

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

USD m	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		
	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.

CHF m	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		
	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	
<i>of which: residential mortgages</i>	4,760				4,760	2,402			2,402	
<i>of which: other mortgages⁵</i>	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

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			
<i>USD m</i>	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 instruments¹	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			
<i>CHF m</i>	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 instruments¹	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