, gross	8,446				8,446	5,116				5,116
of which: residential mortgages	*5,242*				*5,242*	*2,854*				*2,854*
of which: other mortgages[5]	*3,204*				*3,204*	*2,263*				*2,263*
Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity				43,675	43,675				29,403	29,403
Total on-balance sheet, gross	8,486	102,479	4,515	87,305	202,786	5,116	65,884	48	71,136	142,184
Allowances	(7)	(109)	(40)	(1,584)	(1,740)	0	(63)	0	(161)	(225)
Total on-balance sheet, net	8,479	102,370	4,475	85,721	201,045	5,116	65,821	48	70,974	141,959
Off-balance sheet										
Contingent liabilities, gross	31	20,590	1,276	13,092	34,989		21,245	990	9,125	31,360
Irrevocable commitments, gross	737	23,883	2,728	17,120	44,469	550	9,365	154	9,831	19,900
Forward starting reverse repurchase and securities borrowing transactions		64,036			64,036		63,527			63,527
Liabilities for calls on shares and other equities				5	5				5	5
Total off-balance sheet	768	108,510	4,004	30,217	143,499	550	94,136	1,144	18,961	114,791

1 Mainly includes cash and securities. 2 Includes guarantees. 3 Includes prime brokerage margin lending receivables and prime brokerage receivables relating to securities financing transactions. 4 Primarily consists of amounts due from subsidiaries and other Group entities. 5 Consists of office and business premises, industrial premises and other mortgages.

	31.12.24					31.12.23				
	Secured			Unsecured	Total	Secured			Unsecured	Total
	Secured by collateral		Secured by other credit enhancements[2]			Secured by collateral		Secured by other credit enhancements[2]		
CHF m	Real estate	Other collateral[1]				Real estate	Other collateral[1]			
On-balance sheet										
Due from customers, gross[3]	37	93,061	4,100	39,620[4]	136,818		55,454	40	35,126[4]	90,621
Mortgage loans, gross	7,669				7,669	4,306				4,306
of which: residential mortgages	*4,760*				*4,760*	*2,402*				*2,402*
of which: other mortgages[5]	*2,908*				*2,908*	*1,904*				*1,904*
Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity				39,662	39,662				24,748	24,748
Total on-balance sheet, gross	7,706	93,061	4,100	79,281	184,148	4,306	55,454	40	59,874	119,675
Allowances	(6)	(99)	(37)	(1,438)	(1,580)	0	(56)	0	(133)	(189)
Total on-balance sheet, net	7,699	92,962	4,064	77,843	182,568	4,306	55,397	40	59,742	119,486
Off-balance sheet										
Contingent liabilities, gross	28	18,698	1,159	11,888	31,773		17,881	833	7,680	26,395
Irrevocable commitments, gross	670	21,688	2,477	15,547	40,382	463	7,882	129	8,275	16,749
Forward starting reverse repurchase and securities borrowing transactions		58,151			58,151		53,470		0	53,470
Liabilities for calls on shares and other equities				4	4				4	4
Total off-balance sheet	698	98,538	3,636	27,440	130,311	463	79,233	963	15,959	96,619

1 Mainly includes cash and securities. 2 Includes guarantees. 3 Includes prime brokerage margin lending receivables and prime brokerage receivables relating to securities financing transactions. 4 Primarily consists of amounts due from subsidiaries and other Group entities. 5 Consists of office and business premises, industrial premises and other mortgages.

Note 12b Credit-impaired financial instruments

	31.12.24				31.12.23			
USD m	Gross credit-impaired financial instruments	Allowances and provisions	Estimated liquidation proceeds of collateral	Net credit-impaired financial instruments	Gross credit-impaired financial instruments	Allowances and provisions	Estimated liquidation proceeds of collateral	Net credit-impaired financial instruments
Amounts due from customers	3,329	1,496	894	939	384	114	270	0
Mortgage loans	206	4	201	0	113	0	113	0
Other assets	6	4	0	2	2	2	0	0
Guarantees and loan commitments	167	16	117	35	18	4	8	7
Total credit-impaired financial instruments[1]	3,708	1,520	1,212	976	517	120	390	7

1 Credit-impaired financial instruments are financial assets and off-balance sheet positions subject to incurred credit losses, also referred to as stage 3 positions.

	31.12.24				31.12.23			
CHF m	Gross credit-impaired financial instruments	Allowances and provisions	Estimated liquidation proceeds of collateral	Net credit-impaired financial instruments	Gross credit-impaired financial instruments	Allowances and provisions	Estimated liquidation proceeds of collateral	Net credit-impaired financial instruments
Amounts due from customers	3,023	1,358	812	853	323	96	227	0
Mortgage loans	187	4	183	0	95	0	95	0
Other assets	6	3	0	2	1	1	0	0
Guarantees and loan commitments	152	14	106	32	15	3	6	6
Total credit-impaired financial instruments[1]	3,367	1,380	1,100	887	435	101	329	6

1 Credit-impaired financial instruments are financial assets and off-balance sheet positions subject to incurred credit losses, also referred to as stage 3 positions.

Note 13 Allowances and provisions

Allowances and provisions of USD 4,869m (CHF 4,422m) as of 31 December 2024 included allowances and provisions for credit losses of USD 1,896m (CHF 1,722m). Allowances and provisions of USD 2,249m (CHF 1,893m) as of 31 December 2023 included allowances and provisions for credit losses of USD 294m (CHF 247m).

The 2024 increase in allowances and provisions for credit losses of USD 1,602m (CHF 1,475m) included USD 1,551m (CHF 1,305m) from the merger with Credit Suisse AG as of 1 January 2024, net credit loss expenses of USD 206m (CHF 179m) recognized in the income statement, primarily related to credit-impaired positions, as well as USD 155m (CHF 9m) other allowances and provision movements without ECL profit or loss impact, mainly from the merger with Credit Suisse AG, for write-offs and other movements that did not impact the income statement.

Allowances of USD 1,492m (CHF 1,256m) and provisions of USD 1,290m (CHF 1,086m) recognized upon the merger with Credit Suisse AG, a total of USD 2,782m (CHF 2,342m), include a merger adjustment of USD 577m (CHF 486m) recognized in the income statement and recorded in *Extraordinary expenses*. This adjustment largely relates to UBS accounting policy adoption and methodology alignment on credit loss allowances and provisions for Credit Suisse AG's transactions, including those with direct and indirect subsidiaries of UBS AG. UBS AG's Swiss GAAP policy for recognizing credit loss allowances and provisions is to the largest extent possible aligned with IFRS, whereas Credit Suisse AG's Swiss GAAP policy was generally calibrated to US GAAP. Certain allowances and provisions recognized by Credit Suisse AG as of 31 December 2023 related to Non-Core and Legacy positions were measured by UBS AG at fair value and not included in UBS AG's allowances and provisions at the merger date.

› **Refer Note 2 and Note 9 for more information**

Note 13a Allowances for credit losses

USD m	Balance as of 31.12.23	Balance recognized upon the merger with Credit Suisse AG	Increase recognized in the income statement	Release recognized in the income statement	Write-offs	Recoveries and past due interest	Reclassifications / other	Foreign currency translation	Balance as of 31.12.24
Default risk relating to on-balance sheet exposures	233	1,492	227	(27)	(276)	8	96	10	1,762
of which: incurred credit losses	*116*	*1,338*	*227*	*0*	*(276)*	*8*	*96*	*(6)*	*1,504*
of which: expected credit losses	*117*	*154*	*0*	*(27)*	*0*	*0*	*0*	*15*	*258*
Other	7	0	0	0	0	0	0	(1)	6
Total allowances	241	1,492	227	(27)	(276)	8	96	8	1,768

CHF m	Balance as of 31.12.23	Balance recognized upon the merger with Credit Suisse AG	Increase recognized in the income statement	Release recognized in the income statement	Write-offs	Recoveries and past due interest	Reclassifications / other	Foreign currency translation	Balance as of 31.12.24
Default risk relating to on-balance sheet exposures	197	1,256	197	(24)	(240)	7	83	124	1,600
of which: incurred credit losses	*98*	*1,126*	*197*	*0*	*(240)*	*7*	*83*	*94*	*1,366*
of which: expected credit losses	*99*	*129*	*0*	*(24)*	*0*	*0*	*0*	*30*	*235*
Other	6	0	0	0	0	0	0	(1)	6
Total allowances	203	1,256	197	(24)	(240)	7	83	123	1,606

Note 13b Provisions

USD m	Balance as of 31.12.23	Balance recognized upon the merger with Credit Suisse AG	Increase recognized in the income statement	Release recognized in the income statement	Provisions used in conformity with designated purpose	Recoveries	Reclassifications	Foreign currency translation / other	Balance as of 31.12.24
Default risk related to off-balance sheet items and credit lines	60	59	14	(8)	0	0	5	4	134
of which: incurred credit losses	*4*	*0*	*0*	*(1)*	*0*	*0*	*5*	*9*	*16*
of which: expected credit losses	*57*	*59*	*14*	*(7)*	*0*	*0*	*0*	*(6)*	*118*
Litigation, regulatory and similar matters	1,665	1,118	1,268	(51)	(1,481)	1	92 [1]	(120)	2,492
Restructuring	25	49	239	(45)	(167)	0	0	6	107
Real estate[2]	113	25	56	(2)	(16)	0	0	15	191
Employee benefits	27	22	20	(18)	0	0	0	(3)	47
Deferred taxes	94	0	0	(20)	0	0	0	(13)	61
Other	25	17	56	(15)	(4)	0	0	(10)	70
Total provisions	2,008	1,290	1,653	(158)	(1,668)	1	96	(121)	3,101

1 Relates to the funding by UBS AG of the offer made in June 2024 by the Credit Suisse supply chain finance funds to redeem all of their outstanding units. Post the expiry of the offer, USD 92m was reclassified from derivative liabilities back into provisions in relation to investors who did not accept the redemption offer. Refer to "Note 18 Provisions and contingent liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at ubs.com/investors, for more information. 2 Includes provisions for onerous contracts of USD 87m as of 31 December 2024 (31 December 2023: USD 47m) and reinstatement cost provisions for leasehold improvements of USD 103m as of 31 December 2024 (31 December 2023: USD 66m).

CHF m	Balance as of 31.12.23	Balance recognized upon the merger with Credit Suisse AG	Increase recognized in the income statement	Release recognized in the income statement	Provisions used in conformity with designated purpose	Recoveries	Reclassifications	Foreign currency translation / other	Balance as of 31.12.24
Default risk related to off-balance sheet items and credit lines	51	50	12	(7)	0	0	4	12	122
of which: incurred credit losses	*3*	*0*	*0*	*(1)*	*0*	*0*	*4*	*9*	*15*
of which: expected credit losses	*48*	*50*	*12*	*(6)*	*0*	*0*	*0*	*3*	*107*
Litigation, regulatory and similar matters	1,401	941	1,136	(44)	(1,330)	1	81 [1]	77	2,263
Restructuring	21	41	210	(39)	(147)	0	0	11	97
Real estate[2]	95	21	50	(1)	(14)	0	0	22	173
Employee benefits	23	18	18	(16)	0	0	0	0	43
Deferred taxes	79	0	0	(17)	0	0	0	(7)	55
Other	21	15	51	(13)	(3)	0	0	(7)	63
Total provisions	1,690	1,086	1,476	(139)	(1,494)	1	85	108	2,816

1 Relates to the funding by UBS AG of the offer made in June 2024 by the Credit Suisse supply chain finance funds to redeem all of their outstanding units. Post the expiry of the offer, CHF 81m was reclassified from derivative liabilities back into provisions in relation to investors who did not accept the redemption offer. Refer to "Note 18 Provisions and contingent liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2024, available under "Annual reporting" at ubs.com/investors, for more information. 2 Includes provisions for onerous contracts of CHF 79m as of 31 December 2024 (31 December 2023: CHF 39m) and reinstatement cost provisions for leasehold improvements of CHF 94m as of 31 December 2024 (31 December 2023: CHF 55m).

Note 13c Development of allowances and provisions for credit losses

USD m	Total	Stage 1	Stage 2	Stage 3
Balance as of 31 December 2023	(294)	(133)	(41)	(120)
Balance recognized upon the merger with Credit Suisse AG as of 1.1.24	(1,551)	(165)	(48)	(1,338)
Net movement from new and derecognized transactions[1]	66	88	(31)	10
of which: Large corporate clients	*69*	*90*	*(31)*	*10*
Remeasurements with stage transfers[2]	(210)	4	(1)	(213)
of which: Large corporate clients	*(116)*	*4*	*(2)*	*(118)*
Remeasurements without stage transfers[3]	(10)	10	3	(23)
of which: Large corporate clients	*(23)*	*12*	*8*	*(43)*
Model changes[4]	(52)	(17)	(34)	0
Total ECL allowance movements with profit or loss impact	(206)	84	(64)	(226)
Movements without profit or loss impact (write-off, FX and other)[5]	155	(12)	3	164
Balance as of 31 December 2024	(1,896)	(226)	(150)	(1,520)

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

CHF m	Total	Stage 1	Stage 2	Stage 3
Balance as of 31 December 2023	(247)	(112)	(34)	(101)
Balance recognized upon the merger with Credit Suisse AG as of 1.1.24	(1,305)	(139)	(40)	(1,126)
Net movement from new and derecognized transactions[1]	58	76	(27)	8
of which: Large corporate clients	*60*	*78*	*(27)*	*8*
Remeasurements with stage transfers[2]	(183)	3	(1)	(185)
of which: Large corporate clients	*(101)*	*3*	*(2)*	*(102)*
Remeasurements without stage transfers[3]	(9)	9	3	(20)
of which: Large corporate clients	*(20)*	*10*	*7*	*(38)*
Model changes[4]	(45)	(15)	(30)	0
Total ECL allowance movements with profit or loss impact	(179)	73	(55)	(196)
Movements without profit or loss impact (write-off, FX and other)[5]	9	(27)	(6)	43
Balance as of 31 December 2024	(1,722)	(205)	(136)	(1,380)

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

Note 13c Development of allowances and provisions for credit losses (continued)

USD m	Total	Stage 1	Stage 2	Stage 3
Balance as of 31 December 2022	(287)	(132)	(47)	(107)
Net movement from new and derecognized transactions[1]	8	(1)	3	7
of which: Large corporate clients	*6*	*(3)*	*2*	*7*
Remeasurements with stage transfers[2]	(52)	0	0	(53)
of which: Large corporate clients	*(52)*	*1*	*0*	*(53)*
Remeasurements without stage transfers[3]	46	9	10	26
of which: Large corporate clients	*13*	*13*	*10*	*(11)*
Model changes[4]	(16)	(10)	(6)	0
Total ECL allowance movements with profit or loss impact	(13)	(2)	7	(19)
Movements without profit or loss impact (write-off, FX and other)[5]	7	1	(1)	7
Balance as of 31 December 2023	(294)	(133)	(41)	(120)

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

CHF m	Total	Stage 1	Stage 2	Stage 3
Balance as of 31 December 2022	(266)	(123)	(44)	(99)
Net movement from new and derecognized transactions[1]	8	(1)	3	6
of which: Large corporate clients	*5*	*(3)*	*2*	*6*
Remeasurements with stage transfers[2]	(50)	0	0	(51)
of which: Large corporate clients	*(50)*	*1*	*0*	*(50)*
Remeasurements without stage transfers[3]	43	9	9	25
of which: Large corporate clients	*11*	*12*	*9*	*(10)*
Model changes[4]	(15)	(10)	(5)	0
Total ECL allowance movements with profit or loss impact	(13)	(2)	7	(19)
Movements without profit or loss impact (write-off, FX and other)[5]	33	13	3	17
Balance as of 31 December 2023	(247)	(112)	(34)	(101)

1 Represents the increase and decrease in allowances and provisions resulting from financial instruments (including guarantees and facilities) that were newly originated, purchased or renewed and from the final derecognition of loans or facilities on their maturity date or earlier. 2 Represents the remeasurement between 12-month and lifetime ECL due to stage transfers. 3 Represents the change in allowances and provisions related to changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions, changes in the exposure profile, PD and LGD changes, and unwinding of the time value. 4 Represents the change in the allowances and provisions related to changes in models and methodologies. 5 Represents the decrease in allowances and provisions resulting from write-offs of the ECL allowance against the gross carrying amount when all or part of a financial asset is deemed uncollectible or forgiven and movements in foreign exchange rates.

Note 13d Balance sheet and off-balance sheet positions subject to ECL

The tables below provide information about ECL exposures, allowances and provisions for financial instruments and certain non-financial instruments that are subject to ECL.

USD m	31.12.24							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	69,614	69,614	0	0	0	0	0	0
Due from banks	96,243	96,164	79	0	(14)	(14)	(1)	0
Receivables from securities financing transactions	117,338	117,338	0	0	(2)	(2)	0	0
Due from customers	148,955	143,834	3,288	1,833	(1,710)	(106)	(108)	(1,496)
Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity	43,652	43,652	0	0	(23)	(23)	0	0
Mortgage loans	8,438	7,880	356	201	(7)	(2)	(1)	(4)
Accrued income and prepaid expenses[2]	3,091	3,081	10	0	0	0	0	0
Other assets[3]	2,172	2,170	0	2	(5)	(1)	0	(4)
Total on-balance sheet financial assets within the scope of ECL	489,504	483,734	3,733	2,037	(1,762)	(148)	(109)	(1,504)
	Total exposure				ECL provisions			
Off-balance sheet (within the scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Contingent liabilities, gross	34,989	34,799	147	43	(7)	(4)	0	(3)
Irrevocable commitments, gross	44,469	40,818	3,526	125	(128)	(74)	(40)	(14)
Forward starting transactions (securities financing transactions)[4]	22,954	22,954	0	0	0	0	0	0
Credit lines	39,291	39,239	46	6	0	0	0	0
Irrevocable committed prolongation of existing loans	245	245	0	0	0	0	0	0
Total off-balance sheet financial instruments and credit lines within the scope of ECL	141,947	138,055	3,718	173	(134)	(78)	(40)	(16)
Total allowances and provisions					(1,896)	(226)	(150)	(1,520)

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Includes components of accrued interest assets within the scope of ECL. 3 Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets within the scope of ECL. Refer to Note 17a for more information. 4 Includes forward starting reverse repurchase agreements within the scope of ECL.

CHF m	31.12.24							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	63,217	63,217	0	0	0	0	0	0
Due from banks	87,399	87,327	71	0	(13)	(12)	(1)	0
Receivables from securities financing transactions	106,555	106,555	0	0	(2)	(2)	0	0
Due from customers	135,266	130,616	2,985	1,664	(1,553)	(96)	(98)	(1,358)
Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity	39,640	39,640	0	0	(21)	(21)	0	0
Mortgage loans	7,662	7,156	324	183	(6)	(2)	(1)	(4)
Accrued income and prepaid expenses[2]	2,807	2,798	9	0	0	0	0	0
Other assets[3]	1,972	1,970	0	2	(4)	(1)	0	(3)
Total on-balance sheet financial assets within the scope of ECL	444,518	439,279	3,390	1,849	(1,600)	(134)	(100)	(1,366)
	Total exposure				ECL provisions			
Off-balance sheet (within the scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Contingent liabilities, gross	31,773	31,601	134	39	(6)	(4)	0	(2)
Irrevocable commitments, gross	40,382	37,067	3,202	113	(116)	(67)	(37)	(12)
Forward starting transactions (securities financing transactions)[4]	20,844	20,844	0	0	0	0	0	0
Credit lines	35,680	35,633	41	5	0	0	0	0
Irrevocable committed prolongation of existing loans	222	222	0	0	0	0	0	0
Total off-balance sheet financial instruments and credit lines within the scope of ECL	128,901	125,367	3,377	157	(122)	(71)	(36)	(15)
Total allowances and provisions					(1,722)	(205)	(136)	(1,380)

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Includes components of accrued interest assets within the scope of ECL. 3 Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets within the scope of ECL. Refer to Note 17a for more information. 4 Includes forward starting reverse repurchase agreements within the scope of ECL.

Note 13d Balance sheet and off-balance sheet positions subject to ECL (continued)

USD m	31.12.23							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	49,449	49,449	0	0	0	0	0	0
Due from banks	56,082	56,082	0	0	(5)	(5)	0	0
Receivables from securities financing transactions	69,381	69,381	0	0	(2)	(2)	0	0
Due from customers	107,463	105,919	1,275	270	(202)	(69)	(19)	(114)
Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity	29,380	29,380	0	0	(22)	(22)	0	0
Mortgage loans	5,116	4,997	6	113	0	0	0	0
Accrued income and prepaid expenses	3,000	2,991	8	0	0	0	0	0
Other assets[2]	918	918	0	0	(2)	0	0	(2)
Total on-balance sheet financial assets within the scope of ECL	**320,789**	**319,117**	**1,289**	**383**	**(233)**	**(99)**	**(19)**	**(116)**

	Total exposure				ECL provisions			
Off-balance sheet (within the scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Contingent liabilities, gross	31,360	31,226	129	4	(3)	(2)	(1)	(1)
Irrevocable commitments, gross	19,900	18,427	1,458	14	(56)	(33)	(21)	(2)
Forward starting transactions (securities financing transactions)[3]	9,500	9,500	0	0	0	0	0	0
Credit lines	9,777	9,446	331	0	(1)	(1)	0	0
Irrevocable committed prolongation of existing loans	1,907	1,907	0	0	0	0	0	0
Total off-balance sheet financial instruments and credit lines within the scope of ECL	**72,444**	**70,507**	**1,918**	**18**	**(60)**	**(35)**	**(22)**	**(4)**
Total allowances and provisions					**(294)**	**(133)**	**(41)**	**(120)**

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets within the scope of ECL. Refer to Note 17a for more information. 3 Includes forward starting reverse repurchase agreements within the scope of ECL.

CHF m	31.12.23							
	Carrying amount[1]				ECL allowances			
Financial instruments measured at amortized cost	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Cash and balances at central banks	41,620	41,620	0	0	0	0	0	0
Due from banks	47,204	47,204	0	0	(4)	(4)	0	0
Receivables from securities financing transactions	58,398	58,398	0	0	(1)	(1)	0	0
Due from customers	90,451	89,151	1,073	227	(170)	(58)	(16)	(96)
Funding provided to significant regulated subsidiaries eligible as total loss-absorbing capacity	24,729	24,729	0	0	(19)	(19)	0	0
Mortgage loans	4,306	4,206	5	95	0	0	0	0
Accrued income and prepaid expenses	2,525	2,518	7	0	0	0	0	0
Other assets[2]	772	772	0	0	(2)	0	0	(1)
Total on-balance sheet financial assets within the scope of ECL	**270,005**	**268,598**	**1,085**	**322**	**(197)**	**(83)**	**(16)**	**(98)**

	Total exposure				ECL provisions			
Off-balance sheet (within the scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Contingent liabilities, gross	26,395	26,283	109	3	(3)	(1)	0	(1)
Irrevocable commitments, gross	16,749	15,510	1,227	12	(49)	(29)	(19)	(2)
Forward starting transactions (securities financing transactions)[3]	7,996	7,996	0	0	0	0	0	0
Credit lines	8,229	7,951	278	0	0	0	0	0
Irrevocable committed prolongation of existing loans	1,605	1,605	0	0	0	0	0	0
Total off-balance sheet financial instruments and credit lines within the scope of ECL	**60,975**	**59,345**	**1,615**	**15**	**(51)**	**(30)**	**(18)**	**(3)**
Total allowances and provisions					**(247)**	**(112)**	**(34)**	**(101)**

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Includes components of other receivables due from UBS Group AG and subsidiaries in the UBS Group and other assets within the scope of ECL. Refer to Note 17a for more information. 3 Includes forward starting reverse repurchase agreements within the scope of ECL.