UBS AG

Third quarter 2024 report

UBS

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Terms used in this report, unless the context requires otherwise

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

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

Alternative performance measures

An alternative performance measure (an APM) is a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable recognized accounting standards or in other applicable regulations. A number of APMs are reported in UBS's external reports (annual, quarterly and other reports). APMs are used to provide a more complete picture of operating performance and to reflect management's view of the fundamental drivers of the business results. A definition of each APM, the method used to calculate it and the information content are presented under "Alternative performance measures" in the appendix to this report. These APMs may qualify as non-GAAP measures as defined by US Securities and Exchange Commission (SEC) regulations.

Comparability

Comparative information in this report is presented as follows.

Profit and loss information for the third quarter of 2024 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. Profit and loss information for the second quarter of 2024 includes one month (June 2024) of post-merger consolidated data and two months of pre-merger UBS AG data only (April and May 2024). Profit and loss information for the fourth quarter of 2023 and the third quarter of 2023 includes pre-merger UBS AG data only. Year-to-date information for 2024 includes four months (June to September 2024) of post-merger consolidated data and five months of pre-merger UBS AG data only (January to May 2024). Comparative year-to-date information for 2023 includes pre-merger UBS AG data only.

Balance sheet information as at 30 September 2024 and 30 June 2024 includes post-merger consolidated information. Balance sheet dates prior to 30 June 2024 reflect pre-merger UBS AG information only.

Comparison between UBS AG consolidated and UBS Group AG consolidated

A comparison of selected financial and capital information of UBS AG consolidated and of UBS Group AG consolidated is provided after the Notes to the UBS AG interim consolidated financial statements.

UBS AG consolidated key figures

UBS AG consolidated key figures

	As of or for the quarter ended				As of or year-to-date	
USD m, except where indicated	30.9.24	30.6.24	31.12.23	30.9.23	30.9.24	30.9.23
Results						
Total revenues	11,997	9,900	8,014	8,348	31,006	25,661
Credit loss expense / (release)	167	84	62	27	303	80
Operating expenses	10,640	10,012	7,618	7,047	28,329	21,393
Operating profit / (loss) before tax	1,191	(196)	333	1,275	2,374	4,188
Net profit / (loss) attributable to shareholders	996	(264)	235	932	1,738	3,055
Profitability and growth[1]						
Return on equity (%)	4.2	(1.4)	1.7	7.0	3.1	7.4
Return on tangible equity (%)	4.5	(1.6)	2.0	8.0	3.4	8.3
Return on common equity tier 1 capital (%)	4.8	(1.7)	2.1	8.6	3.6	9.5
Return on leverage ratio denominator, gross (%)	3.0	3.0	3.0	3.2	3.1	3.3
Cost / income ratio (%)	88.7	101.1	95.1	84.4	91.4	83.4
Net profit growth (%)	6.9	n.m.	(84.5)	(41.7)	(43.1)	(45.1)
Resources						
Total assets	1,626,893	1,564,664	1,156,016	1,097,536	1,626,893	1,097,536
Equity attributable to shareholders	96,943	93,392	55,234	52,836	96,943	52,836
Common equity tier 1 capital[2]	84,423	83,001	44,130	43,378	84,423	43,378
Risk-weighted assets[2]	515,520	509,953	333,979	321,134	515,520	321,134
Common equity tier 1 capital ratio (%)[2]	16.4	16.3	13.2	13.5	16.4	13.5
Going concern capital ratio (%)[2]	19.5	19.2	17.0	17.1	19.5	17.1
Total loss-absorbing capacity ratio (%)[2]	38.2	38.6	33.3	33.8	38.2	33.8
Leverage ratio denominator[2]	1,611,151	1,564,001	1,104,408	1,042,106	1,611,151	1,042,106
Common equity tier 1 leverage ratio (%)[2]	5.2	5.3	4.0	4.2	5.2	4.2
Liquidity coverage ratio (%)[3]	196.3	194.1	189.7	176.6	196.3	176.6
Net stable funding ratio (%)	126.8	127.7	119.6	121.7	126.8	121.7
Other						
Invested assets (USD bn)[1,4]	6,199	5,871	4,505	4,227	6,199	4,227
Personnel (full-time equivalents)	69,185	70,750	47,590	48,015	69,185	48,015

1 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 2 Based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "Capital management" section of this report for more information. 3 The disclosed ratios represent quarterly averages for the quarters presented and are calculated based on an average of 65 data points in the third quarter of 2024, 61 data points in the second quarter of 2024, of which 40 data points were before the merger of UBS AG and Credit Suisse AG (i.e. from 2 April 2024 until 30 May 2024), and 21 data points were after the merger (i.e. from 31 May 2024 until 30 June 2024), 63 data points in the fourth quarter of 2023 and 63 data points in the third quarter of 2023. Refer to the "Liquidity and funding management" section of this report for more information. 4 Consists of invested assets for Global Wealth Management, Asset Management (including invested assets from associates) and Personal & Corporate Banking. Refer to "Note 31 Invested assets and net new money" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023, available under "Annual reporting" at ubs.com/investors, for more information.

UBS AG

Management report

Recent developments

Integration of Credit Suisse

We continue to make progress related to the integration of Credit Suisse, with the current focus on client account and platform migrations.

Following the merger of UBS AG and Credit Suisse AG in May 2024 and the transition to a single US intermediate holding company in June 2024, the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG was completed on 1 July 2024 and was another critical step on our integration roadmap.

In October 2024, we completed the migration of our Global Wealth Management client accounts in Luxembourg and Hong Kong to UBS platforms and we plan to migrate our Global Wealth Management client accounts booked in Singapore and Japan before the end of 2024. In Switzerland, we expect the next phase of Global Wealth Management and Personal & Corporate Banking client account migrations in the second quarter of 2025.

Our Non-core and Legacy business division continues to actively exit positions and reduce its exposures. On 13 August 2024, UBS entered into an agreement to sell Select Portfolio Servicing, the US mortgage-servicing business of Credit Suisse managed in the Non-core and Legacy business division. Completion of the transaction is subject to regulatory approvals and other customary closing conditions. The transaction is expected to close in the first quarter of 2025. UBS AG does not expect to recognize a material profit or loss upon completion of the transaction. Based on balances as of 30 September 2024, the completion of the transaction would reduce UBS AG's risk-weighted assets (RWA) by around USD 1.4bn and UBS AG's leverage ratio denominator (LRD) by around USD 1.7bn.

In October 2024, UBS entered into an agreement to sell to American Express Swiss Holdings GmbH (American Express) its 50% interest in Swisscard AECS GmbH (Swisscard), a joint venture between UBS and American Express in Switzerland. In addition, UBS and Swisscard entered into an agreement to transition the Credit Suisse-branded card portfolios to UBS. Both transactions are subject to certain closing conditions and are not expected to have a material impact for UBS.

Regulatory and legal developments

Withholding tax exemption period for too-big-to-fail instruments

In August 2024, the Swiss Federal Council launched a consultation related to the existing withholding tax exemption that applies to too-big-to-fail instruments issued by no later than 31 December 2026. The Federal Council had recommended an unlimited extension of the exemption as part of a broader reform package in its April 2024 report on banking stability. As these reforms are not expected to enter into force before the expiry of the existing special rules, the Swiss Federal Council proposes to extend the current exemption, from 31 December 2026 to 31 December 2031, to ensure that banks can continue to issue capital instruments on competitive terms.

Swiss legislators postpone the review of a public liquidity backstop

In August 2024, the Swiss Economic Affairs and Taxation Committee of the Council of States deferred further deliberations on the introduction of a public liquidity backstop until the Swiss parliamentary investigation committee publishes its report on the failure of the Credit Suisse Group, which is expected to be released by the end of 2024.

FINMA suspends annual approval of UBS's recovery and emergency plans

In October 2024, the Swiss Financial Market Supervisory Authority (FINMA) published its 2024 resolution reporting for UBS. FINMA noted that if the preferred resolution strategy was applied, UBS would be resolvable by means of a single point of entry recapitalization. Considering the ongoing integration activities and the additional requirements for alternative resolution strategies following the Credit Suisse crisis, including the need for legislative changes, FINMA announced that it had suspended the annual approval of UBS's recovery and emergency plans. UBS has started working on the new plans in close dialogue with FINMA.

Switzerland implements the Income Inclusion Rule

In September 2024, the Swiss Federal Council introduced the Income Inclusion Rule (the IIR), a measure developed by the Organisation for Economic Co-operation and Development (the OECD) as part of the minimum corporate taxation rules applicable to corporate groups with a worldwide turnover of at least EUR 750m. Under the IIR, the profits of foreign subsidiaries and branches of Swiss corporate groups will be taxed at a minimum rate of 15% on the OECD global minimum tax base with respect to each jurisdiction in which the corporate groups operate. The IIR complements the Swiss supplementary tax that was introduced in January 2024. The IIR will apply from 1 January 2025, and UBS expects the overall tax impact from the IIR will be limited, given that UBS is subject to a corporate tax burden of more than 15% in the vast majority of countries in which it operates.

Mutual recognition agreement with the UK submitted to the Swiss Parliament

In September 2024, the Swiss Federal Council submitted for parliamentary approval a mutual recognition agreement (an MRA) with the UK regarding financial services. The agreement facilitates cross-border financial activities based on a new model for regulatory cooperation and an outcomes-based mutual recognition of domestic rules. The MRA is supplemented by an enhanced and closer supervisory process and additional supervisory arrangements where new market access is granted. It is expected that the Parliaments in Switzerland and the UK will grant approval for the MRA in 2025.

Developments related to the final Basel III implementation

In Switzerland, the amendments to the Capital Adequacy Ordinance that will incorporate the final Basel III standards into Swiss law are still scheduled to enter into force on 1 January 2025, as confirmed by the Swiss Federal Council in June 2024.

We expect that the adoption of the final Basel III standards in January 2025 will have a similar impact on UBS AG consolidated as on UBS Group, leading to low single-digit percentage increases in UBS AG's consolidated RWA and LRD, reducing the CET1 capital ratio by around 30 basis points and the CET1 leverage ratio by around 10 basis points. This estimate is based on our current understanding of the relevant standards, as we are in an active dialogue with FINMA regarding various aspects of the final rules. Our estimate for the RWA and CET1 capital ratio does not take into account the impact of the output floor, which is to be phased in over time.

In September 2024, the UK Prudential Regulatory Authority (the PRA) published its final rules covering the implementation of the final Basel III standards. As part of the package, the PRA announced the pushing back of the implementation date, from 1 July 2025 to 1 January 2026, with full phase-in of the output floor by 1 January 2030. The overall impact on UBS is expected to be limited.

In the US, the banking agencies, including the Federal Reserve Board, have been discussing amendments to their original proposals regarding the implementation of the final Basel III standards. The banking agencies have indicated that they plan to issue a revised proposal before issuing the final rules.

The Federal Reserve Board stress capital buffer requirements

In August 2024, the Federal Reserve Board assigned UBS Americas Holding LLC a stress capital buffer (an SCB) of 9.3% as of 1 October 2024 (previously 9.1%) under the Federal Reserve Board's SCB rule, resulting in a total CET1 capital requirement of 13.8%. The SCB for our US-based intermediate holding company is based on the previously released results of the Federal Reserve Board's 2024 Dodd–Frank Act Stress Test (DFAST), where UBS Americas Holding LLC exceeded the minimum capital requirements under the severely adverse scenario.

UBS AG consolidated performance

Income statement

	For the quarter ended			% change from		Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	2Q24	3Q23	30.9.24	30.9.23
Net interest income	1,560	722	984	116	59	3,088	3,678
Other net income from financial instruments measured at fair value through profit or loss	3,592	3,271	2,467	10	46	9,809	7,476
Net fee and commission income	6,334	5,601	4,666	13	36	17,084	13,883
Other income	510	306	231	67	120	1,025	624
Total revenues	11,997	9,900	8,348	21	44	31,006	25,661
Credit loss expense / (release)	167	84	27	98	528	303	80
Personnel expenses	5,788	4,797	3,951	21	46	14,746	11,697
General and administrative expenses	4,014	4,584	2,585	(12)	55	11,584	8,011
Depreciation, amortization and impairment of non-financial assets	838	631	510	33	64	2,000	1,686
Operating expenses	10,640	10,012	7,047	6	51	28,329	21,393
Operating profit / (loss) before tax	1,191	(196)	1,275		(7)	2,374	4,188
Tax expense / (benefit)	194	28	339	601	(43)	587	1,115
Net profit / (loss)	997	(224)	936		6	1,787	3,072
Net profit / (loss) attributable to non-controlling interests	1	40	5	(98)	(85)	49	17
Net profit / (loss) attributable to shareholders	996	(264)	932		7	1,738	3,055
Comprehensive income							
Total comprehensive income	3,623	271	(93)			3,724	2,251
Total comprehensive income attributable to non-controlling interests	21	20	(6)	3		37	8
Total comprehensive income attributable to shareholders	3,602	251	(86)			3,687	2,243

Integration-related expenses, by business division and Group Items

	For the quarter ended			Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
Global Wealth Management	416	378	133	1,022	156
Personal & Corporate Banking	171	113	50	368	58
Asset Management	86	69	19	189	21
Investment Bank	154	161	102	430	130
Non-core and Legacy	268	187	115	515	115
Group Items	21	9	47	30	288
Total integration-related expenses	1,116	916	467	2,555	768
of which: total revenues	*35*	*10*	*0*	*45*	*0*
of which: operating expenses	*1,081*	*906*	*467*	*2,510*	*768*

3Q24 compared with 3Q23

The legal merger of UBS AG and Credit Suisse AG on 31 May 2024 has had a significant impact on the results from June 2024 onward. This discussion and analysis of results compares the third quarter of 2024, which covers three full months of post-merger results, with the third quarter of 2023, which included only pre-merger results. This is a material driver in many of the increases across both revenues and operating expenses.

› **Refer to "Note 2 Accounting for the merger of UBS AG and Credit Suisse AG" in the "Consolidated financial statements" section of this report for more information about the accounting for the merger of UBS AG and Credit Suisse AG**

Results: 3Q24 vs 3Q23

Operating profit before tax decreased by USD 84m, or 7%, to USD 1,191m, reflecting an increase in operating expenses, partly offset by higher total revenues. Operating expenses increased by USD 3,593m, or 51%, to USD 10,640m, largely due to an increase of USD 1,837m in personnel expenses and an increase of USD 1,429m in general and administrative expenses. Depreciation, amortization and impairment of non-financial assets increased by USD 328m. Total revenues increased by USD 3,649m, or 44%, to USD 11,997m, largely due to a USD 1,702m increase in combined net interest income and other net income from financial instruments measured at fair value through profit or loss and due to a USD 1,668m increase in net fee and commission income. Other income increased by USD 279m. Net credit loss expenses were USD 167m, compared with USD 27m in the third quarter of 2023.

Integration-related expenses in general and administrative expenses, primarily included shared services costs charged from other companies in the UBS Group reporting scope, consulting fees and outsourcing costs. Integration-related personnel expenses were mainly due to salaries and variable compensation related to the integration of Credit Suisse. In addition, there was accelerated depreciation of properties and leasehold improvements in depreciation, amortization and impairment of non-financial assets.

Total revenues: 3Q24 vs 3Q23

Net interest income and other net income from financial instruments measured at fair value through profit or loss

Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss increased by USD 1,702m to USD 5,153m, mainly driven by increases in Global Wealth Management, Personal & Corporate Banking and the Investment Bank.

Global Wealth Management increased by USD 527m to USD 2,089m, mainly driven by the consolidation of Credit Suisse AG net interest income. The remaining variance was due to lower deposit margins, including the effects of shifts to lower-margin deposit products and the effects of liquidity and funding costs, partly offset by higher deposit volumes. The remaining variance was also due to lower loan revenues, reflecting lower average volumes.

Personal & Corporate Banking increased by USD 543m to USD 1,449m, largely due to the consolidation of Credit Suisse AG net interest income, with the remaining variance mainly attributable to higher liquidity and funding costs, as well as lower deposit margins resulting from both lower reinvestment rates and shifts to lower-margin deposit products.

The Investment Bank increased by USD 369m to USD 1,513m, mainly due to higher revenues in Derivatives & Solutions, reflecting increases mostly in Equity Derivatives, Foreign Exchange and Rates revenues, as well as an increase in Global Banking, mainly from higher revenues across Public Capital Markets. In addition, there was an increase in Execution Services revenues, mainly due to higher Cash Equities revenues across all regions. These increases were partly offset by lower revenues in Financing, particularly in the Capital Markets Financing business.

Non-core and Legacy increased by USD 31m to USD 63m, mainly due to the consolidation of Credit Suisse AG revenues. Total revenues reflected net gains from position exits, along with net interest income from securitized products and credit products.

Group Items was USD 14m compared with negative USD 178m. Higher gains during the third quarter of 2024 in Group hedging and own debt, including hedge accounting ineffectiveness, were driven by mark-to-market effects on portfolio-level economic hedges, mainly due to decreasing interest rates.

› **Refer to "Note 4 Net interest income" in the "Consolidated financial statements" section of this report for more information about net interest income**

Net interest income and other net income from financial instruments measured at fair value through profit or loss

	For the quarter ended			% change from		Year-to-date	
USD m	30.9.24	30.6.24	30.9.23[1]	2Q24	3Q23	30.9.24	30.9.23[1]
Net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	(485)	(188)	617	158		(486)	2,454
Net interest income from financial instruments measured at fair value through profit or loss and other	2,045	910	368	125	456	3,573	1,224
Other net income from financial instruments measured at fair value through profit or loss	3,592	3,271	2,467	10	46	9,809	7,476
Total	5,153	3,993	3,451	29	49	12,896	11,154
Global Wealth Management	2,089	1,640	1,562	27	34	5,287	5,075
of which: net interest income	*1,662*	*1,317*	*1,269*	*26*	*31*	*4,183*	*4,192*
of which: transaction-based income from foreign exchange and other intermediary activity[2]	*427*	*323*	*294*	*32*	*45*	*1,104*	*883*
Personal & Corporate Banking	1,449	1,023	906	42	60	3,376	2,685
of which: net interest income	*1,233*	*863*	*775*	*43*	*59*	*2,868*	*2,298*
of which: transaction-based income from foreign exchange and other intermediary activity[2]	*216*	*161*	*130*	*34*	*65*	*509*	*387*
Asset Management	24	(11)	(14)			1	(28)
Investment Bank[3]	1,513	1,507	1,144	0	32	4,577	4,033
Non-core and Legacy	63	121	32	(48)	99	203	76
Group Items	14	(288)	(178)			(548)	(688)

1 Comparative-period information has been restated for changes in business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report for more information. Comparatives may additionally differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Mainly includes spread-related income in connection with client-driven transactions, foreign-currency translation effects and income and expenses from precious metals, which are included in the income statement line Other net income from financial instruments measured at fair value through profit or loss. The amounts reported on this line are one component of Transaction-based income in the management discussion and analysis in the "Global Wealth Management" and "Personal & Corporate Banking" sections of this report. 3 Investment Bank information is provided at the business-line level rather than by financial statement reporting line, in order to reflect the underlying business activities, which is consistent with the structure of the management discussion and analysis in the "Investment Bank" section of this report.

Net fee and commission income

Net fee and commission income increased by USD 1,668m to USD 6,334m.

Fees for portfolio management and related services and investment fund fees increased by USD 788m and USD 359m, respectively, predominantly in Global Wealth Management and Asset Management. These increases were largely attributable to the consolidation of Credit Suisse AG revenues, as well as positive market performance.

Net brokerage fees increased by USD 304m to USD 1,042m, predominantly due to higher revenues in Execution Services in the Investment Bank, mainly due to increases in Cash Equities across all regions, as well as higher revenues in Global Wealth Management, which were mainly due to the consolidation of Credit Suisse revenues and higher levels of client activity, particularly in the Americas, Asia Pacific and Switzerland regions.

› **Refer to "Note 5 Net fee and commission income" in the "Consolidated financial statements" section of this report for more information**

Other income

Other income was USD 510m, compared with USD 231m in the third quarter of 2023, which included the consolidation of Credit Suisse AG income. The increase was largely due to a USD 119m gain related to the sale of our investment in an associate, recognized within the Investment Bank and in Non-core and Legacy, as well as an USD 84m gain in Asset Management from the closing of the remaining portion of the sale of our Brazilian real estate fund management business.

› **Refer to "Note 6 Other income" in the "Consolidated financial statements" section of this report for more information**

Credit loss expense / release: 3Q24 vs 3Q23

Total net credit loss expenses in the third quarter of 2024 were USD 167m, reflecting net releases of USD 15m related to performing positions and net expenses of USD 182m on credit-impaired positions. Net credit loss expenses were USD 27m in the prior-year quarter.

› **Refer to "Note 9 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information**

Credit loss expense / (release)

	Performing positions	Credit-impaired positions	
USD m	Stages 1 and 2	Stage 3	Total
For the quarter ended 30.9.24			
Global Wealth Management	(11)	14	3
Personal & Corporate Banking	(10)	94	84
Asset Management	0	0	0
Investment Bank	9	(4)	4
Non-core and Legacy	(2)	77	76
Group Items	0	0	0
Total	(15)	182	167
For the quarter ended 30.6.24			
Global Wealth Management	(14)	12	(2)
Personal & Corporate Banking	(15)	125	110
Asset Management	0	0	0
Investment Bank	1	(2)	(1)
Non-core and Legacy	(1)	(22)	(23)
Group Items	0	0	0
Total	(29)	113	84
For the quarter ended 30.9.23			
Global Wealth Management	(7)	15	8
Personal & Corporate Banking	16	(15)	1
Asset Management	0	0	0
Investment Bank	10	7	17
Non-core and Legacy	0	(1)	(1)
Group Items	1	0	1
Total	20	6	27

Operating expenses: 3Q24 vs 3Q23

Operating expenses

	For the quarter ended			% change from		Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	2Q24	3Q23	30.9.24	30.9.23
Personnel expenses	5,788	4,797	3,951	21	46	14,746	11,697
of which: salaries and variable compensation	*4,999*	*4,205*	*3,431*	*19*	*46*	*12,824*	*10,151*
of which: variable compensation – financial advisors [1]	*1,335*	*1,291*	*1,150*	*3*	*16*	*3,893*	*3,372*
General and administrative expenses	4,014	4,584	2,585	(12)	55	11,584	8,011
of which: net expenses for litigation, regulatory and similar matters	*(47)*	*1,161*	*8*			*1,121*	*784*
Depreciation, amortization and impairment of non-financial assets	838	631	510	33	64	2,000	1,686
Total operating expenses	10,640	10,012	7,047	6	51	28,329	21,393

1 Consists of cash and deferred compensation awards and is based on compensable revenues and firm tenure using a formulaic approach. Also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

Personnel expenses

Personnel expenses increased by USD 1,837m to USD 5,788m, which included the consolidation of Credit Suisse AG expenses. Salaries and variable compensation increased by USD 1,568m, due to the aforementioned consolidation effect, as well as annual salary increases and unfavorable foreign currency exchange impacts. In addition, financial advisor compensation increased, reflecting higher compensable revenues.

› **Refer to "Note 7 Personnel expenses" in the "Consolidated financial statements" section of this report for more information**

General and administrative expenses

General and administrative expenses increased by USD 1,429m to USD 4,014m, largely due to a USD 767m increase in shared services costs charged by other subsidiaries of UBS Group AG, which included the effect of consolidating Credit Suisse AG expenses. Consulting, legal and audit fees increased by USD 153m and outsourcing costs increased by USD 138m. Excluding the aforementioned effects, the remaining increase is largely due to the consolidation of Credit Suisse AG expenses.

› **Refer to "Note 8 General and administrative expenses" in the "Consolidated financial statements" section of this report for more information**

› **Refer to "Note 16 Provisions and contingent liabilities" in the "Consolidated financial statements" section of this report for more information about litigation, regulatory and similar matters**

› **Refer to the "Regulatory and legal developments" and "Risk factors" sections of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about litigation, regulatory and similar matters on a UBS AG consolidated basis**

Depreciation, amortization and impairment of non-financial assets

Depreciation, amortization and impairment of non-financial assets increased by USD 328m to USD 838m, which included the consolidation of Credit Suisse AG expenses. Excluding the aforementioned effect, there was a USD 107m increase in depreciation of internally generated capitalized software, reflecting a higher level of capitalized cost, as well as a USD 47m increase in depreciation of both owned and own use leased properties due to an increase in accelerated depreciation related to decisions to vacate properties.

Tax: 3Q24 vs 3Q23

UBS AG had a net income tax expense of USD 194m in the third quarter of 2024, compared with USD 339m in the prior-year quarter.

The net current tax expense was USD 343m, compared with USD 484m, and primarily related to the taxable profits of UBS Switzerland AG and other entities.

There was a net deferred tax benefit of USD 150m, compared with USD 145m in the prior-year quarter. This included benefits of USD 218m in respect of increases in recognized deferred tax assets (DTAs), which included USD 41m reflecting updated expectations of future profits that are available to utilize tax losses carried forward, USD 120m in respect of an increase in tax loss DTAs and USD 57m in respect of an increase in tax credits carried forward in relation to US corporate alternative minimum tax. These benefits were partly offset by a net expense of USD 68m that primarily related to the amortization of DTAs previously recognized in relation to tax losses carried forward and deductible temporary differences.

Total comprehensive income attributable to shareholders

In the third quarter of 2024, total comprehensive income attributable to shareholders was USD 3,602m, reflecting a net profit of USD 996m and other comprehensive income (OCI), net of tax, of USD 2,606m.

OCI related to cash flow hedges was USD 1,593m, mainly reflecting net unrealized gains on US dollar hedging derivatives resulting from decreases in the relevant US dollar long-term interest rates.

Foreign currency translation OCI was USD 1,461m, mainly resulting from the Swiss franc and the euro both strengthening against the US dollar.

OCI related to own credit on financial liabilities designated at fair value was negative USD 323m, primarily due to a tightening of our own credit spreads.

Defined benefit plan OCI was negative USD 119m, primarily reflecting negative pre-tax OCI in our non-Swiss plans of USD 102m, mainly driven by the Credit Suisse UK plan following a buy-in insurance transaction to mitigate inherent risks.

› **Refer to "Statement of comprehensive income" in the "Consolidated financial statements" section of this report for more information**
› **Refer to "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" in the "Capital management" section of this report for more information about the effects of OCI on common equity tier 1 capital**
› **Refer to "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about own credit on financial liabilities designated at fair value**
› **Refer to "Note 26 Post-employment benefit plans" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about OCI related to defined benefit plans**

Sensitivity to interest rate movements

As of 30 September 2024, it is estimated that a parallel shift in yield curves by +100 basis points could lead to a combined increase in annual net interest income from our banking book of approximately USD 1.7bn in the first year after such a shift. Of this increase, approximately USD 1.0bn, USD 0.4bn and USD 0.1bn would result from changes in Swiss franc, US dollar and euro interest rates, respectively.

A parallel shift in yield curves by −100 basis points could lead to a combined decrease in annual net interest income of approximately USD 0.3bn. Of this decrease, approximately USD 0.4bn and USD 0.1bn would result from changes in US dollar and euro interest rates, respectively. Swiss franc interest rates would provide an offsetting increase of approximately USD 0.3bn, driven by both contractual and assumed flooring benefits under negative interest rates.

These estimates are based on a hypothetical scenario of an immediate change in interest rates, equal across all currencies and relative to implied forward rates as of 30 September 2024 applied to our banking book. These estimates further assume no change to balance sheet size and product mix, stable foreign exchange rates, and no specific management action. These estimates do not represent a forecast of net interest income variability.

› **Refer to the "Risk management and control" section of this report for information about interest rate risk in the banking book**

Key figures and personnel

Below is an overview of selected key figures of UBS AG consolidated. For further information about key figures related to capital management, refer to the "Capital management" section of this report.

Cost / income ratio: 3Q24 vs 3Q23

The cost / income ratio was 88.7%, compared with 84.4%, mainly reflecting an increase in operating expenses, partly offset by an increase in total revenues.

Personnel: 3Q24 vs 2Q24

The number of internal personnel employed as of 30 September 2024 was 69,185 (full-time equivalents), a net decrease of 1,565 compared with 30 June 2024.

Equity, CET1 capital and returns

	As of or for the quarter ended			Year-to-date	
USD m, except where indicated	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
Net profit					
Net profit attributable to shareholders	996	(264)	932	1,738	3,055
Equity					
Equity attributable to shareholders	96,943	93,392	52,836	96,943	52,836
less: goodwill and intangible assets	*6,739*	*7,023*	*6,240*	*6,739*	*6,240*
Tangible equity attributable to shareholders	90,204	86,369	46,596	90,204	46,596
less: other CET1 adjustments	*5,781*	*3,368*	*3,218*	*5,781*	*3,218*
CET1 capital	84,423	83,001	43,378	84,423	43,378
Returns					
Return on equity (%)	4.2	(1.4)	7.0	3.1	7.4
Return on tangible equity (%)	4.5	(1.6)	8.0	3.4	8.3
Return on CET1 capital (%)	4.8	(1.7)	8.6	3.6	9.5

Common equity tier 1 capital: 3Q24 vs 2Q24

During the third quarter of 2024, CET1 capital increased by USD 1.4bn to USD 84.4bn, primarily due to operating profit before tax of USD 1.2bn, foreign currency translation gains of USD 1.5bn and an increase in eligible deferred tax assets recognized for temporary differences of USD 0.3bn, partly offset by dividend accruals of USD 1.0bn and current tax expenses of USD 0.3bn.

Return on common equity tier 1 capital: 3Q24 vs 3Q23

The annualized return on CET1 capital was 4.8%, compared with 8.6%, driven by an increase in average CET1 capital, partly offset by higher net profit attributable to shareholders.

Risk-weighted assets: 3Q24 vs 2Q24

During the third quarter of 2024, RWA increased by USD 5.6bn to USD 515.5bn, driven by a USD 10.8bn increase in currency effects, partly offset by decreases of USD 3.6bn resulting from asset size and other movements, as well as USD 1.6bn resulting from model updates and methodology changes.

Common equity tier 1 capital ratio: 3Q24 vs 2Q24

The CET1 capital ratio increased to 16.4% from 16.3%, reflecting the aforementioned increase in CET1 capital, partly offset by the aforementioned increase in RWA.

Leverage ratio denominator: 3Q24 vs 2Q24

During the third quarter of 2024, the LRD increased by USD 47.2bn to USD 1,611.2bn, driven by currency effects of USD 54.2bn, partly offset by asset size and other movements of USD 7.1bn.

Common equity tier 1 leverage ratio: 3Q24 vs 2Q24

The CET1 leverage ratio decreased to 5.2% from 5.3%, reflecting the aforementioned increase in the LRD, partly offset by the aforementioned increase in CET1 capital.

Results 9M24 vs 9M23

Operating profit before tax decreased by USD 1,814m, or 43%, to USD 2,374m, reflecting a USD 6,936m increase in operating expenses, which was partly offset by a USD 5,345m increase in total revenues. Net credit loss expenses were USD 303m compared with net credit loss expenses of USD 80m in the first nine months of 2023.

Net fee and commission income increased by USD 3,201m to USD 17,084m. Portfolio management and related service fees and investment fund fees increased by USD 1,458m and USD 561m respectively, predominantly in Global Wealth Management and Asset Management, respectively, largely attributable to positive market performance and due to the consolidation of Credit Suisse AG revenues. Net brokerage fees increased by USD 686m, mainly reflecting higher levels of client activity and the consolidation of Credit Suisse AG revenues in Global Wealth Management, as well as due to increases in Cash Equities across all regions in Execution Services in the Investment Bank. M&A and corporate finance fees increased by USD 265m, mainly due to higher advisory revenues in our Global Banking business within the Investment Bank. Underwriting fees increased by USD 208m, largely attributable to a USD 158m increase in debt underwriting revenues, mainly due to increased deal volumes in the Global Banking business in the Investment Bank.

Total combined net interest income and other net income from financial instruments measured at fair value through profit or loss increased by USD 1,742m to USD 12,896m. Revenues in Global Wealth Management increased by USD 212m, mainly driven by an increase in transaction-based income mostly due to higher levels of client activity and an increase resulting from the consolidation of Credit Suisse AG revenues. This increase was partly offset by lower deposit revenues, mainly as a result of lower margins and including the effects of shifts to lower-margin deposit products, higher liquidity and funding costs, as well as lower loan revenues, reflecting lower average volumes. Personal & Corporate Banking increased by USD 691m, largely due to the consolidation of Credit Suisse AG net interest income. The Investment Bank increased by USD 544m, reflecting an increase in Derivatives & Solutions revenues, mainly due to increases in Equity Derivatives and Foreign Exchange, and higher revenues from Public Capital Markets in Global Banking, partly offset by lower Financing revenues, particularly in the Capital Markets Financing business.

Other income was USD 1,025m, compared with USD 624m in the first nine months of 2023, and included the consolidation of Credit Suisse income. This change was mainly due to a USD 119m gain related to the sale of our investment in an associate, as well as a USD 113m gain in Asset Management from the sale of our Brazilian real estate fund management business. Other income also included higher costs charged to shared services subsidiaries of UBS Group AG.

General and administrative expenses increased by USD 3,573m to USD 11,584m, largely due to a USD 1,952m increase in shared services costs charged by other subsidiaries of the UBS Group. Litigation, regulatory and similar matters increased by USD 337m, largely reflecting UBS agreeing in the second quarter of 2024 to fund an offer by the Credit Suisse supply chain finance funds to redeem all of the outstanding units of the respective funds, partly offset by a USD 665m increase in provisions recognized in the first half of 2023 related to the US residential mortgage-backed securities litigation matter. Excluding the aforementioned effect, general and administrative expenses increased due to the inclusion of Credit Suisse AG expenses and higher expenses for consulting, technology and outsourcing costs.

Personnel expenses increased by USD 3,049m to USD 14,746m, which included the consolidation of Credit Suisse AG expenses. Salaries and variable compensation increased by USD 2,673m, including the aforementioned consolidation effect, as well as an increase in financial advisor compensation, which reflected higher compensable revenues.

Depreciation, amortization and impairment of non-financial assets increased by USD 314m to USD 2,000m, which included the consolidation of Credit Suisse AG expenses. Excluding the aforementioned consolidation effect, depreciation of internally developed software increased by USD 158m, reflecting a higher level of capitalized costs, and depreciation of owned and own use leased properties increased by USD 100m. These increases were partly offset by a USD 206m impairment of software projects in progress in the second quarter of 2023 resulting from a reprioritization of software development activity following the acquisition of the Credit Suisse Group.

Outlook

In the third quarter of 2024 we saw strong client activity against a market backdrop that, while constructive, still exhibited periods of high volatility and dislocation.

Entering the fourth quarter, we see a continuation of these market conditions sustained by the prospects of a soft landing in the US economy. However, the macroeconomic outlook in the rest of the world remains clouded. In addition to seasonality, the ongoing geopolitical conflicts and the outcome of the US elections create uncertainties that are likely to affect investor behavior.

As we stay close to clients, helping them navigate this environment, and execute on our priorities, we will continue to invest to drive sustainable long-term value for our stakeholders while maintaining a balance sheet for all seasons.

Business divisions and Group Items

Management report

Our businesses

We report five business divisions, each of which qualifies as an operating segment pursuant to IFRS Accounting Standards: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. Non-core and Legacy includes positions and businesses not aligned with our strategy and policies.

Our Group functions are support and control functions that provide services to the Group. Virtually all costs and revenues incurred by the support and control functions are allocated to the business divisions, leaving a residual amount, mainly related to certain Group funding and hedging items, that we refer to as Group Items in our segment reporting.

This discussion and analysis of the results of the business divisions and Group Items compares the results for the third quarter of 2024, which are based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG, with those for the third quarter of 2023, which only included pre-merger UBS AG consolidated results. It also compares the nine-month period ended 30 September 2024, based on four months of post-merger results and five months of pre-merger UBS AG consolidated results only, with the nine-month period ended 30 September 2023, which included pre-merger UBS AG consolidated results only. This is a material driver in many of the increases across both revenues and operating expenses.

Global Wealth Management

Global Wealth Management[1]

	As of or for the quarter ended			% change from		Year-to-date	
USD m, except where indicated	30.9.24	30.6.24	30.9.23[2]	2Q24	3Q23	30.9.24	30.9.23[2]
Results							
Net interest income	1,662	1,317	1,269	26	31	4,183	4,192
Recurring net fee income[3]	3,235	2,893	2,601	12	24	8,821	7,590
Transaction-based income[3]	1,143	960	765	19	49	3,088	2,356
Other income	16	22	15	(29)	5	74	29
Total revenues	6,056	5,192	4,650	17	30	16,166	14,167
Credit loss expense / (release)	3	(2)	8		(62)	10	29
Operating expenses	5,131	4,473	3,668	15	40	13,579	10,872
Business division operating profit / (loss) before tax	922	720	974	28	(5)	2,577	3,267
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[3]	(5.4)	(34.3)	(32.1)			(21.1)	(15.1)
Cost / income ratio (%)[3]	84.7	86.2	78.9			84.0	76.7
Financial advisor compensation[4]	1,335	1,291	1,150	3	16	3,892	3,372
Invested assets (USD bn)[3]	4,259	4,038	2,986	5	43	4,259	2,986
Loans, gross (USD bn)[5]	313.5	307.4	215.4	2	46	313.5	215.4
Customer deposits (USD bn)[5]	482.2	477.0	339.3	1	42	482.2	339.3
Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[3,6]	0.4	0.4	0.3			0.4	0.3
Advisors (full-time equivalents)	9,897	10,068	8,916	(2)	11	9,897	8,916

1 Comparatives may differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report for more information. 3 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 4 Relates to licensed professionals with the ability to provide investment advice to clients in the Americas. Consists of cash and deferred compensation awards and is based on compensable revenues and firm tenure using a formulaic approach. Also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements. Recruitment loans to financial advisors were USD 1,749m as of 30 September 2024. 5 Loans and Customer deposits in this table include customer brokerage receivables and payables, respectively, which are presented in a separate reporting line on the balance sheet. 6 Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures. Excludes loans to financial advisors.

Results: 3Q24 vs 3Q23

Profit before tax decreased by USD 52m, or 5%, to USD 922m, mainly driven by higher operating expenses, almost entirely offset by higher total revenues, and included a positive impact from the merger of UBS AG and Credit Suisse AG.

Total revenues

Total revenues increased by USD 1,406m, or 30%, to USD 6,056m, mainly due to the consolidation of Credit Suisse AG revenues. The remaining increase largely reflected increases in recurring net fee income and transaction-based income, partly offset by decreases in net interest income.

Net interest income increased by USD 393m, or 31%, to USD 1,662m, mainly driven by the consolidation of Credit Suisse AG net interest income. The remaining variance was due to lower deposit margins, including the effects of shifts to lower-margin deposit products and the effects of liquidity and funding costs, partly offset by higher deposit volumes. The remaining variance was also due to lower loan revenues, reflecting lower average volumes.

Recurring net fee income increased by USD 634m, or 24%, to USD 3,235m, mainly driven by the consolidation of Credit Suisse AG recurring net fee income and positive market performance.

Transaction-based income increased by USD 378m, or 49%, to USD 1,143m, mainly driven by the consolidation of Credit Suisse AG transaction-based income and higher levels of client activity, particularly in the Americas, Asia Pacific and Switzerland regions.

Credit loss expense / release

Net credit loss expenses decreased by USD 5m to USD 3m.

Operating expenses

Operating expenses increased by USD 1,463m, or 40%, to USD 5,131m, mostly driven by the consolidation of Credit Suisse AG operating expenses. The remaining variance was due to higher personnel expenses, primarily reflecting an increase in financial advisor compensation reflecting higher compensable revenues. Operating expenses also included higher integration-related expenses.

Invested assets: 3Q24 vs 2Q24

Invested assets increased by USD 221bn, or 5%, to USD 4,259bn, mainly driven by positive market performance of USD 146.7bn, positive foreign currency effects of USD 53.7bn and net new asset inflows.

Loans: 3Q24 vs 2Q24

Loans increased by USD 6.1bn to USD 313.5bn, driven by positive foreign currency effects, partly offset by negative net new loans.

Customer deposits: 3Q24 vs 2Q24

Customer deposits increased by USD 5.2bn to USD 482.2bn, mainly driven by positive foreign currency effects, partly offset by net new deposit outflows.

Results: 9M24 vs 9M23

Profit before tax decreased by USD 690m, or 21%, to USD 2,577m, mainly driven by higher operating expenses, partly offset by higher total revenues, and included a positive impact from the merger of UBS AG and Credit Suisse AG.

Total revenues increased by USD 1,999m, or 14%, to USD 16,166m, mainly due to the consolidation of Credit Suisse AG revenues. The remaining increase largely reflected increases in recurring net fee income and transaction-based income, partly offset by decreases in net interest income.

Net interest income decreased by USD 9m to USD 4,183m, mainly driven by lower deposit revenues, mainly as a result of lower margins and including the effects of shifts to lower-margin deposit products. In addition, the decrease was due to higher liquidity and funding costs, as well as lower loan revenues, reflecting lower average volumes. These effects were partly offset by the consolidation of Credit Suisse AG net interest income.

Recurring net fee income increased by USD 1,231m, or 16%, to USD 8,821m, mainly driven by positive market performance and the consolidation of Credit Suisse AG recurring net fee income.

Transaction-based income increased by USD 732m, or 31%, to USD 3,088m, mainly driven by higher levels of client activity, particularly in the Americas and Asia Pacific regions, and due to the consolidation of Credit Suisse AG transaction-based income.

Other income increased by USD 45m to USD 74m, mainly due to an increase in shared services costs charged to other subsidiaries of UBS Group AG, mainly related to secondments, as well as due to dividends received.

Net credit loss expenses decreased by USD 19m to USD 10m.

Operating expenses increased by USD 2,707m, or 25%, to USD 13,579m, mostly driven by the consolidation of Credit Suisse AG operating expenses. The remaining variance was due to higher personnel expenses, primarily reflecting an increase in financial advisor compensation reflecting higher compensable revenues. Operating expenses also included higher integration-related expenses.

Personal & Corporate Banking

Personal & Corporate Banking – in Swiss francs[1]

	As of or for the quarter ended			% change from		Year-to-date	
CHF m, except where indicated	30.9.24	30.6.24	30.9.23[2]	2Q24	3Q23	30.9.24	30.9.23[2]
Results							
Net interest income	1,059	781	690	36	53	2,522	2,077
Recurring net fee income[3]	340	271	215	25	58	833	638
Transaction-based income[3]	422	353	296	20	42	1,075	910
Other income	56	11	40	396	38	81	64
Total revenues	1,877	1,417	1,242	32	51	4,510	3,689
Credit loss expense / (release)	72	98	2	(26)		180	25
Operating expenses	1,244	905	657	37	89	2,864	1,915
Business division operating profit / (loss) before tax	561	413	583	36	(4)	1,467	1,749
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[3]	(3.8)	(32.9)	37.1			(16.2)	45.0
Cost / income ratio (%)[3]	66.3	63.9	53.0			63.5	51.9
Net interest margin (bps)[3]	169	156	188			168	191
Loans, gross (CHF bn)	247.4	253.2	147.8	(2)	67	247.4	147.8
Customer deposits (CHF bn)	253.5	256.4	168.7	(1)	50	253.5	168.7
Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[3,4]	1.4	1.3	0.8			1.4	0.8

1 Comparatives may differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report for more information. 3 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 4 Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures.

Results: 3Q24 vs 3Q23

Profit before tax decreased by CHF 22m, or 4%, to CHF 561m, as higher total revenues were more than offset by higher operating expenses and net credit loss expenses.

Total revenues

Total revenues increased by CHF 635m, or 51%, to CHF 1,877m, mainly due to the consolidation of Credit Suisse AG revenues, with the remaining variance largely reflecting increases across almost all revenue lines.

Net interest income increased by CHF 369m to CHF 1,059m, largely due to the consolidation of Credit Suisse AG net interest income, with the remaining variance mainly attributable to higher liquidity and funding costs, as well as lower deposit margins resulting from both lower reinvestment rates and shifts to lower-margin deposit products.

Recurring net fee income increased by CHF 125m to CHF 340m, mainly due to the consolidation of Credit Suisse AG recurring net fee income, with the remaining increase including higher revenues from increased custody asset levels.

Transaction-based income increased by CHF 126m to CHF 422m, largely due to the consolidation of Credit Suisse AG transaction-based income.

Other income increased by CHF 16m to CHF 56m.

Credit loss expense / release

Net credit loss expenses were CHF 72m, mainly reflecting net credit loss expenses on credit-impaired positions with a small number of corporate counterparties, partly offset by net credit loss releases related to performing positions. These compared with net credit loss expenses of CHF 2m in the third quarter of 2023.

Operating expenses

Operating expenses increased by CHF 587m, or 89%, to CHF 1,244m, largely due to the consolidation of Credit Suisse AG expenses, and included higher integration-related expenses.

Results: 9M24 vs 9M23

Profit before tax decreased by CHF 282m, or 16%, to CHF 1,467m, as higher total revenues were more than offset by higher operating expenses and net credit loss expenses.

Total revenues increased by CHF 821m, or 22%, to CHF 4,510m, mainly due to the consolidation of Credit Suisse AG revenues, with the remaining variance largely reflecting increases in all revenue lines.

Net interest income increased by CHF 445m to CHF 2,522m, largely due to the consolidation of Credit Suisse AG net interest income.

Recurring net fee income increased by CHF 195m to CHF 833m, mainly due to the consolidation of Credit Suisse AG recurring net fee income, with the remaining increase including higher revenues from increased custody asset levels.

Transaction-based income increased by CHF 165m to CHF 1,075m, largely due to the consolidation of Credit Suisse AG transaction-based income.

Other income increased by CHF 17m to CHF 81m.

Net credit loss expenses were CHF 180m, mainly reflecting net credit loss expenses on credit-impaired positions with a small number of corporate counterparties, partly offset by net credit loss releases related to performing positions. These compared with net credit loss expenses of CHF 25m in the first nine months of 2023.

Operating expenses increased by CHF 949m, or 50%, to CHF 2,864m, largely due to the consolidation of Credit Suisse AG expenses, and included higher integration-related expenses.

Personal & Corporate Banking – in US dollars[1]

	As of or for the quarter ended			% change from		Year-to-date	
USD m, except where indicated	30.9.24	30.6.24	30.9.23[2]	2Q24	3Q23	30.9.24	30.9.23[2]
Results							
Net interest income	1,233	863	775	43	59	2,868	2,298
Recurring net fee income[3]	396	300	241	32	64	946	705
Transaction-based income[3]	492	389	333	26	48	1,220	1,007
Other income	64	12	45	423	45	93	70
Total revenues	2,185	1,564	1,394	40	57	5,127	4,080
Credit loss expense / (release)	84	110	1	(24)		203	27
Operating expenses	1,449	999	739	45	96	3,257	2,118
Business division operating profit / (loss) before tax	653	455	654	44	0	1,667	1,935
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[3]	(0.2)	(33.5)	49.8			(13.9)	52.9
Cost / income ratio (%)[3]	66.3	63.9	53.0			63.5	51.9
Net interest margin (bps)[3]	172	155	191			169	192
Loans, gross (USD bn)	292.2	281.8	161.3	4	81	292.2	161.3
Customer deposits (USD bn)	299.4	285.3	184.1	5	63	299.4	184.1
Impaired loan portfolio as a percentage of total loan portfolio, gross (%)[3,4]	1.4	1.3	0.8			1.4	0.8

1 Comparatives may differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report for more information. 3 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 4 Refer to the "Risk management and control" section of this report for more information about (credit-)impaired exposures.

Asset Management

Asset Management[1]

	As of or for the quarter ended			% change from		Year-to-date	
USD m, except where indicated	30.9.24	30.6.24	30.9.23[2]	2Q24	3Q23	30.9.24	30.9.23[2]
Results							
Net management fees[3]	758	582	500	30	52	1,827	1,471
Performance fees	46	23	11	98	313	91	42
Net gain from disposals	84	28		196		113	
Total revenues	888	634	511	40	74	2,031	1,513
Credit loss expense / (release)	0	0	0			0	(1)
Operating expenses	720	513	425	40	69	1,691	1,243
Business division operating profit / (loss) before tax	168	121	86	39	96	340	271
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[4]	95.6	35.0	(38.1)			25.6	(78.8)
Cost / income ratio (%)[4]	81.1	80.8	83.2			83.3	82.2
Gross margin on invested assets (bps)[4]	20	17	17			18	18
Information by business line / asset class							
Invested assets (USD bn)[4]							
Equities	747	691	494	8	51	747	494
Fixed Income	471	448	324	5	45	471	324
of which: money market	*153*	*146*	*143*	*5*	*7*	*153*	*143*
Multi-asset & Solutions	285	277	164	3	73	285	164
Hedge Fund Businesses	60	59	55	2	10	60	55
Real Estate & Private Markets	152	147	98	4	55	152	98
Total invested assets excluding associates	1,714	1,622	1,134	6	51	1,714	1,134
of which: passive strategies	*806*	*756*	*487*	*7*	*66*	*806*	*487*
Associates[5]	83	77	23	8	265	83	23
Total invested assets	1,797	1,699	1,157	6	55	1,797	1,157
Information by region							
Invested assets (USD bn)[4]							
Americas	438	426	333	3	32	438	333
Asia Pacific[6]	229	213	168	7	36	229	168
EMEA (excluding Switzerland)	403	378	291	7	39	403	291
Switzerland	728	682	366	7	99	728	366
Total invested assets	1,797	1,699	1,157	6	55	1,797	1,157
Information by channel							
Invested assets (USD bn)[4]							
Third-party institutional	1,010	957	638	6	58	1,010	638
Third-party wholesale	182	181	115	0	58	182	115
UBS's wealth management businesses	522	484	382	8	37	522	382
Associates[5]	83	77	23	8	265	83	23
Total invested assets	1,797	1,699	1,157	6	55	1,797	1,157

1 Comparatives may differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report for more information. 3 Net management fees include transaction fees, fund administration revenues (including net interest and trading income from lending activities and foreign-exchange hedging as part of the fund services offering), distribution fees, incremental fund-related expenses, gains or losses from seed money and co-investments, funding costs, the negative pass-through impact of third-party performance fees, and other items that are not Asset Management's performance fees. 4 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method. 5 The invested assets amounts reported for associates are prepared in accordance with their local regulatory requirements and practices. 6 Includes invested assets from associates.

Results: 3Q24 vs 3Q23

Profit before tax increased by USD 82m, or 96%, to USD 168m, mainly reflecting the impact from the consolidation of Credit Suisse AG, which included an USD 84m gain from the closing of the remaining portion of the sale of our Brazilian real estate fund management business.

Total revenues

Total revenues increased by USD 377m, or 74%, to USD 888m, mainly due to the consolidation of Credit Suisse AG revenues, and included the USD 84m gain from the aforementioned sale.

Net management fees increased by USD 258m, or 52%, to USD 758m, largely driven by the consolidation of Credit Suisse AG net management fees. The remaining increase largely reflected positive market performance and foreign currency effects, partly offset by continued margin compression. In addition, net management fees in the third quarter of 2024 included a revaluation of USD 19m related to a real estate fund co-investment.

Performance fees increased by USD 35m, or 313%, to USD 46m, mostly due to increases in Fixed Income and Hedge Fund Businesses, and included Credit Suisse AG performance fees.

Operating expenses

Operating expenses increased by USD 295m, or 69%, to USD 720m, largely due to the consolidation of Credit Suisse AG operating expenses, and included higher integration-related expenses.

Invested assets: 3Q24 vs 2Q24

Invested assets increased by USD 98bn, or 6%, to USD 1,797bn, mainly reflecting favorable foreign currency effects of USD 53bn, positive market performance of USD 45bn and net new money of USD 2bn. There was also a USD 2bn decrease in invested assets mainly related to the sale of our Brazilian real estate fund management business. Excluding money market flows and associates, net new money was negative USD 5bn.

Results: 9M24 vs 9M23

Profit before tax increased by USD 69m, or 26%, to USD 340m, mainly reflecting the impact from the consolidation of Credit Suisse AG, which included a USD 113m gain from the sale of our Brazilian real estate fund management business.

Total revenues increased by USD 518m, or 34%, to USD 2,031m, primarily reflecting the consolidation of Credit Suisse AG revenues, and included the USD 113m gain from the aforementioned sale.

Net management fees increased by USD 356m, or 24%, to USD 1,827m, largely attributable to the consolidation of Credit Suisse AG net management fees, positive market performance and foreign currency effects, as well as the revaluation of a real estate fund co-investment, partly offset by continued margin compression. In addition, the first nine months of 2023 included the fee income of the former UBS Hana Asset Management Co., Ltd. and negative pass-through fees, with the corresponding offset in performance fees.

Performance fees increased by USD 49m, or 119%, to USD 91m, mainly due to increases in Hedge Fund Businesses and Fixed Income, and included Credit Suisse AG performance fees. These increases were partly offset by lower performance fees related to the aforementioned pass-through fees in 2023.

Operating expenses increased by USD 448m, or 36%, to USD 1,691m, largely due to the consolidation of Credit Suisse AG operating expenses, and included higher integration-related expenses.

Investment Bank

Investment Bank[1]

	As of or for the quarter ended			% change from		Year-to-date	
USD m, except where indicated	30.9.24	30.6.24	30.9.23[2]	2Q24	3Q23	30.9.24	30.9.23[2]
Results							
Advisory	220	226	106	(3)	107	611	437
Capital Markets	339	399	259	(15)	31	1,087	684
Global Banking	558	625	365	(11)	53	1,698	1,122
Execution Services[3]	440	405	312	9	41	1,243	992
Derivatives & Solutions[3]	949	880	628	8	51	2,762	2,379
Financing	506	526	466	(4)	9	1,574	1,538
Global Markets	1,895	1,811	1,406	5	35	5,579	4,909
of which: Equities	*1,417*	*1,337*	*1,039*	*6*	*36*	*4,114*	*3,483*
of which: Foreign Exchange, Rates and Credit	*477*	*474*	*367*	*1*	*30*	*1,465*	*1,426*
Total revenues	2,453	2,436	1,770	1	39	7,277	6,030
Credit loss expense / (release)	4	(1)	17			35	25
Operating expenses	2,240	2,200	1,840	2	22	6,523	5,480
Business division operating profit / (loss) before tax	209	237	(87)	(12)		718	526
Performance measures and other information							
Pre-tax profit growth (year-on-year, %)[4]	n.m.	67.2	n.m.			36.6	(69.6)
Cost / income ratio (%)[4]	91.3	90.3	103.9			89.6	90.9

1 Comparatives may differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report for more information. 3 Comparative figures for the quarter ended 30 September 2023 and for the nine-month period ended 30 September 2023 have been restated as a result of the shift of the foreign exchange products that are traded over electronic platforms from Execution Services to Derivatives & Solutions. The restatement had no effect on total Global Markets revenues. 4 Refer to "Alternative performance measures" in the appendix to this report for the definition and calculation method.

Results: 3Q24 vs 3Q23

Profit before tax increased by USD 296m to USD 209m, mainly reflecting higher total revenues, partly offset by higher operating expenses.

Total revenues

Total revenues increased by USD 683m, or 39%, to USD 2,453m, reflecting increases in Global Markets and Global Banking.

Global Banking

Global Banking revenues increased by USD 193m, or 53%, to USD 558m, with increases in Advisory and Capital Markets.

Advisory revenues increased by USD 114m, or 107%, to USD 220m, mostly due to higher merger and acquisition transaction revenues, which increased by USD 115m, or 132%.

Capital Markets revenues increased by USD 80m, or 31%, to USD 339m, mainly due to higher Debt Capital Markets revenues, which increased by USD 21m, or 27%, Leveraged Capital Markets revenues, which increased by USD 13m, or 16%, and Equity Capital Markets revenues, which increased by USD 10m, or 24%.

Global Markets

Global Markets revenues increased by USD 489m, or 35%, to USD 1,895m, primarily driven by higher Derivatives & Solutions and Execution Services revenues.

Execution Services revenues increased by USD 128m, or 41%, to USD 440m, mainly due to increases in Cash Equities across all regions.

Derivatives & Solutions revenues increased by USD 321m, or 51%, to USD 949m, with increases across all products, led by Equity Derivatives, Foreign Exchange and Rates.

Financing revenues increased by USD 40m, or 9%, to USD 506m and included a USD 51m gain from the sale of our investment in an associate.

Equities

Global Markets Equities revenues increased by USD 378m, or 36%, to USD 1,417m, mostly driven by increases in Equity Derivatives and Cash Equities, as well as by the aforementioned gain from sale.

Foreign Exchange, Rates and Credit
Global Markets Foreign Exchange, Rates and Credit revenues increased by USD 110m, or 30%, to USD 477m, primarily driven by increases in Foreign Exchange and Rates.

Credit loss expense / release
Net credit loss expenses decreased by USD 13m to USD 4m.

Operating expenses
Operating expenses increased by USD 400m, or 22%, to USD 2,240m, mainly due to the consolidation of Credit Suisse AG expenses, with the remaining increase including higher variable compensation and increased technology expenses.

Results: 9M24 vs 9M23

Profit before tax increased by USD 192m, or 37%, to USD 718m, mainly due to higher total revenues, partly offset by higher operating expenses.

Total revenues increased by USD 1,247m, or 21%, to USD 7,277m, reflecting increases in Global Markets and Global Banking.

Global Banking revenues increased by USD 576m, or 51%, to USD 1,698m, reflecting higher Capital Markets and Advisory revenues.

Advisory revenues increased by USD 174m, or 40%, to USD 611m, mostly due to higher merger and acquisition transaction revenues, which increased by USD 157m, or 41%.

Capital Markets revenues increased by USD 403m, or 59%, to USD 1,087m, mainly due to higher Leveraged Capital Markets revenues, which increased by USD 229m, or 155%, Debt Capital Markets revenues, which increased by USD 94m, or 46%, and Equity Capital Markets revenues, which increased by USD 78m, or 51%.

Global Markets revenues increased by USD 670m, or 14%, to USD 5,579m, primarily driven by higher Derivatives & Solutions and Execution Services revenues.

Execution Services revenues increased by USD 251m, or 25%, to USD 1,243m, mainly driven by increases in Cash Equities across all regions.

Derivatives & Solutions revenues increased by USD 383m, or 16%, to USD 2,762m, mainly driven by increases in Equity Derivatives and Foreign Exchange revenues.

Financing revenues increased by USD 36m, or 2%, to USD 1,574m and included a USD 51m gain from the aforementioned sale of our investment in an associate.

Equities
Global Markets Equities revenues increased by USD 631m, or 18%, to USD 4,114m, mainly driven by increases in Equity Derivatives and Cash Equities, as well as by the aforementioned gain from sale.

Foreign Exchange, Rates and Credit
Global Markets Foreign Exchange, Rates and Credit revenues increased by USD 39m, or 3%, to USD 1,465m.

Net credit loss expenses increased by USD 10m to USD 35m.

Operating expenses increased by USD 1,043m, or 19%, to USD 6,523m, mainly driven by integration-related expenses, with the remaining increase including the consolidation of Credit Suisse AG expenses and expenses related to secondment of Credit Suisse employees prior to the merger of UBS AG and Credit Suisse AG.

Non-core and Legacy

Non-core and Legacy[1]

	As of or for the quarter ended			% change from		Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	2Q24	3Q23	30.9.24	30.9.23
Results							
Total revenues	225	165	35	37	537	411	87
Credit loss expense / (release)	76	(23)	(1)			53	(1)
Operating expenses	851	1,552	142	(45)	499	2,542	861
Operating profit / (loss) before tax	(701)	(1,365)	(106)	(49)	561	(2,184)	(774)

1 Comparatives may differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period.

Results: 3Q24 vs 3Q23

Loss before tax was USD 701m, primarily driven by the impact of the merger of UBS AG and Credit Suisse AG, compared with a loss before tax of USD 106m.

Total revenues

Total revenues were USD 225m, which was USD 190m higher than the amount recorded in the third quarter of 2023, mainly due to the consolidation of Credit Suisse AG revenues. Total revenues reflected net gains from position exits, along with net interest income from securitized products and credit products. Total revenues in the third quarter of 2024 also included a USD 67m gain from the sale of our investment in an associate.

Credit loss expense / release

Net credit loss expenses were USD 76m, almost entirely driven by credit-impaired positions, compared with net credit loss releases of USD 1m in the third quarter of 2023.

Operating expenses

Operating expenses were USD 851m, compared with operating expenses of USD 142m recorded in the third quarter of 2023, largely due to the consolidation of Credit Suisse AG expenses, and included integration-related expenses of USD 268m. Operating expenses also included litigation releases of USD 71m, largely reflecting UBS agreeing in the second quarter of 2024 to fund an offer by the Credit Suisse supply chain finance funds (the SCFFs) to redeem all of the outstanding units of the respective funds.

Results: 9M24 vs 9M23

Loss before tax was USD 2,184m, primarily driven by the impact of the merger of UBS AG and Credit Suisse AG, compared with a loss before tax of USD 774m.

Total revenues

Total revenues were USD 411m, which was USD 324m higher than the amount recorded in the first nine months of 2023, mainly due to the consolidation of Credit Suisse AG revenues. Total revenues reflected net gains from position exits, along with net interest income from securitized products and credit products. Total revenues also included the aforementioned USD 67m gain from the sale of our investment in an associate.

Credit loss expense / release

Net credit loss expenses were USD 53m, almost entirely driven by credit-impaired positions, compared with net credit loss releases of USD 1m.

Operating expenses

Operating expenses were USD 2,542m, compared with operating expenses of USD 861m recorded in the first nine months of 2023, largely due to the consolidation of Credit Suisse AG expenses, and included integration-related expenses of USD 515m. Operating expenses also included litigation expenses of USD 1,074m, largely reflecting UBS agreeing in the second quarter of 2024 to fund an offer by the SCFFs to redeem all of the outstanding units of the respective funds. The first nine months of 2023 included a USD 665m increase in provisions related to the US residential mortgage-backed securities litigation matter, which was settled in the third quarter of 2023.

Group Items

Group Items[1]

	As of or for the quarter ended			% change from		Year-to-date	
USD m	30.9.24	30.6.24	30.9.23[2]	2Q24	3Q23	30.9.24	30.9.23[2]
Results							
Total revenues	190	(90)	(13)			(6)	(216)
Credit loss expense / (release)	0	0	1			1	1
Operating expenses	250	275	233	(9)	7	737	819
Operating profit / (loss) before tax	(61)	(365)	(246)	(83)	(75)	(744)	(1,036)

1 Comparatives may differ due to adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period. 2 Comparative figures have been restated for changes in Group Treasury allocations. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report for more information.

Results: 3Q24 vs 3Q23

Loss before tax decreased by USD 185m to USD 61m, mostly driven by higher gains in Group hedging and own debt, including hedge accounting ineffectiveness, reflecting mark-to-market effects on portfolio-level economic hedges, mainly due to decreasing interest rates.

Results: 9M24 vs 9M23

Loss before tax decreased by USD 292m to USD 744m, mainly due to lower integration-related expenses, partly offset by higher shared services costs charged by other subsidiaries of UBS Group AG.

Risk, capital, liquidity and funding, and balance sheet

Management report

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Risk management and control

This section provides information about key developments during the reporting period and should be read in conjunction with the "Risk management and control" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, and the "Recent developments" section of this report for more information about the integration of Credit Suisse.

Following the merger of UBS AG and Credit Suisse AG in May 2024, the risk profile of UBS AG consolidated does not differ materially from that of UBS Group AG.

Credit risk

Overall banking products exposure

Overall banking products exposure increased by USD 11bn to USD 1,075bn as of 30 September 2024, primarily reflecting currency effects, partly offset by negative net new loans in Personal & Corporate Banking and Global Wealth Management and a decrease in balances at central banks.

Total net credit loss expenses in the third quarter of 2024 were USD 167m, reflecting net releases of USD 15m related to performing positions and net expenses of USD 182m on credit-impaired positions.

› **Refer to the "Balance sheet and off-balance sheet" section of this report for more information about balance sheet movements**

› **Refer to the "UBS AG consolidated performance" section and "Note 9 Expected credit loss measurement" in the "Consolidated financial statements" section of this report for more information about credit loss expense / release**

Loan underwriting

In the Investment Bank, mandated loan underwriting commitments on a notional basis increased by USD 1.5bn to USD 4.3bn as of 30 September 2024, driven by new mandates, partly offset by deal syndications and cancellations. As of 30 September 2024, USD 0.1bn of these commitments had not been distributed as originally planned. As of 30 September 2024, Non-core and Legacy had no loan underwriting commitments.

Loan underwriting exposures in the Investment Bank are classified as held for trading, with fair values reflecting the market conditions at the end of the quarter. Credit hedges are in place to help protect against fair value movements in the portfolio.

Banking and traded products exposure in the business divisions and Group Items

	30.9.24						
USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
Banking products[1,2]							
Gross exposure	473,574	453,535	1,676	88,252	34,389	23,098	1,074,524
of which: loans and advances to customers (on-balance sheet)	*308,796*	*292,153*	*14*	*18,536*	*2,321*	*6,304*	*628,124*
of which: guarantees and loan commitments (off-balance sheet)	*19,348*	*47,158*	*10*	*34,539*	*2,922*	*17,977*	*121,955*
Traded products[2,3]							
Gross exposure	14,834	4,258	0		40,420		59,512
of which: over-the-counter derivatives	*10,877*	*3,681*	*0*		*9,585*		*24,143*
of which: securities financing transactions	*205*	*0*	*0*		*18,696*		*18,901*
of which: exchange-traded derivatives	*3,752*	*577*	*0*		*12,139*		*16,468*
Other credit lines, gross[4]	73,445	76,634	0	3,018	4	1,512	154,613
Total credit-impaired exposure, gross	1,501	4,251	0	396	1,509	0	7,658
Total allowances and provisions for expected credit losses	362	1,877	0	332	1,069	7	3,646
of which: stage 1	*126*	*319*	*0*	*122*	*6*	*7*	*579*
of which: stage 2	*69*	*265*	*0*	*99*	*189*	*0*	*623*
of which: stage 3	*167*	*1,292*	*0*	*111*	*873*	*0*	*2,445*

	30.6.24						
USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
Banking products[1,2]							
Gross exposure	471,272	439,621	1,436	100,219	32,673	18,174	1,063,396
of which: loans and advances to customers (on-balance sheet)	*302,690*	*281,758*	*11*	*17,517*	*5,763*	*3,866*	*611,606*
of which: guarantees and loan commitments (off-balance sheet)	*19,663*	*48,474*	*10*	*34,702*	*3,020*	*16,789*	*122,657*
Traded products[2,3]							
Gross exposure	13,459	3,937	0		42,155		59,551
of which: over-the-counter derivatives	*9,718*	*3,415*	*0*		*10,897*		*24,029*
of which: securities financing transactions	*343*	*0*	*0*		*21,079*		*21,422*
of which: exchange-traded derivatives	*3,398*	*522*	*0*		*10,180*		*14,099*
Other credit lines, gross[4]	69,061	77,501	0	2,294	3	1,591	150,450
Total credit-impaired exposure, gross	1,416	3,887	0	492	1,575	0	7,371
Total allowances and provisions for expected credit losses	370	1,762	0	338	1,000	7	3,478
of which: stage 1	*136*	*327*	*0*	*121*	*6*	*7*	*597*
of which: stage 2	*68*	*235*	*0*	*96*	*207*	*0*	*606*
of which: stage 3	*166*	*1,200*	*0*	*122*	*787*	*0*	*2,275*

1 IFRS 9 gross exposure for banking products includes the following financial instruments in scope of expected credit loss requirements: balances at central banks, amounts due from banks, loans and advances to customers, other financial assets at amortized cost, guarantees and irrevocable loan commitments. 2 Internal management view of credit risk, which differs in certain respects from IFRS Accounting Standards. 3 As counterparty risk for traded products is managed at counterparty level, no further split between exposures in the Investment Bank, Non-core and Legacy, and Group Items is provided. 4 Unconditionally revocable committed credit lines.

Collateralization of Loans and advances to customers[1]

	Global Wealth Management		Personal & Corporate Banking	
USD m, except where indicated	30.9.24	30.6.24	30.9.24	30.6.24
Secured by collateral	302,941	294,290	252,097	240,669
Residential real estate	*114,161*	*109,196*	*200,931*	*189,385*
Commercial / industrial real estate	*9,980*	*10,165*	*40,955*	*39,608*
Cash	*29,646*	*30,182*	*2,836*	*2,913*
Equity and debt instruments	*121,758*	*119,365*	*2,993*	*3,209*
Other collateral[2]	*27,396*	*25,383*	*4,382*	*5,553*
Subject to guarantees	663	724	7,428	7,595
Uncollateralized and not subject to guarantees	5,191	7,676	32,628	33,494
Total loans and advances to customers, gross	308,796	302,690	292,153	281,758
Allowances	(278)	(290)	(1,582)	(1,471)
Total loans and advances to customers, net of allowances	308,518	302,400	290,572	280,287
Collateralized loans and advances to customers in % of total loans and advances to customers, gross (%)	98.1	97.2	86.3	85.4

1 Collateral arrangements generally incorporate a range of collateral, including cash, securities, real estate and other collateral. UBS applies a risk-based approach that generally prioritizes collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements, the collateral is first allocated to the funded element. For legacy Credit Suisse exposure, a risk-based approach is applied that generally prioritizes real estate collateral and prioritizes other collateral according to its liquidity profile. In the case of loan facilities with funded and unfunded elements, the collateral is proportionately allocated. 2 Includes but is not limited to life insurance contracts, rights in respect of subscription or capital commitments from fund partners, inventory, gold and other commodities.

Market risk

UBS AG excluding certain legacy Credit Suisse components continued to maintain generally low levels of management value-at-risk (VaR). Average management VaR (1-day, 95% confidence level) increased to USD 12m from USD 9m in the third quarter of 2024, mainly driven by the Investment Bank's Rates business. There were no new VaR negative backtesting exceptions in the third quarter of 2024. The number of negative backtesting exceptions within the most recent 250-business-day window remained at zero.

Average management VaR (1-day, 98% confidence level) of the legacy Credit Suisse components decreased to USD 11m from USD 15m in the third quarter of 2024, driven by continued strategic migration of positions to UBS from the former Investment Bank (Credit Suisse) and reductions in Non-core and Legacy. In the third quarter of 2024, the aforementioned legacy Credit Suisse components had three new negative backtesting exceptions driven by Non-core and Legacy. Two backtesting exceptions were caused by market moves and one backtesting exception was due to valuation adjustments related to additional exit cost reserves. The number of negative backtesting exceptions within the most recent 250-business-day window increased to four from one.

As the number of negative backtesting exceptions for the legacy Credit Suisse components also remained below five, the Swiss Financial Market Supervisory Authority (FINMA) VaR multiplier derived from negative backtesting exceptions for market risk risk-weighted assets was unchanged compared with the prior quarter, at 3.0, for both UBS AG excluding certain legacy Credit Suisse components and the aforementioned legacy Credit Suisse components.

Management value-at-risk (1-day, 95% confidence, 5 years of historical data) of the business divisions and Group Items excluding certain legacy Credit Suisse components, by general market risk type[1,2]

					Average by risk type				
USD m	Min.	Max.	Period end	Average	Equity	Interest rates	Credit spreads	Foreign exchange	Commodities
Global Wealth Management	1	2	2	1	0	1	2	0	0
Personal & Corporate Banking	0	0	0	0	0	0	0	0	0
Asset Management	0	0	0	0	0	0	0	0	0
Investment Bank	5	17	13	10	3	15	8	3	5
Non-core and Legacy	1	3	1	1	0	1	1	0	0
Group Items	4	6	6	5	1	4	3	1	0
Diversification effect[3,4]			(6)	(6)	(1)	(5)	(4)	(1)	0
Total as of 30.9.24	7	19	15	12	3	16	10	4	5
Total as of 30.6.24	6	15	8	9	4	13	9	4	3

Management value-at-risk (1-day, 98% confidence, 2 years of historical data) of certain legacy Credit Suisse components of the business divisions and Group Items, by general market risk type[1,2]

					Average by risk type				
USD m	Min.	Max.	Period end	Average	Equity	Interest rates	Credit spreads	Foreign exchange	Commodities
Global Wealth Management	1	2	1	2	1	0	2	0	0
Personal & Corporate Banking	0	0	0	0	0	0	0	0	0
Asset Management	0	0	0	0	0	0	0	0	0
Investment Bank	2	3	2	2	1	1	1	0	0
Non-core and Legacy	8	11	8	9	3	3	8	1	0
Group Items	0	0	0	0	0	0	0	0	0
Diversification effect[3,4]			(2)	(2)	(1)	0	(2)	(1)	0
Total as of 30.9.24	9	14	9	11	4	4	9	1	0
Total as of 30.6.24	13	17	15	15	7	8	10	1	1

1 Legacy Credit Suisse components not included in the UBS AG management VaR predominantly reflect the portfolio in Non-core and Legacy and the transition portfolio in the Investment Bank. These positions continue to be managed on legacy Credit Suisse infrastructure based on legacy Credit Suisse management VaR methodology until full migration of these positions to the UBS infrastructure or liquidation of the positions. This process is ongoing, and the management VaR of the legacy Credit Suisse components is expected to continue decreasing over time. 2 Statistics at individual levels may not be summed to deduce the corresponding aggregate figures. The minima and maxima for each level may occur on different days, and, likewise, the VaR for each business line or risk type, being driven by the extreme loss tail of the corresponding distribution of simulated profits and losses for that business line or risk type, may well be driven by different days in the historical time series, rendering invalid the simple summation of figures to arrive at the aggregate total. 3 The difference between the sum of the standalone VaR for the business divisions and Group Items and the total VaR. 4 As the minima and maxima for different business divisions and Group Items occur on different days, it is not meaningful to calculate a portfolio diversification effect.

Economic value of equity and net interest income sensitivity

The economic value of equity (EVE) sensitivity in UBS AG's banking book to a parallel shift in yield curves of +1 basis point was negative USD 37.2m as of 30 September 2024, compared with negative USD 32.1m as of 30 June 2024. This excluded the sensitivity of USD 6.2m from additional tier 1 (AT1) capital instruments (as per specific FINMA requirements) in contrast to general Basel Committee on Banking Supervision (BCBS) guidance. Exposure in the banking book of UBS AG increased during the third quarter of 2024, driven by net interest income stabilization initiatives.

The majority of UBS AG's interest rate risk in the banking book was a reflection of the net asset duration that it ran to offset its modeled sensitivity of net USD 28.0m (30 June 2024: USD 24.6m) assigned to its equity, goodwill and real estate, with the aim of generating a stable net interest income contribution. Of this, USD 17.2m and USD 9.0m were attributable to the US dollar and the Swiss franc portfolios, respectively, (30 June 2024: USD 16.1m and USD 7.5m, respectively).

In addition to the aforementioned sensitivity, UBS AG calculates the six interest rate shock scenarios prescribed by FINMA. The "Parallel up" scenario, assuming all positions were fair valued, was the most severe and would have resulted in a change in EVE of negative USD 6.8bn, or 6.7%, of UBS AG's tier 1 capital (30 June 2024: negative USD 6.0bn, or 6.1%), which is well below the 15% threshold set in the BCBS supervisory outlier test for high levels of interest rate risk in the banking book.

The immediate effect on UBS AG's tier 1 capital in the "Parallel up" scenario as of 30 September 2024 would have been a decrease of approximately USD 0.7bn, or 0.7%, (30 June 2024: USD 0.8bn, or 0.9%), reflecting the fact that the vast majority of UBS AG's banking book is accrual accounted or subject to hedge accounting. The "Parallel up" scenario would subsequently have a positive effect on net interest income, assuming a constant balance sheet.

As the overall interest rate risk sensitivity shows a greater impact from slower asset repricing compared with faster liabilities repricing, the "Parallel down" scenario was the most beneficial and would have resulted in a change in EVE of positive USD 7.3bn (30 June 2024: positive USD 6.2bn) and a small positive immediate effect on UBS AG's tier 1 capital.

UBS AG also applies granular internal interest rate shock scenarios to its banking book positions to monitor the book's specific risk profile.

› **Refer to "Interest rate risk in the banking book" in the "Risk management and control" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about the management of interest rate risk in the banking book**

› **Refer to "Sensitivity to interest rate movements" in the "UBS AG consolidated performance" section of this report for more information about the effects of increases in interest rates on the net interest income of UBS AG's banking book**

Interest rate risk – banking book

	30.9.24							
USD m	Effect on EVE[1] – FINMA						Effect on EVE[1] – BCBS	
Scenarios	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 (AT1) capital instruments	Total
+1 bp	(8.8)	(1.3)	(0.3)	(26.4)	(0.4)	(37.2)	6.2	(31.0)
Parallel up[2]	(1,263.3)	(247.3)	(58.9)	(5,110.1)	(103.0)	(6,782.7)	1,111.4	(5,671.3)
Parallel down[2]	1,383.9	257.2	81.8	5,434.1	95.0	7,252.0	(1,307.1)	5,944.9
Steepener[3]	(548.4)	(5.8)	(11.2)	(1,326.8)	(15.0)	(1,907.2)	197.9	(1,709.4)
Flattener[4]	303.0	(35.0)	0.1	156.5	(8.1)	416.6	55.9	472.5
Short-term up[5]	(189.7)	(107.3)	(22.6)	(1,967.6)	(44.3)	(2,331.4)	528.1	(1,803.4)
Short-term down[6]	187.6	105.7	22.5	2,081.0	45.3	2,442.1	(549.7)	1,892.4

	30.6.24							
USD m	Effect on EVE[1] – FINMA						Effect on EVE[1] – BCBS	
Scenarios	CHF	EUR	GBP	USD	Other	Total	Additional tier 1 (AT1) capital instruments	Total
+1 bp	(6.3)	(0.4)	0.0	(25.0)	(0.3)	(32.1)	5.4	(26.7)
Parallel up[2]	(901.1)	(88.6)	(4.1)	(4,870.1)	(89.1)	(5,953.1)	979.7	(4,973.5)
Parallel down[2]	984.3	82.0	(1.7)	5,036.6	86.1	6,187.3	(1,119.7)	5,067.5
Steepener[3]	(402.3)	(38.4)	(3.7)	(1,145.1)	(23.8)	(1,613.2)	170.4	(1,442.8)
Flattener[4]	224.5	24.7	1.8	21.0	3.7	275.8	53.5	329.3
Short-term up[5]	(128.3)	(0.4)	0.3	(1,972.2)	(30.3)	(2,131.0)	467.7	(1,663.3)
Short-term down[6]	123.6	0.6	(1.5)	2,087.4	31.5	2,241.6	(476.2)	1,765.3

1 Economic value of equity. 2 Rates across all tenors move by ±150 bps for Swiss franc, ±200 bps for euro and US dollar, and ±250 bps for pound sterling. 3 Short-term rates decrease and long-term rates increase. 4 Short-term rates increase and long-term rates decrease. 5 Short-term rates increase more than long-term rates. 6 Short-term rates decrease more than long-term rates.

Country risk

UBS AG remains watchful of a range of geopolitical developments and political changes in a number of countries, as well as international tensions arising from the Russia–Ukraine war, the escalation of conflicts in the Middle East, and global trade relations. As of 30 September 2024, UBS AG's direct exposure to Israel was less than USD 0.5bn and its direct exposure to Gulf Cooperation Council countries was less than USD 5bn, while direct exposure to Egypt and Jordan was limited, and there was no direct exposure to Iran, Iraq, Lebanon or Syria. UBS AG's direct exposure to Russia as of 30 September 2024 was less than USD 0.5bn, and its direct exposure to Belarus and Ukraine remained immaterial. Potential second-order impacts, such as European energy security, continue to be monitored.

Inflation has abated to some extent in major Western economies, although there are still concerns regarding future developments, and central banks' monetary policies are in the spotlight. In China, stress in the property sector and strained local government finances continue to have an adverse impact on economic growth, raising the risk of financial instability. This combination of factors translates into a more uncertain and volatile environment, which increases the risk of financial market disruption.

UBS AG continues to monitor potential trade policy disputes, as well as economic and political developments in addition to those mentioned above. It is closely watching elections and their aftermath in a number of key markets in 2024. As of 30 September 2024, UBS AG's exposure to emerging market countries was less than 10% of its total country exposure and mainly to certain countries in Asia.

› **Refer to the "Risk management and control" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information**

Non-financial risk

We continue to actively manage the non-financial risks emerging from the acquisition of the Credit Suisse Group. Progress continues to be made regarding the legal entity mergers, client account migrations to UBS platforms, the integration of policies, systems and controls, and operational integration. These activities continue to be managed via the program run by our Group Integration Office.

Through this period of change, we place an increased focus on maintaining and enhancing our control environment and continue to cooperate with regulators in relation to the submission and execution of implementation plans to meet regulatory requirements, including remediation requirements applicable to Credit Suisse AG. In addition, the Group is closely monitoring non-financial risk indicators, to detect any potential for adverse impacts on the control environment.

The integration of Credit Suisse requires data to be migrated to the UBS environment, and we aim to ensure that we have robust controls to preserve data integrity, quality and availability, to mitigate data migration risks, and to meet regulatory expectations.

There is an increased risk of cyber-related operational disruption to business activities at our locations and those of third-party suppliers due to operating an enlarged group of entities. This is combined with the increasingly dynamic threat environment, which is intensified by current geopolitical factors and evidenced by the increased volumes and sophistication of cyberattacks against financial institutions globally. We continue to invest in improving our technology infrastructure and information security governance in order to improve our cyberattack defense, detection and response capabilities.

Cyberattacks on third-party vendors have affected our operations in the past and continue to be a source of residual risk to our business. No cyber events occurred in the third quarter of 2024 related to our own infrastructure, or the infrastructure of any third party, that had material financial or operational effects on us. We remain on heightened alert to respond to and mitigate elevated cybersecurity and information-security threats. We maintain a program to advance our frameworks for managing third parties that support our important business services, and we are continuing with actions to enhance our cyber-risk assessments and controls over third-party vendors.

In addition, we are working to enhance our operational resilience to address these heightened risks and to meet regulatory deadlines through 2026. We have implemented a global framework designed to drive enhancements in operational resilience across all business divisions and relevant jurisdictions, and we are working with the third parties, including vendors, that are of critical importance to our operations, to assess their operational resilience against our standards.

The increasing interest in data-driven advisory processes, and use of artificial intelligence (AI) and machine learning, is opening up new questions related to the fairness of AI algorithms, data life cycle management, data ethics, data privacy and security, and records management. In addition, new risks continue to emerge, such as those that result from the demand from our clients for distributed ledger technology, blockchain-based assets and cryptocurrencies; however, we currently have limited exposure to such risks, and relevant control frameworks are implemented and reviewed on a regular basis as these risks evolve.

Competition to find new business opportunities, products and services across the financial services sector, both for firms and for customers, is increasing, particularly during periods of market volatility and economic uncertainty. Thus, suitability risk, product selection, cross-divisional service offerings, quality of advice and price transparency remain areas of heightened focus for UBS and for the industry as a whole.

Evolving regulations, such as those relating to environmental, social and governance matters and the upcoming EU Markets in Financial Instruments Directive III (MiFID III), as well as the EU Artificial Intelligence Act, are expected to have significant impacts on the financial sector and to require ongoing adjustments to policies, processes, controls and surveillance.

Cross-border risk (including unintended permanent establishment) remains an area of regulatory attention for global financial institutions, including a focus on market access, such as third-country market access into the European Economic Area, and taxation of US persons. We maintain a series of controls designed to address these risks, and we are increasing the number of controls that are automated.

Financial crime, including money laundering, terrorist financing, sanctions violations, fraud, bribery and corruption, continues to present a major risk, as technological innovation and geopolitical developments increase the complexity of doing business and heightened regulatory attention continues. Money laundering and financial fraud techniques are becoming increasingly sophisticated, including growing use of AI, and geopolitical volatility makes the sanctions landscape more complex. The extensive and continuously evolving sanctions arising from the Russia–Ukraine war require constant attention to prevent circumvention risks, while the conflicts in the Middle East may increase terrorist financing risks. An effective financial crime prevention program therefore remains essential for us. We are focused on strategic enhancements to our global anti-money-laundering (AML), know-your-client (KYC) and sanctions programs to respond to new and existing regulatory requirements and to respond to developing threats, as well as alignment of standards and processes as Credit Suisse client accounts are migrated to UBS platforms.

In the US, UBS AG has been subject to a Consent Order with the Office of the Comptroller of the Currency (the OCC) since May 2018 relating to our US branch AML and KYC programs. In response, we have introduced significant improvements to our framework for the purpose of ensuring sustainable remediation of US-relevant Bank Secrecy Act / AML issues across relevant US legal entities.

Achieving fair outcomes for our clients, upholding market integrity and cultivating the highest standards of employee conduct are of critical importance to us. We maintain a conduct risk framework, which we continue to refine, across our activities, and which is designed to align our standards and conduct with these objectives and to retain momentum on fostering a strong culture.

Capital management

The disclosures in this section are provided for UBS AG on a consolidated basis and focus on key developments during the reporting period and information in accordance with the Basel III framework, as applicable to Swiss systemically relevant banks (SRBs). They should be read in conjunction with "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, which provides more information about relevant capital management objectives, planning and activities, as well as the Swiss SRB total loss-absorbing capacity (TLAC) framework, on a UBS AG consolidated basis.

UBS AG contributes a significant portion of capital to, and provides substantial liquidity to, its subsidiaries. Many of these subsidiaries are subject to regulations requiring compliance with minimum capital, liquidity and similar requirements.

› **Refer to the 30 September 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more information about additional regulatory disclosures for UBS Group AG on a consolidated basis, as well as the significant regulated subsidiaries and sub-groups of UBS Group AG**

Swiss SRB going and gone concern requirements and information

As of 30.9.24	RWA		LRD	
USD m, except where indicated	in %		in %	
Required going concern capital				
Total going concern capital	14.92[1]	76,926	5.02[1]	80,896
Common equity tier 1 capital	10.62	54,759	3.52[2]	56,728
of which: minimum capital	*4.50*	*23,198*	*1.50*	*24,167*
of which: buffer capital	*5.50*	*28,354*	*2.00*	*32,223*
of which: countercyclical buffer	*0.56*	*2,869*		
Maximum additional tier 1 capital	4.30	22,167	1.50	24,167
of which: additional tier 1 capital	*3.50*	*18,043*	*1.50*	*24,167*
of which: additional tier 1 buffer capital	*0.80*	*4,124*		
Eligible going concern capital				
Total going concern capital	19.53	100,673	6.25	100,673
Common equity tier 1 capital	16.38	84,423	5.24	84,423
Total loss-absorbing additional tier 1 capital	3.15	16,250	1.01	16,250
of which: high-trigger loss-absorbing additional tier 1 capital	*2.91*	*15,012*	*0.93*	*15,012*
of which: low-trigger loss-absorbing additional tier 1 capital[3]	*0.24*	*1,239*	*0.08*	*1,239*
Required gone concern capital				
Total gone concern loss-absorbing capacity[4,5,6]	10.73	55,290	3.75	60,418
of which: base requirement including add-ons for market share and LRD	*10.73[7]*	*55,290*	*3.75[7]*	*60,418*
Eligible gone concern capital				
Total gone concern loss-absorbing capacity	18.71	96,473	5.99	96,473
Total tier 2 capital	0.06	289	0.02	289
of which: non-Basel III-compliant tier 2 capital	*0.06*	*289*	*0.02*	*289*
TLAC-eligible unsecured debt	18.66	96,184	5.97	96,184
Total loss-absorbing capacity				
Required total loss-absorbing capacity	25.65	132,216	8.77	141,314
Eligible total loss-absorbing capacity	38.24	197,146	12.24	197,146
Risk-weighted assets / leverage ratio denominator				
Risk-weighted assets		515,520		
Leverage ratio denominator				1,611,151

1 Includes applicable add-ons of 1.51% for risk-weighted assets (RWA) and 0.52% for leverage ratio denominator (LRD), of which 7 basis points for RWA and 2 basis points for LRD reflect the FINMA Pillar 2 capital add-on of USD 338m related to the supply chain finance funds matter at Credit Suisse. 2 Our minimum CET1 leverage ratio requirement of 3.52% consists of a 1.5% base requirement, a 1.5% base buffer capital requirement, a 0.25% LRD add-on requirement, a 0.25% market share add-on requirement based on our Swiss credit business and a 0.02% Pillar 2 capital add-on related to the supply chain finance funds matter at Credit Suisse. 3 Existing outstanding low-trigger additional tier 1 capital instruments qualify as going concern capital at the UBS AG consolidated level, as agreed with FINMA, until their first call date. As of their first call date, these instruments are eligible to meet the gone concern requirements. 4 A maximum of 25% of the gone concern requirements can be met with instruments that have a remaining maturity of between one and two years. Once at least 75% of the minimum gone concern requirement has been met with instruments that have a remaining maturity of greater than two years, all instruments that have a remaining maturity of between one and two years remain eligible to be included in the total gone concern capital. 5 From 1 January 2023, the resolvability discount on the gone concern capital requirements for systemically important banks (SIBs) has been replaced with reduced base gone concern capital requirements equivalent to 75% of the total going concern requirements (excluding countercyclical buffer requirements). 6 As of July 2024, FINMA has the authority to impose a surcharge of up to 25% of the total going concern capital requirements should obstacles to an SIB's resolvability be identified in future resolvability assessments. 7 Includes applicable add-ons of 1.08% for RWA and 0.38% for LRD.

UBS AG, on a consolidated basis, is subject to the going and gone concern requirements of the Swiss Capital Adequacy Ordinance, which include the too-big-to-fail (TBTF) provisions applicable to Swiss SRBs. The table above provides the risk-weighted asset (RWA)- and leverage ratio denominator (LRD)-based requirements and information as of 30 September 2024.

UBS AG and UBS Switzerland AG are subject to going and gone concern requirements on a standalone basis.

Total loss-absorbing capacity

The table below provides Swiss SRB going and gone concern information based on the Swiss SRB framework and requirements that are discussed under "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*.

Swiss SRB going and gone concern information

USD m, except where indicated	30.9.24	30.6.24	31.12.23
Eligible going concern capital			
Total going concern capital	100,673	98,133	56,628
Total tier 1 capital	100,673	98,133	56,628
Common equity tier 1 capital	84,423	83,001	44,130
Total loss-absorbing additional tier 1 capital	16,250	15,132	12,498
of which: high-trigger loss-absorbing additional tier 1 capital	*15,012*	*13,907*	*11,286*
of which: low-trigger loss-absorbing additional tier 1 capital	*1,239*	*1,225*	*1,212*
Eligible gone concern capital			
Total gone concern loss-absorbing capacity	96,473	98,833	54,458
Total tier 2 capital	289	536	538
of which: non-Basel III-compliant tier 2 capital	*289*	*536*	*538*
TLAC-eligible unsecured debt	96,184	98,297	53,920
Total loss-absorbing capacity			
Total loss-absorbing capacity	197,146	196,966	111,086
Risk-weighted assets / leverage ratio denominator			
Risk-weighted assets	515,520	509,953	333,979
Leverage ratio denominator	1,611,151	1,564,001	1,104,408
Capital and loss-absorbing capacity ratios (%)			
Going concern capital ratio	19.5	19.2	17.0
of which: common equity tier 1 capital ratio	*16.4*	*16.3*	*13.2*
Gone concern loss-absorbing capacity ratio	18.7	19.4	16.3
Total loss-absorbing capacity ratio	38.2	38.6	33.3
Leverage ratios (%)			
Going concern leverage ratio	6.2	6.3	5.1
of which: common equity tier 1 leverage ratio	*5.2*	*5.3*	*4.0*
Gone concern leverage ratio	6.0	6.3	4.9
Total loss-absorbing capacity leverage ratio	12.2	12.6	10.1

Total loss-absorbing capacity and movement

TLAC increased by USD 0.2bn to USD 197.1bn in the third quarter of 2024.

Going concern capital and movement

Going concern capital increased by USD 2.5bn to USD 100.7bn. Common equity tier 1 (CET1) capital increased by USD 1.4bn to USD 84.4bn, primarily due to operating profit before tax of USD 1.2bn, foreign currency translation gains of USD 1.5bn and an increase in eligible deferred tax assets recognized for temporary differences of USD 0.3bn, partly offset by dividend accruals of USD 1.0bn and current tax expenses of USD 0.3bn.

Loss-absorbing additional tier 1 (AT1) capital issued by the Group and on lent to UBS AG increased by USD 1.1bn to USD 16.3bn, reflecting the issuance of new AT1 capital instruments equivalent to USD 1.6bn and positive impacts from interest rate risk hedge, foreign currency translation and other effects, partly offset by the call of AT1 capital instruments equivalent to USD 1.0bn.

Following the approval of a maximum amount of conversion capital by UBS Group AG's shareholders at the 2024 Annual General Meeting, AT1 capital instruments issued by UBS Group AG from the beginning of the fourth quarter of 2023 are, upon the occurrence of a trigger event or a viability event, subject to conversion into UBS Group AG ordinary shares rather than a write-down. AT1 capital instruments issued prior to the fourth quarter of 2023 remain subject to a write-down. The corresponding AT1 capital instruments on lent to UBS AG contain the same provisions.

Gone concern loss-absorbing capacity and movement

Total gone concern loss-absorbing capacity decreased by USD 2.4bn to USD 96.5bn and included USD 96.2bn of TLAC-eligible unsecured debt instruments that were issued by the Group and on lent to UBS AG. The decrease of USD 2.4bn mainly reflected the call of USD 6.4bn equivalent of TLAC-eligible unsecured debt instruments, as well as USD 3.1bn equivalent of TLAC-eligible unsecured debt instruments and a USD 0.3bn tier 2 instrument ceasing to be eligible as gone concern capital, as they entered the final year before maturity. These effects were partly offset by new issuances of TLAC-eligible unsecured debt instruments totaling USD 1.8bn equivalent and positive impacts from interest rate risk hedge, foreign currency translation and other effects.

› **Refer to "Bondholder information" at *ubs.com/investors* for more information about the eligibility and key features and terms and conditions of capital instruments**

Loss-absorbing capacity and leverage ratios

The CET1 capital ratio increased to 16.4% from 16.3%, reflecting a USD 1.4bn increase in CET1 capital, partly offset by a USD 5.6bn increase in RWA.

The CET1 leverage ratio decreased to 5.2% from 5.3%, driven by a USD 47.2bn increase in the LRD, partly offset by the aforementioned increase in CET1 capital.

The gone concern loss-absorbing capacity ratio decreased to 18.7% from 19.4%, reflecting a USD 2.4bn decrease in gone concern loss-absorbing capacity and the aforementioned increase in RWA.

The gone concern leverage ratio decreased to 6.0% from 6.3%, reflecting the aforementioned increase in the LRD and the aforementioned decrease in gone concern loss-absorbing capacity.

Swiss SRB total loss-absorbing capacity movement

USD m

Going concern capital	Swiss SRB
Common equity tier 1 capital as of 30.6.24	**83,001**
Operating profit / (loss) before tax	1,191
Current tax (expense) / benefit	(343)
Foreign currency translation effects, before tax	1,453
Eligible deferred tax assets on temporary differences	266
Other[1]	(1,144)
Common equity tier 1 capital as of 30.9.24	**84,423**
Loss-absorbing additional tier 1 capital as of 30.6.24	**15,132**
Issuance of high-trigger loss-absorbing additional tier 1 capital	1,631
Call of high-trigger loss-absorbing additional tier 1 capital	(1,015)
Interest rate risk hedge, foreign currency translation and other effects	503
Loss-absorbing additional tier 1 capital as of 30.9.24	**16,250**
Total going concern capital as of 30.6.24	**98,133**
Total going concern capital as of 30.9.24	**100,673**
Gone concern loss-absorbing capacity	
Tier 2 capital as of 30.6.24	**536**
Debt no longer eligible as gone concern loss-absorbing capacity due to residual tenor falling to below one year	(251)
Interest rate risk hedge, foreign currency translation and other effects	5
Tier 2 capital as of 30.9.24	**289**
TLAC-eligible unsecured debt as of 30.6.24	**98,297**
Issuance of TLAC-eligible unsecured debt	1,787
Call of TLAC-eligible unsecured debt	(6,367)
Debt no longer eligible as gone concern loss-absorbing capacity due to residual tenor falling to below one year	(3,052)
Interest rate risk hedge, foreign currency translation and other effects	5,519
TLAC-eligible unsecured debt as of 30.9.24	**96,184**
Total gone concern loss-absorbing capacity as of 30.6.24	**98,833**
Total gone concern loss-absorbing capacity as of 30.9.24	**96,473**
Total loss-absorbing capacity	
Total loss-absorbing capacity as of 30.6.24	**196,966**
Total loss-absorbing capacity as of 30.9.24	**197,146**

1 Includes dividend accruals for 2024 (negative USD 1.0bn) and movements related to other items.

Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital

USD m	30.9.24	30.6.24	31.12.23
Total equity under IFRS Accounting Standards	97,822	94,247	55,569
Equity attributable to non-controlling interests	(879)	(855)	(335)
Defined benefit plans, net of tax	(872)	(940)	(336)
Deferred tax assets recognized for tax loss carry-forwards	(2,682)	(2,819)	(3,004)
Deferred tax assets for unused tax credits	(238)	(181)	(97)
Deferred tax assets on temporary differences, excess over threshold			(1,233)
Goodwill, net of tax[1]	(6,257)	(6,235)	(5,750)
Intangible assets, net of tax	(125)	(129)	(146)
Expected losses on advanced internal ratings-based portfolio less provisions	(665)	(652)	(532)
Unrealized (gains) / losses from cash flow hedges, net of tax	1,830	3,373	2,961
Own credit related to (gains) / losses on financial liabilities measured at fair value that existed at the balance sheet date, net of tax	1,359	1,058	313
Own credit related to (gains) / losses on derivative financial instruments that existed at the balance sheet date	(72)	(76)	(63)
Prudential valuation adjustments	(217)	(231)	(177)
Accruals for dividends to shareholders for 2023			(3,000)
Other	(4,580)[2]	(3,560)[2]	(39)
Total common equity tier 1 capital	84,423	83,001	44,130

1 Includes goodwill related to significant investments in financial institutions of USD 20m as of 30 September 2024 (USD 19m as of 30 June 2024, USD 20m as of 31 December 2023) presented on the balance sheet line Investments in associates. 2 Includes dividend accruals for 2024 and other items.

Additional information

Sensitivity to currency movements

Risk-weighted assets

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our RWA by USD 23bn and our CET1 capital by USD 2.7bn as of 30 September 2024 (30 June 2024: USD 22bn and USD 2.6bn, respectively) and decreased our CET1 capital ratio by 19 basis points (30 June 2024: 18 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our RWA by USD 21bn and our CET1 capital by USD 2.5bn (30 June 2024: USD 20bn and USD 2.4bn, respectively) and increased our CET1 capital ratio by 19 basis points (30 June 2024: 18 basis points).

Leverage ratio denominator

We estimate that a 10% depreciation of the US dollar against other currencies would have increased our LRD by USD 109bn as of 30 September 2024 (30 June 2024: USD 101bn) and decreased our CET1 leverage ratio by 17 basis points (30 June 2024: 16 basis points). Conversely, a 10% appreciation of the US dollar against other currencies would have decreased our LRD by USD 99bn (30 June 2024: USD 91bn) and increased our CET1 leverage ratio by 18 basis points (30 June 2024: 17 basis points).

The aforementioned sensitivities do not consider foreign currency translation effects related to defined benefit plans other than those related to the currency translation of the net equity of foreign operations.

› **Refer to "Active management of sensitivity to foreign exchange movements" under "Capital management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information**

Risk-weighted assets

During the third quarter of 2024, RWA increased by USD 5.6bn to USD 515.5bn, driven by a USD 10.8bn increase in currency effects, partly offset by decreases of USD 3.6bn resulting from asset size and other movements, as well as USD 1.6bn resulting from model updates and methodology changes.

Movement in risk-weighted assets, by key driver

USD bn	RWA as of 30.6.24	Currency effects	Model updates and methodology changes	Asset size and other[1]	RWA as of 30.9.24
Credit and counterparty credit risk[2]	**312.8**	10.3	(3.0)	(4.6)	315.6
Non-counterparty-related risk[3]	**29.1**	0.5		(0.1)	29.6
Market risk	**22.5**		1.4	1.0	25.0
Operational risk	**145.4**				145.4
Total	**510.0**	**10.8**	**(1.6)**	**(3.6)**	515.5

1 Includes the Pillar 3 categories "Asset size", "Credit quality of counterparties", "Acquisitions and disposals" and "Other". For more information, refer to the 30 September 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at ubs.com/investors. 2 Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book. 3 Non-counterparty-related risk includes deferred tax assets recognized for temporary differences, property, equipment, software and other items.

Credit and counterparty credit risk

Credit and counterparty credit risk RWA increased by USD 2.7bn USD 315.6bn as of 30 September 2024, including currency effects of USD 10.3bn.

Asset size and other movements resulted in a USD 4.6bn decrease in RWA:

– Non-core and Legacy RWA decreased by USD 3.9bn, mainly driven by our actions to actively unwind the portfolio, in addition to the natural roll-off.
– Personal & Corporate Banking RWA decreased by USD 1.5bn, mainly driven by negative net new loans.
– Global Wealth Management RWA decreased by USD 0.6bn, mainly driven by negative net new loans.
– Asset Management RWA decreased by USD 0.3bn, mainly due to lower RWA from equity investments in funds.
– Investment Bank RWA increased by USD 1.2bn, mainly due to higher RWA from loans and loan commitments.
– Group Items RWA increased by USD 0.4bn.

Model updates and methodology changes resulted in an RWA decrease of USD 3.0bn, mainly reflecting an RWA decrease of USD 2.3bn related to the recalibration of certain multipliers as a result of improvements to models and an RWA reduction of USD 0.7bn related to model updates and harmonizations for structured margin loans and similar products in Global Wealth Management.

› **Refer to the 30 September 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, for more information on a UBS Group AG consolidated basis**

› **Refer to "Credit risk" in the "Risk management and control" section of this report for more information**

Market risk

Market risk RWA increased by USD 2.4bn to USD 25.0bn in the third quarter of 2024, mainly driven by an increase of USD 1.4bn from a capital buffer newly introduced by the Swiss Financial Market Supervisory Authority (FINMA) to capitalize potential maturity mismatches between positions and hedges in the incremental risk charge (IRC). The IRC, including the capital buffer, will no longer be applicable with the adoption of the final Basel III standards (including the Fundamental Review of the Trading Book) in January 2025. Additionally, in the third quarter of 2024, we observed an increase of USD 1.0bn from asset size and other movements that reflected updates from the monthly risks-not-in-value-at-risk assessment, which was partially offset by the de-risking within Non-core and Legacy.

› **Refer to the 30 September 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors,* for more information on a UBS Group AG consolidated basis**

› **Refer to "Market risk" in the "Risk management and control" section of this report for more information**

Operational risk

Operational risk RWA were unchanged at USD 145.4bn.

› **Refer to "Non-financial risk" in the "Risk management and control" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for information about the advanced measurement approach model**

Risk-weighted assets, by business division and Group Items

USD bn	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total RWA
				30.9.24			
Credit and counterparty credit risk[1]	95.2	129.9	7.1	63.8	13.7	5.8	315.6
Non-counterparty-related risk[2]	5.6	2.3	0.6	3.3	0.9	16.9	29.6
Market risk	1.9	0.4	0.0	20.2	2.5	0.0	25.0
Operational risk	63.2	19.3	7.2	24.4	27.1	4.2	145.4
Total	165.9	151.9	14.9	111.7	44.2	26.9	515.5
				30.6.24			
Credit and counterparty credit risk[1]	94.5	125.0	7.2	63.7	17.5	5.0	312.8
Non-counterparty-related risk[2]	5.5	2.4	0.6	3.2	0.8	16.6	29.1
Market risk	1.9	0.5	0.0	16.6	3.5	0.0	22.5
Operational risk	63.2	19.3	7.2	24.4	27.1	4.2	145.4
Total	**165.2**	**147.1**	**15.0**	**108.0**	**48.9**	**25.8**	**510.0**
				30.9.24 vs 30.6.24			
Credit and counterparty credit risk[1]	0.7	5.0	(0.1)	0.2	(3.8)	0.8	2.7
Non-counterparty-related risk[2]	0.1	0.0	0.0	0.0	0.0	0.3	0.4
Market risk	0.0	(0.1)	0.0	3.6	(1.0)	0.0	2.4
Operational risk	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.7**	**4.8**	**(0.1)**	**3.8**	**(4.7)**	**1.1**	**5.6**

1 Includes settlement risk, credit valuation adjustments, equity and investments in funds exposures in the banking book, and securitization exposures in the banking book. 2 Non-counterparty-related risk includes deferred tax assets recognized for temporary differences (30 September 2024: USD 16.2bn; 30 June 2024: USD 15.8bn), as well as property, equipment, software and other items (30 September 2024: USD 13.3bn; 30 June 2024: USD 13.4bn).

Leverage ratio denominator

During the third quarter of 2024, the LRD increased by USD 47.2bn to USD 1,611.2bn, driven by currency effects of USD 54.2bn, partly offset by asset size and other movements of USD 7.1bn.

Movement in leverage ratio denominator, by key driver

USD bn	LRD as of 30.6.24	Currency effects	Asset size and other	LRD as of 30.9.24
On-balance sheet exposures (excluding derivatives and securities financing transactions)[1]	**1,208.8**	45.6	(10.5)	1,243.9
Derivatives	**125.2**	2.4	6.2	133.9
Securities financing transactions	**168.4**	4.2	(1.0)	171.7
Off-balance sheet items	**72.5**	2.1	(2.0)	72.5
Deduction items	**(11.0)**	(0.1)	0.2	(10.8)
Total	**1,564.0**	**54.2**	**(7.1)**	1,611.2

1 The exposures exclude derivative financial instruments, cash collateral receivables on derivative instruments, receivables from securities financing transactions, and margin loans, as well as prime brokerage receivables and financial assets at fair value not held for trading, both related to securities financing transactions. These exposures are presented separately under Derivatives and Securities financing transactions in this table.

The LRD movements described below exclude currency effects.

On-balance sheet exposures (excluding derivatives and securities financing transactions) decreased by USD 10.5bn, mainly reflecting a decrease in cash and balances at central banks, as well as decreases in lending balances due to negative net new loans mainly in Personal & Corporate Banking and Global Wealth Management. There was also a decrease in trading portfolio assets in Non-core and Legacy driven by our actions to actively unwind the portfolio, in addition to the natural roll-off. These decreases were partly offset by increases in other financial assets in Group Treasury and trading portfolio assets, primarily driven by an increase in positions held in the Investment Bank to hedge client positions, as well as market-driven increases.

Derivative exposures increased by USD 6.2bn, mainly due to client-driven increases in the Investment Bank.

Securities financing transactions decreased by USD 1.0bn.

Off-balance sheet exposures decreased by USD 2.0bn, primarily driven by lower commitments.

› **Refer to the "Balance sheet and off-balance sheet" section of this report for more information about balance sheet movements**

Leverage ratio denominator, by business division and Group Items

USD bn	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	Total
				30.9.24			
On-balance sheet exposures	505.6	431.6	5.3	238.5	44.3	18.7	1,243.9
Derivatives	10.9	3.3	0.0	105.9	13.4	0.4	133.9
Securities financing transactions	66.0	45.1	0.0	52.6	8.1	(0.2)	171.7
Off-balance sheet items	18.6	32.3	0.1	18.6	2.5	0.4	72.5
Items deducted from Swiss SRB tier 1 capital	(5.3)	(0.8)	(1.2)	(0.4)	(0.5)	(2.6)	(10.8)
Total	595.7	511.5	4.2	415.2	67.8	16.6	1,611.2
				30.6.24			
On-balance sheet exposures	494.0	411.4	4.9	234.0	48.5	16.0	1,208.8
Derivatives	9.0	2.4	0.0	97.1	16.6	0.2	125.2
Securities financing transactions	59.3	42.9	0.1	53.4	12.7	0.1	168.4
Off-balance sheet items	18.0	33.8	0.2	18.3	1.8	0.5	72.5
Items deducted from Swiss SRB tier 1 capital	(5.3)	(0.8)	(1.2)	(0.4)	(0.6)	(2.7)	(11.0)
Total	**575.0**	**489.7**	**3.9**	**402.4**	**79.0**	**14.0**	**1,564.0**
				30.9.24 vs 30.6.24			
On-balance sheet exposures	11.6	20.2	0.4	4.6	(4.3)	2.7	35.1
Derivatives	1.9	0.9	0.0	8.8	(3.2)	0.2	8.6
Securities financing transactions	6.8	2.2	0.0	(0.8)	(4.6)	(0.3)	3.3
Off-balance sheet items	0.6	(1.5)	0.0	0.2	0.8	(0.1)	0.0
Items deducted from Swiss SRB tier 1 capital	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Total	**20.8**	**21.9**	**0.3**	**12.8**	**(11.2)**	**2.6**	**47.2**

Liquidity and funding management

Strategy, objectives and governance

This section provides liquidity and funding management information and should be read in conjunction with "Liquidity and funding management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, which provides more information about UBS AG's strategy, objectives and governance in connection with liquidity and funding management.

Liquidity coverage ratio

The quarterly average liquidity coverage ratio (the LCR) of UBS AG consolidated increased 2.2 percentage points to 196.3%. The movement in the quarterly average LCR was primarily driven by an increase in high-quality liquid assets (HQLA) of USD 80.3bn to USD 360.6bn. This increase was substantially attributable to the effect of the merger of UBS AG and Credit Suisse AG, with only 21 days of post-merger effect being included in the average LCR for the second quarter of 2024.

The increase in HQLA was partly offset by a USD 40.1bn increase in net cash outflows to USD 183.7bn, substantially attributable to the effect of the merger of UBS AG and Credit Suisse AG, with only 21 days of post-merger effect being included in the average LCR for the second quarter of 2024.

› **Refer to "Liquidity coverage ratio" in the "Liquidity and funding management" section of the UBS AG second quarter 2024 report, available under "Quarterly reporting" at *ubs.com/investors*, for more information about the basis of calculation for the average LCR for the second quarter of 2024**

› **Refer to the 30 September 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, and to "Liquidity and funding management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about the LCR on a UBS AG consolidated basis**

Liquidity coverage ratio

USD bn, except where indicated	Average 3Q24[1]	Average 2Q24[1]
High-quality liquid assets	360.6	280.3
Net cash outflows[2]	183.7	143.6
Liquidity coverage ratio (%)[3]	196.3	194.1

1 Calculated based on an average of 65 data points in the third quarter of 2024 and 61 data points in the second quarter of 2024, of which 40 data points were before the merger of UBS AG and Credit Suisse AG (i.e. from 2 April 2024 until 30 May 2024), and 21 data points were after the merger (i.e. from 31 May 2024 until 30 June 2024). The post-merger, 21-day average LCR of UBS AG consolidated was 203.6%. 2 Represents the net cash outflows expected over a stress period of 30 calendar days. 3 Calculated after the application of haircuts, inflow and outflow rates, as well as, where applicable, caps on Level 2 assets and cash inflows.

Net stable funding ratio

As of 30 September 2024, the net stable funding ratio (the NSFR) decreased 0.9 percentage points to 126.8%.

Available stable funding increased by USD 20.6bn to USD 903.4bn, mainly driven by higher customer deposits, largely due to currency effects. Required stable funding increased by USD 21.3bn to USD 712.7bn, predominantly reflecting increases in trading assets and lending assets, with the latter increase mainly driven by currency effects.

› **Refer to the 30 September 2024 Pillar 3 Report, available under "Pillar 3 disclosures" at *ubs.com/investors*, and to "Liquidity and funding management" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, for more information about the NSFR on a UBS AG consolidated basis**

Net stable funding ratio

USD bn, except where indicated	30.9.24	30.6.24
Available stable funding	903.4	882.8
Required stable funding	712.7	691.5
Net stable funding ratio (%)	126.8	127.7

Balance sheet and off-balance sheet

This section provides balance sheet and off-balance sheet information and should be read in conjunction with "Balance sheet and off-balance sheet" in the "Capital, liquidity and funding, and balance sheet" section of the UBS AG Annual Report 2023, available under "Annual reporting" at *ubs.com/investors*, which provides more information about the balance sheet and off-balance sheet positions.

Balances disclosed in this report represent quarter-end positions, unless indicated otherwise. Intra-quarter balances fluctuate in the ordinary course of business and may differ from quarter-end positions.

Balance sheet assets (30 September 2024 vs 30 June 2024)

Total assets were USD 1,626.9bn as of 30 September 2024, an increase of USD 62.2bn compared with 30 June 2024, largely reflecting currency effects as a result of the depreciation of the US dollar.

Derivatives and cash collateral receivables on derivative instruments increased by USD 22.8bn, predominantly in Derivatives & Solutions and Financing in the Investment Bank, primarily reflecting increases in foreign currency contracts, where the contracts in place at the end of September 2024 had a higher fair value compared with the contracts in place at the end of June 2024, and in equity contracts, reflecting market-driven increases. Lending assets increased by USD 16.0bn, primarily reflecting currency effects of approximately USD 26.3bn, partly offset by negative net new loans in Personal & Corporate Banking and Global Wealth Management. Securities financing transactions at amortized cost increased by USD 10.1bn, mainly reflecting net new excess cash reinvestment in Group Treasury. Trading assets increased by USD 9.8bn, primarily driven by an increase in inventory held in the Investment Bank to hedge client positions, as well as market-driven increases, partly offset by the unwinding of the Credit Suisse business in Non-core and Legacy. Other financial assets measured at fair value increased by USD 6.1bn, mainly reflecting currency effects and increases in securities financing transactions measured at fair value.

These increases were partly offset by a USD 5.0bn decrease in Cash and balances at central banks, mainly due to net redemptions of debt issued, net increases in securities financing transactions and net new customer deposit outflows, partly offset by inflows reflecting negative net new loans and by currency effects of approximately USD 10.6bn.

› **Refer to the "Consolidated financial statements" section of this report for more information**

Assets

	As of		% change from
USD bn	30.9.24	30.6.24	30.6.24
Cash and balances at central banks	243.3	248.3	(2)
Lending[1]	645.4	629.4	3
Securities financing transactions at amortized cost	92.1	82.0	12
Trading assets	172.2	162.4	6
Derivatives and cash collateral receivables on derivative instruments	206.9	184.1	12
Brokerage receivables	24.7	25.3	(2)
Other financial assets measured at amortized cost	61.6	60.8	1
Other financial assets measured at fair value[2]	131.3	125.2	5
Non-financial assets	49.5	47.2	5
Total assets	1,626.9	1,564.7	4

1 Consists of Loans and advances to customers and Amounts due from banks. 2 Consists of Financial assets at fair value not held for trading and Financial assets measured at fair value through other comprehensive income.

Balance sheet liabilities (30 September 2024 vs 30 June 2024)

Total liabilities were USD 1,529.1bn as of 30 September 2024, an increase of USD 58.7bn compared with 30 June 2024, largely reflecting currency effects as a result of the depreciation of the US dollar.

Derivatives and cash collateral payables on derivative instruments increased by USD 25.9bn, predominantly in the Investment Bank, primarily reflecting the same drivers as on the asset side. Customer deposits increased by USD 18.9bn, primarily driven by currency effects of approximately USD 24.8bn, partly offset by net new deposit outflows. Brokerage payables increased by USD 6.2bn, mainly reflecting increases in client activity levels.

These increases were partly offset by a USD 3.9bn decrease in Debt issued designated at fair value and long-term debt issued measured at amortized cost, mainly driven by net redemptions of debt issued measured at amortized cost in Group Treasury, which were partly offset by currency effects of approximately USD 4.8bn.

The "Liabilities, by product and currency" table in this section provides more information about funding sources.

- **Refer to "Bondholder information" at *ubs.com/investors* for more information about capital and senior debt instruments**
- **Refer to the "Consolidated financial statements" section of this report for more information**

Liabilities and equity

	As of		% change from
USD bn	30.9.24	30.6.24	30.6.24
Short-term borrowings[1,2]	61.9	61.7	0
Securities financing transactions at amortized cost	16.4	14.8	10
Customer deposits	779.6	760.7	2
Funding from UBS Group AG measured at amortized cost	112.3	111.7	0
Debt issued designated at fair value and long-term debt issued measured at amortized cost[2]	182.1	186.0	(2)
Trading liabilities	36.4	33.5	9
Derivatives and cash collateral payables on derivative instruments	208.7	182.8	14
Brokerage payables	52.4	46.2	13
Other financial liabilities measured at amortized cost	21.9	22.1	(1)
Other financial liabilities designated at fair value	41.1	36.8	11
Non-financial liabilities	16.3	14.0	16
Total liabilities	1,529.1	1,470.4	4
Share capital	0.4	0.4	0
Share premium	84.8	84.8	0
Retained earnings	8.0	7.4	8
Other comprehensive income[3]	3.8	0.8	393
Total equity attributable to shareholders	96.9	93.4	4
Equity attributable to non-controlling interests	0.9	0.9	3
Total equity	97.8	94.2	4
Total liabilities and equity	1,626.9	1,564.7	4

1 Consists of short-term debt issued measured at amortized cost and amounts due to banks, which includes amounts due to central banks. 2 The classification of debt issued measured at amortized cost into short-term and long-term is based on original contractual maturity and therefore long-term debt also includes debt with a remaining time to maturity of less than one year. This classification does not consider any early redemption features. 3 Excludes other comprehensive income related to defined benefit plans and own credit, which is recorded directly in Retained earnings.

Equity (30 September 2024 vs 30 June 2024)

Equity attributable to shareholders increased by USD 3,551m to USD 96,943m as of 30 September 2024.

The increase of USD 3,551m was mainly driven by total comprehensive income attributable to shareholders of USD 3,602m, reflecting a net profit of USD 996m and other comprehensive income (OCI) of USD 2,606m. OCI mainly included cash flow hedge OCI of USD 1,593m, OCI related to foreign currency translation of USD 1,461m and negative own credit on financial liabilities designated at fair value of USD 323m.

› **Refer to the "UBS AG consolidated performance" and "Consolidated financial statements" sections of this report for more information**

› **Refer to "Reconciliation of equity under IFRS Accounting Standards to Swiss SRB common equity tier 1 capital" in the "Capital management" section of this report for more information about the effects of OCI on common equity tier 1 capital**

Liabilities, by product and currency

			USD equivalent					
	All currencies		*of which: USD*		*of which: CHF*		*of which: EUR*	
USD bn	30.9.24	30.6.24	30.9.24	30.6.24	30.9.24	30.6.24	30.9.24	30.6.24
Short-term borrowings	61.9	61.7	28.9	32.0	7.9	8.0	11.2	8.6
of which: amounts due to banks	*28.1*	*26.8*	*10.0*	*10.0*	*7.4*	*7.5*	*3.5*	*3.2*
of which: short-term debt issued[1,2]	*33.9*	*34.9*	*18.9*	*22.0*	*0.5*	*0.5*	*7.7*	*5.4*
Securities financing transactions at amortized cost	16.4	14.8	8.8	8.5	3.3	2.7	3.6	2.5
Customer deposits	779.6	760.7	311.4	308.3	320.9	303.4	76.9	77.8
of which: demand deposits	*231.6*	*223.5*	*56.6*	*55.7*	*109.9*	*102.5*	*35.9*	*36.3*
of which: retail savings / deposits	*189.1*	*177.8*	*33.7*	*31.0*	*151.2*	*142.7*	*4.2*	*4.0*
of which: sweep deposits	*34.5*	*35.7*	*34.5*	*35.7*	*0.0*	*0.0*	*0.0*	*0.0*
of which: time deposits	*324.4*	*323.7*	*186.6*	*185.9*	*59.8*	*58.1*	*36.8*	*37.5*
Funding from UBS Group AG measured at amortized cost	112.3	111.7	76.4	74.8	2.8	2.6	29.5	29.3
Debt issued designated at fair value and long-term debt issued measured at amortized cost[2]	182.1	186.0	86.0	95.6	43.9	41.7	33.6	31.2
Trading liabilities	36.4	33.5	14.5	12.7	1.7	1.1	10.4	9.7
Derivatives and cash collateral payables on derivative instruments	208.7	182.8	167.4	145.3	4.2	3.5	22.3	21.3
Brokerage payables	52.4	46.2	41.7	35.4	0.7	0.7	2.6	2.9
Other financial liabilities measured at amortized cost	21.9	22.1	12.4	13.1	3.5	3.5	2.0	1.4
Other financial liabilities designated at fair value	41.1	36.8	10.1	9.2	0.1	0.2	8.2	6.0
Non-financial liabilities	16.3	14.0	8.1	6.5	3.0	2.9	2.6	2.4
Total liabilities	1,529.1	1,470.4	765.6	741.4	392.0	370.2	203.0	193.0

1 Short-term debt issued consists of certificates of deposit, commercial paper, acceptances and promissory notes, and other money market paper. 2 The classification of debt issued measured at amortized cost into short-term and long-term is based on original contractual maturity and therefore long-term debt also includes debt with a remaining time to maturity of less than one year. This classification does not consider any early redemption features.

Off-balance sheet (30 September 2024 vs 30 June 2024)

Committed unconditionally revocable credit lines increased by USD 4.1bn, driven by currency effects. Forward starting reverse repurchase and securities borrowing agreements increased by USD 6.4bn, reflecting an increase in levels of business division activity in short-dated securities financing transactions.

Off-balance sheet

	As of		% change from
USD bn	30.9.24	30.6.24	30.6.24
Guarantees[1,2]	39.6	38.8	2
Irrevocable loan commitments[1]	80.5	81.9	(2)
Committed unconditionally revocable credit lines	154.6	150.5	3
Forward starting reverse repurchase and securities borrowing agreements	16.1	9.7	65

1 Guarantees and irrevocable loan commitments are shown net of sub-participations. 2 Includes guarantees measured at fair value through profit or loss.

Consolidated financial statements

Unaudited

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UBS AG interim consolidated financial statements (unaudited)

Income statement

		For the quarter ended			Year-to-date	
USD m	Note	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
Interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	4	8,335	6,892	5,974	21,467	16,272
Interest expense from financial instruments measured at amortized cost	4	(8,820)	(7,080)	(5,357)	(21,952)	(13,818)
Net interest income from financial instruments measured at fair value through profit or loss and other	4	2,045	910	368	3,573	1,224
Net interest income	4	1,560	722	984	3,088	3,678
Other net income from financial instruments measured at fair value through profit or loss		3,592	3,271	2,467	9,809	7,476
Fee and commission income	5	6,986	6,190	5,097	18,783	15,180
Fee and commission expense	5	(652)	(589)	(431)	(1,699)	(1,297)
Net fee and commission income	5	6,334	5,601	4,666	17,084	13,883
Other income	6	510	306	231	1,025	624
Total revenues		11,997	9,900	8,348	31,006	25,661
Credit loss expense / (release)	9	167	84	27	303	80
Personnel expenses	7	5,788	4,797	3,951	14,746	11,697
General and administrative expenses	8	4,014	4,584	2,585	11,584	8,011
Depreciation, amortization and impairment of non-financial assets		838	631	510	2,000	1,686
Operating expenses		10,640	10,012	7,047	28,329	21,393
Operating profit / (loss) before tax		1,191	(196)	1,275	2,374	4,188
Tax expense / (benefit)		194	28	339	587	1,115
Net profit / (loss)		997	(224)	936	1,787	3,072
Net profit / (loss) attributable to non-controlling interests		1	40	5	49	17
Net profit / (loss) attributable to shareholders		996	(264)	932	1,738	3,055

Statement of comprehensive income

USD m	For the quarter ended 30.9.24	30.6.24	30.9.23	Year-to-date 30.9.24	30.9.23
Comprehensive income attributable to shareholders[1]					
Net profit / (loss)	996	(264)	932	1,738	3,055
Other comprehensive income that may be reclassified to the income statement					
Foreign currency translation					
Foreign currency translation movements related to net assets of foreign operations, before tax	2,460	(109)	(646)	787	(114)
Effective portion of changes in fair value of hedging instruments designated as net investment hedges, before tax	(1,008)	78	292	(123)	18
Foreign currency translation differences on foreign operations reclassified to the income statement	2	2	2	4	(1)
Effective portion of changes in fair value of hedging instruments designated as net investment hedges reclassified to the income statement	0	0	0	1	(3)
Income tax relating to foreign currency translations, including the effect of net investment hedges	8	2	4	22	(1)
Subtotal foreign currency translation, net of tax	1,461	(27)	(348)	690	(102)
Financial assets measured at fair value through other comprehensive income					
Net unrealized gains / (losses), before tax	2	0	(1)	1	0
Net realized (gains) / losses reclassified to the income statement from equity	0	0	0	0	1
Income tax relating to net unrealized gains / (losses)	0	0	0	0	0
Subtotal financial assets measured at fair value through other comprehensive income, net of tax	2	0	(1)	1	1
Cash flow hedges of interest rate risk					
Effective portion of changes in fair value of derivative instruments designated as cash flow hedges, before tax	1,579	(335)	(940)	169	(1,635)
Net (gains) / losses reclassified to the income statement from equity	388	626	479	1,506	1,241
Income tax relating to cash flow hedges	(374)	2	89	(255)	86
Subtotal cash flow hedges, net of tax	1,593	294	(372)	1,420	(308)
Cost of hedging					
Cost of hedging, before tax	(8)	(20)	(1)	(34)	5
Income tax relating to cost of hedging	0	0	0	0	0
Subtotal cost of hedging, net of tax	(8)	(20)	(1)	(34)	5
Total other comprehensive income that may be reclassified to the income statement, net of tax	3,048	247	(722)	2,077	(405)
Other comprehensive income that will not be reclassified to the income statement					
Defined benefit plans					
Gains / (losses) on defined benefit plans, before tax	(127)	42	6	(50)	26
Income tax relating to defined benefit plans	8	0	(17)	0	(49)
Subtotal defined benefit plans, net of tax	(119)	41	(12)	(49)	(23)
Own credit on financial liabilities designated at fair value					
Gains / (losses) from own credit on financial liabilities designated at fair value, before tax	(317)	228	(312)	(70)	(455)
Income tax relating to own credit on financial liabilities designated at fair value	(6)	(2)	27	(8)	71
Subtotal own credit on financial liabilities designated at fair value, net of tax	(323)	226	(284)	(78)	(384)
Total other comprehensive income that will not be reclassified to the income statement, net of tax	(442)	267	(296)	(128)	(408)
Total other comprehensive income	2,606	514	(1,018)	1,949	(812)
Total comprehensive income attributable to shareholders	3,602	251	(86)	3,687	2,243
Comprehensive income attributable to non-controlling interests					
Net profit / (loss)	1	40	5	49	17
Total other comprehensive income that will not be reclassified to the income statement, net of tax	20	(20)	(11)	(11)	(9)
Total comprehensive income attributable to non-controlling interests	21	20	(6)	37	8
Total comprehensive income					
Net profit / (loss)	997	(224)	936	1,787	3,072
Other comprehensive income	2,626	494	(1,029)	1,937	(822)
of which: other comprehensive income that may be reclassified to the income statement	*3,048*	*247*	*(722)*	*2,077*	*(405)*
of which: other comprehensive income that will not be reclassified to the income statement	*(422)*	*247*	*(307)*	*(139)*	*(417)*
Total comprehensive income	3,623	271	(93)	3,724	2,251

1 Refer to the "UBS AG consolidated performance" section of this report for more information.

Balance sheet

USD m	Note	30.9.24	30.6.24	31.12.23
Assets				
Cash and balances at central banks		243,261	248,335	171,806
Amounts due from banks		20,162	20,457	28,206
Receivables from securities financing transactions measured at amortized cost		92,104	82,028	74,128
Cash collateral receivables on derivative instruments	11	47,209	43,637	32,300
Loans and advances to customers	9	625,249	608,910	405,633
Other financial assets measured at amortized cost	12	61,566	60,826	54,334
Total financial assets measured at amortized cost		1,089,553	1,064,192	766,407
Financial assets at fair value held for trading	10	172,190	162,358	135,098
of which: assets pledged as collateral that may be sold or repledged by counterparties		*46,601*	*43,452*	*44,524*
Derivative financial instruments	10, 11	159,720	140,415	131,728
Brokerage receivables	10	24,656	25,273	20,883
Financial assets at fair value not held for trading	10	129,141	123,020	63,754
Total financial assets measured at fair value through profit or loss		485,706	451,065	351,463
Financial assets measured at fair value through other comprehensive income	10	2,179	2,167	2,233
Investments in associates		2,483	2,233	983
Property, equipment and software		12,848	12,990	11,044
Goodwill and intangible assets		6,739	7,023	6,265
Deferred tax assets		9,678	9,877	9,244
Other non-financial assets	12	17,707	15,117	8,377
Total assets		1,626,893	1,564,664	1,156,016
Liabilities				
Amounts due to banks		28,058	26,750	16,720
Payables from securities financing transactions measured at amortized cost		16,358	14,847	5,782
Cash collateral payables on derivative instruments	11	34,267	33,691	34,886
Customer deposits		779,604	760,693	555,673
Funding from UBS Group AG measured at amortized cost	13	112,262	111,725	67,282
Debt issued measured at amortized cost	15	109,460	112,520	69,784
Other financial liabilities measured at amortized cost	12	21,923	22,125	12,713
Total financial liabilities measured at amortized cost		1,101,933	1,082,350	762,840
Financial liabilities at fair value held for trading	10	36,441	33,493	31,712
Derivative financial instruments	10, 11	174,449	149,089	140,707
Brokerage payables designated at fair value	10	52,403	46,198	42,275
Debt issued designated at fair value	10, 14	106,527	108,405	86,341
Other financial liabilities designated at fair value	10, 12	41,055	36,834	27,366
Total financial liabilities measured at fair value through profit or loss		410,875	374,019	328,401
Provisions	16	5,009	4,763	2,524
Other non-financial liabilities	12	11,253	9,285	6,682
Total liabilities		1,529,071	1,470,417	1,100,448
Equity				
Share capital		386	386	386
Share premium		84,776	84,825	24,638
Retained earnings		8,019	7,417	28,235
Other comprehensive income recognized directly in equity, net of tax		3,762	764	1,974
Equity attributable to shareholders		96,943	93,392	55,234
Equity attributable to non-controlling interests		879	855	335
Total equity		97,822	94,247	55,569
Total liabilities and equity		1,626,893	1,564,664	1,156,016

Statement of changes in equity

USD m	Share capital and share premium	Retained earnings	OCI recognized directly in equity, net of tax[1]	*of which: foreign currency translation*	*of which: cash flow hedges*	Total equity attributable to shareholders
Balance as of 1 January 2024[2]	25,024	28,235	1,974	*4,947*	*(2,961)*	55,234
Equity recognized due to the merger of UBS AG and Credit Suisse AG[3]	60,571	(18,848)	(291)		*(291)*	41,432
Premium on shares issued and warrants exercised	0					0
Tax (expense) / benefit	8					8
Dividends		(3,000)				(3,000)
Translation effects recognized directly in retained earnings		(3)	3		*3*	0
Share of changes in retained earnings of associates and joint ventures		(3)				(3)
New consolidations / (deconsolidations) and other increases / (decreases)	(441)[4]	26				(414)
Total comprehensive income for the period		1,610	2,077	*690*	*1,420*	3,687
of which: net profit / (loss)		*1,738*				*1,738*
of which: OCI, net of tax		*(128)*	*2,077*	*690*	*1,420*	*1,949*
Balance as of 30 September 2024[2]	85,162	8,019	3,762	*5,637*	*(1,830)*	96,943
Non-controlling interests as of 30 September 2024						879[5]
Total equity as of 30 September 2024						97,822
Balance as of 1 January 2023[2]	**24,985**	**31,746**	**(133)**	***4,098***	***(4,234)***	**56,598**
Premium on shares issued and warrants exercised	(5)[6]					(5)
Tax (expense) / benefit	0					0
Dividends		(6,000)				(6,000)
Translation effects recognized directly in retained earnings		18	(18)		*(18)*	0
Share of changes in retained earnings of associates and joint ventures		(1)				(1)
New consolidations / (deconsolidations) and other increases / (decreases)	0					0
Total comprehensive income for the period		2,648	(405)	*(102)*	*(308)*	2,243
of which: net profit / (loss)		*3,055*				*3,055*
of which: OCI, net of tax		*(408)*	*(405)*	*(102)*	*(308)*	*(812)*
Balance as of 30 September 2023[2]	**24,981**	**28,410**	**(556)**	***3,996***	***(4,560)***	**52,836**
Non-controlling interests as of 30 September 2023						345
Total equity as of 30 September 2023						**53,181**

1 Excludes other comprehensive income related to defined benefit plans and own credit that is recorded directly in Retained earnings. 2 Excludes non-controlling interests. 3 Refer to Note 2 for more information. 4 Mainly reflecting effects from transactions between Credit Suisse AG and its subsidiaries and UBS AG and its subsidiaries prior to the merger in May 2024. 5 Includes an increase of USD 490m in the second quarter of 2024 due to the merger of UBS AG and Credit Suisse AG. 6 Includes decreases related to recharges by UBS Group AG for share-based compensation awards granted to employees of UBS AG or its subsidiaries.

Statement of cash flows

	Year-to-date	
USD m	30.9.24	30.9.23
Cash flow from / (used in) operating activities		
Net profit / (loss)	1,787	3,072
Non-cash items included in net profit and other adjustments		
Depreciation, amortization and impairment of non-financial assets	2,000	1,686
Credit loss expense / (release)	303	80
Share of net (profit) / loss of associates and joint ventures and impairment related to associates	(107)	(79)
Deferred tax expense / (benefit)	(477)	(208)
Net loss / (gain) from investing activities	(98)	33
Net loss / (gain) from financing activities	5,574	(423)
Other net adjustments[1]	(5,705)	1,333
Net change in operating assets and liabilities[1,2]		
Amounts due from banks and amounts due to banks	2,968	(3,255)
Receivables from securities financing transactions measured at amortized cost	10,729	5,747
Payables from securities financing transactions measured at amortized cost	1,189	2,061
Cash collateral on derivative instruments	(11,320)	(5,375)
Loans and advances to customers	14,141	3,255
Customer deposits	(13,449)	(6,322)
Financial assets and liabilities at fair value held for trading and derivative financial instruments	(11,213)	(15,217)
Brokerage receivables and payables	6,159	(10,726)
Financial assets at fair value not held for trading and other financial assets and liabilities	(15,823)	178
Provisions and other non-financial assets and liabilities	738	370
Income taxes paid, net of refunds	(1,275)	(1,321)
Net cash flow from / (used in) operating activities	(13,879)[3]	(25,111)
Cash flow from / (used in) investing activities		
Cash and cash equivalents obtained due to the merger of UBS AG and Credit Suisse AG[4]	121,258	
Purchase of subsidiaries, associates and intangible assets		(1)
Disposal of subsidiaries, associates and intangible assets	166	35
Purchase of property, equipment and software	(1,066)	(947)
Disposal of property, equipment and software	9	33
Net (purchase) / redemption of financial assets measured at fair value through other comprehensive income	28	25
Purchase of debt securities measured at amortized cost	(3,841)	(11,632)
Disposal and redemption of debt securities measured at amortized cost	6,857	7,227
Net cash flow from / (used in) investing activities	123,412	(5,260)
Cash flow from / (used in) financing activities		
Repayment of Swiss National Bank funding	(10,304)	
Net issuance (repayment) of short-term debt measured at amortized cost	(3,882)	6,658
Distributions paid on UBS AG shares	(3,000)	(6,000)
Issuance of debt designated at fair value and long-term debt measured at amortized cost[5]	82,921	84,278
Repayment of debt designated at fair value and long-term debt measured at amortized cost[5]	(98,381)	(65,547)
Inflows from securities financing transactions measured at amortized cost[6]	4,979	
Outflows from securities financing transactions measured at amortized cost[6]	(1,113)	
Net cash flows from other financing activities	(457)	(369)
Net cash flow from / (used in) financing activities	(29,238)	19,020
Total cash flow		
Cash and cash equivalents at the beginning of the period	190,469	195,200
Net cash flow from / (used in) operating, investing and financing activities	80,296	(11,350)
Effects of exchange rate differences on cash and cash equivalents[1]	3,153	(713)
Cash and cash equivalents at the end of the period[7]	273,918[8]	183,136
of which: cash and balances at central banks[7]	*243,261*	*161,640*
of which: amounts due from banks[7]	*18,540*	*10,950*
of which: money market paper[7,9]	*11,915*	*10,545*
Additional information		
Net cash flow from / (used in) operating activities includes:		
Interest received in cash	34,522	23,579
Interest paid in cash	30,623	18,052
Dividends on equity investments, investment funds and associates received in cash[10]	2,234	1,812

1 Foreign currency translation and foreign exchange effects on operating assets and liabilities and on cash and cash equivalents are presented within the Other net adjustments line. Does not include foreign currency hedge effects related to foreign exchange swaps. 2 Excludes non-cash items arising from the accounting for the merger of UBS AG and Credit Suisse AG. Refer to Note 2 for more information. 3 Includes cash receipts from the sale of loans and loan commitments of USD 2,980m within Non-core and Legacy for the nine-month period ended 30 September 2024. 4 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 5 Includes funding from UBS Group AG measured at amortized cost (recognized on the balance sheet in Funding from UBS Group AG) and measured at fair value (recognized on the balance sheet in Debt issued designated at fair value and Other financial liabilities designated at fair value). 6 Reflects cash flows from securities financing transactions measured at amortized cost that use UBS debt instruments as the underlying. 7 Includes only balances with an original maturity of three months or less. 8 The balance includes USD 0.2bn related to cash held in Assets of disposal groups held for sale, recognized within Other non-financial assets. 9 Money market paper is included in the balance sheet under Financial assets at fair value not held for trading (30 September 2024: USD 11,130m; 30 September 2023: USD 10,158m), Other financial assets measured at amortized cost (30 September 2024: USD 455m; 30 September 2023: USD 187m) and Financial assets at fair value held for trading (30 September 2024: USD 331m; 30 September 2023: USD 199m). 10 Includes dividends received from associates reported within Net cash flow from / (used in) investing activities.

Notes to the UBS AG interim consolidated financial statements (unaudited)

Note 1 Basis of accounting

Basis of preparation

The consolidated financial statements (the financial statements) of UBS AG and its subsidiaries (together, UBS AG) are prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (the IASB), and are presented in US dollars. These interim financial statements are prepared in accordance with IAS 34, *Interim Financial Reporting*.

In preparing these interim financial statements, the same accounting policies and methods of computation have been applied as in the UBS AG consolidated annual financial statements for the period ended 31 December 2023, except for the changes described in this Note and changes in segment reporting as set out in Note 3. Note 2 sets out the accounting for the merger of UBS AG and Credit Suisse AG. These interim financial statements are unaudited and should be read in conjunction with UBS AG's audited consolidated financial statements in the UBS AG Annual Report 2023 and the "Management report" sections of this report, including the disclosures in "Integration of Credit Suisse" in the "Recent developments" section of this report. In the opinion of management, all necessary adjustments have been made for a fair presentation of UBS AG's financial position, results of operations and cash flows.

Preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities. These estimates and assumptions are based on the best available information. Actual results in the future could differ from such estimates and differences may be material to the financial statements. Revisions to estimates, based on regular reviews, are recognized in the period in which they occur. For more information about areas of estimation uncertainty that are considered to require critical judgment, refer to this Note and Note 2, as well as "Note 1a Material accounting policies" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023.

Amendments to IAS 12, *Income Taxes*

UBS AG has applied for the purposes of these financial statements the exception that was introduced by the amendments to IAS 12, *Income Taxes*, issued in May 2023 in relation to top-up taxes on income under Global Anti-Base Erosion Rules that have been imposed under legislation that has been enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The exception requires that deferred tax assets and deferred tax liabilities be neither recognized nor disclosed in respect of such top-up taxes.

Other amendments to IFRS Accounting Standards

A number of minor amendments to IFRS Accounting Standards became effective from 1 January 2024 or later and have had no material effect on UBS AG.

IFRS 18, *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued a new standard, IFRS 18, *Presentation and Disclosure in Financial Statements,* which replaces IAS 1, *Presentation of Financial Statements*. The main changes introduced by IFRS 18 relate to:

– the structure of income statements;
– new disclosure requirements for management performance measures; and
– enhanced guidance on aggregation and disaggregation of information on the face of financial statements and in the notes thereto.

IFRS 18 is effective from 1 January 2027 and will also apply to comparative information. UBS AG will first apply these new requirements in the Annual Report 2027 and, for interim reporting, in the first quarter 2027 interim report. UBS AG is assessing the impact of the new requirements on its reporting but expects it to be limited. UBS AG will take the opportunity to refine the grouping of items in the primary financial statements and in the notes thereto based on new principles of aggregation and disaggregation in IFRS 18.

Amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*

In May 2024, the IASB issued Amendments to the *Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7* (Amendments).

The Amendments relate to:

- derecognition of financial liabilities settled through electronic transfer systems;
- assessment of contractual cash flow characteristics in classifying financial assets, including those with environmental, social and corporate governance and similar features, non-recourse features, and contractually linked instruments; and
- disclosure of information about financial instruments with contingent features that can change the amount of contractual cash flows, as well as equity instruments designated at fair value through other comprehensive income.

The Amendments are effective from 1 January 2026, with early application permitted either for the entire set of amendments or for only those that relate to classification of financial instruments. UBS AG is currently assessing the impact of the new requirements on its financial statements.

Incremental accounting policies related to the transactions and activities associated with the merger of UBS AG and Credit Suisse AG

Business combinations under common control

UBS AG's material accounting policies in respect of business combinations are set out in "Note 1a Material accounting policies, item 1 Consolidation" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023. The merger of UBS AG and Credit Suisse AG on 31 May 2024 constitutes a business combination under common control as defined in IFRS 3, *Business Combinations*, i.e. a business combination in which the combining entities or businesses are ultimately controlled by the same entity both before and after the business combination and where that control is not transitory. Business combinations under common control are outside the scope of IFRS 3. In the absence of specific accounting requirements in IFRS Accounting Standards, UBS AG has adopted an accounting policy that provides relevant information for the economic decision-making needs of users and is reflective of the economic substance of the transaction.

UBS AG accounts for business combinations under common control using the historic carrying values of assets and liabilities of the transferred entity or business as of the date of the transfer, determined under IFRS Accounting Standards. The balances of each of the equity reserves of the transferred entity, accumulated after that entity becomes part of the UBS Group, are combined with the corresponding equity reserves (*Share premium*, *Retained earnings* and *Other comprehensive income recognized directly in equity, net of tax*) of UBS AG. The difference between the aggregate carrying value of the assets and liabilities and equity reserves is recognized as an adjustment to *Share premium*, net of any consideration that may be payable. Comparative periods prior to the dates of business combinations under common control are not restated, because such transactions are accounted for prospectively.

Allowances and provisions for expected credit losses

UBS AG's material accounting policies in respect of allowances and provisions for expected credit losses are set out in "Note 1a Material accounting policies, item 2g Allowances and provisions for expected credit losses" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023. Financial instruments acquired through a business combination under common control that are not classified by UBS AG at fair value through profit or loss are subject to IFRS 9 expected credit loss requirements.

Goodwill and other intangible assets

UBS AG's material accounting policies regarding goodwill are set out in "Note 1a Material accounting policies, item 9 Goodwill" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023. Goodwill recognized in the transferred entity prior to the date of the business combination under common control is recognized in these financial statements at the historic carrying value, subsequently allocated to respective cash-generating units and tested for impairment.

Business combinations under common control do not result in a recognition of incremental goodwill or other intangible assets, in addition to those already recognized by the transferred entity prior to the date of business combination under common control.

Currency translation rates

The following table shows the rates of the main currencies used to translate the financial information of UBS AG's operations with a functional currency other than the US dollar into US dollars.

	Closing exchange rate				Average rate[1]				
	As of				For the quarter ended			Year-to-date	
	30.9.24	30.6.24	31.12.23	30.9.23	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
1 CHF	1.18	1.11	1.19	1.09	1.17	1.10	1.12	1.14	1.11
1 EUR	1.11	1.07	1.10	1.06	1.10	1.07	1.08	1.09	1.08
1 GBP	1.34	1.26	1.28	1.22	1.31	1.26	1.26	1.28	1.24
100 JPY	0.69	0.62	0.71	0.67	0.69	0.63	0.69	0.66	0.72

1 Monthly income statement items of operations with a functional currency other than the US dollar are translated into US dollars using month-end rates. Disclosed average rates for a quarter represent an average of three month-end rates, weighted according to the income and expense volumes of all operations of UBS AG with the same functional currency for each month. Weighted average rates for individual business divisions may deviate from the weighted average rates for UBS AG.

Merger of UBS AG and Credit Suisse AG

The merger of UBS AG and Credit Suisse AG effected on 31 May 2024 with no consideration payable by UBS AG constitutes a business combination under common control accounted for based on the accounting policies set out in Note 1 to these financial statements.

Assets and liabilities

UBS AG accounted for the merger with Credit Suisse AG using the historic carrying values of the assets and liabilities of Credit Suisse AG as at the date of the transaction (31 May 2024), determined under IFRS Accounting Standards.

- No fair value adjustments were made to assets and liabilities (which is different to the UBS Group AG consolidated financial statements where acquisition method accounting was required under IFRS 3, *Business Combinations*, on 31 May 2023 for the acquisition of Credit Suisse Group AG).
- UBS AG has elected to retain historic accumulated depreciation and impairment of non-financial assets arising since 31 May 2023, i.e. the date on which Credit Suisse AG came to be under the common control of UBS Group AG.
- Expected credit loss allowances and provisions for performing and credit-impaired exposures were recognized under IFRS 9.
- No new goodwill, intangible assets or contingent liabilities have been recognized as a result of the merger of UBS AG and Credit Suisse AG.
- Uniform accounting policies for like transactions and events have been applied throughout UBS AG and Credit Suisse AG as of 31 May 2023 (the date of the acquisition of Credit Suisse Group AG by UBS Group AG).

Equity reserves

The equity reserve balances of Credit Suisse AG recorded from 31 May 2023 to 31 May 2024 have been added across to the corresponding equity reserves of UBS AG, except for the foreign currency translation reserve that UBS AG has elected to reset and has been added to *Share premium*. As a result, the net investment hedge accounting reserve has been added to *Retained earnings* as if no net investment hedge accounting had been applied by Credit Suisse. The results of Credit Suisse AG from 31 May 2023 to 31 May 2024 have been added to *Retained earnings*. Equity reserve balances of Credit Suisse AG recorded prior to 31 May 2023 (i.e. the date on which Credit Suisse AG came under the common control of UBS Group AG) have not been retained.

The difference between the aggregated carrying value of the assets and liabilities and equity reserves has been recognized as an adjustment to *Share premium* (reflecting the contribution of the Credit Suisse AG business to UBS AG from the common parent, UBS Group AG).

Comparability

Profit and loss information for the third quarter of 2024 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG. Profit and loss information for the second quarter of 2024 includes one month (June 2024) of post-merger consolidated data and two months of pre-merger UBS AG data only (April and May 2024). Profit and loss information for the third quarter of 2023 includes pre-merger UBS AG data only. Year-to-date information for 2024 includes four months (June to September 2024) of post-merger consolidated data and five months of pre-merger UBS AG data only (January to May 2024). Comparative year-to-date information for 2023 includes pre-merger UBS AG data only.

Balance sheet information as at 30 September 2024 and 30 June 2024 includes post-merger consolidated information. Balance sheet dates prior to 30 June 2024 reflect pre-merger UBS AG information only.

The comparative periods prior to the merger date have not been restated, as the transaction has been accounted for prospectively since 31 May 2024, i.e. the date on which the merger of UBS AG and Credit Suisse AG was effected.

Note 2 Accounting for the merger of UBS AG and Credit Suisse AG (continued)

The table below presents the assets, liabilities and equity of Credit Suisse AG that were recognized by UBS AG on 31 May 2024 as a result of the merger.

Credit Suisse AG assets, liabilities and equity transferred to UBS AG on the merger date

USD m	
Assets	
Cash and balances at central banks	114,759
Amounts due from banks	6,861
Receivables from securities financing transactions measured at amortized cost	28,380
Cash collateral receivables on derivative instruments	10,373
Loans and advances to customers	222,937
Other financial assets measured at amortized cost	10,852
Total financial assets measured at amortized cost	394,162
Financial assets at fair value held for trading	15,504
Derivative financial instruments	31,975
Brokerage receivables	130
Financial assets at fair value not held for trading	36,592
Total financial assets measured at fair value through profit or loss	84,201
Financial assets measured at fair value through other comprehensive income	0
Investments in associates	1,330
Property, equipment and software	2,627
Goodwill and intangible assets	819
Deferred tax assets	224
Other non-financial assets	5,943
Total assets	489,306
Liabilities	
Amounts due to banks	20,715
Payables from securities financing transactions measured at amortized cost	6,077
Cash collateral payables on derivative instruments	6,459
Customer deposits	224,627
Funding from UBS Group AG measured at amortized cost	45,298
Debt issued measured at amortized cost	44,521
Other financial liabilities measured at amortized cost	8,984
Total financial liabilities measured at amortized cost	356,681
Financial liabilities at fair value held for trading	1,870
Derivative financial instruments	33,200
Brokerage payables designated at fair value	339
Debt issued designated at fair value	25,947
Other financial liabilities designated at fair value	5,494
Total financial liabilities measured at fair value through profit or loss	66,850
Provisions	2,817
Other non-financial liabilities	3,381
Total liabilities	429,729
Equity	
Equity attributable to shareholders[1]	41,432
Equity attributable to non-controlling interests	490
Total equity	41,922

1 Refer to the Statement of changes in equity in this report for more information.

Transactions between UBS AG and Credit Suisse AG have been eliminated from the balances presented in the table above. They amounted to USD 7.1bn of assets and USD 24.8bn of liabilities of Credit Suisse AG.

Note 2 Accounting for the merger of UBS AG and Credit Suisse AG (continued)

Agreement to sell Select Portfolio Servicing

On 13 August 2024, UBS entered into an agreement to sell Select Portfolio Servicing, the US mortgage servicing business of Credit Suisse, which is managed in Non-core and Legacy. Completion of the transaction is subject to regulatory approvals and other customary closing conditions. The associated assets and liabilities are disclosed in *Assets of disposal groups held for sale* and *Liabilities of disposal groups held for sale*, respectively, within Note 12 to these financial statements. The transaction is expected to close in the first quarter of 2025. UBS AG does not expect to recognize a material profit or loss upon completion of the transaction.

Note 3 Segment reporting

As part of the continued refinement of UBS AG's reporting structure and organizational setup, in the first quarter of 2024 certain changes to Group Treasury allocations were made with an impact on segment reporting for UBS AG's business divisions and Group Items. Prior-period information has been adjusted for comparability.

UBS AG has allocated to the business divisions nearly all Group Treasury costs that historically were retained and reported in Group Items. Costs that continue to be retained in Group Items include costs related to hedging and own debt, and deferred tax asset funding costs. In parallel with these changes, UBS AG has increased the allocation of balance sheet resources from Group Treasury to the business divisions.

Following the changes outlined above, prior-period information for the nine-month period ended 30 September 2023 has been restated, resulting in decreases in Operating profit / (loss) before tax of USD 42m for Global Wealth Management and USD 30m for Personal & Corporate Banking, and increases in Operating profit / (loss) before tax of USD 46m for Group Items, USD 26m for the Investment Bank and USD 1m for Asset Management, with no change to Non-core and Legacy.

Prior-period information as of 31 December 2023 has also been restated, resulting in increases of Total assets of USD 35.6bn in Global Wealth Management, USD 26.9bn in Personal & Corporate Banking and USD 21.4bn in the Investment Bank, with a corresponding decrease of assets of USD 83.9bn in Group Items.

These changes had no effect on the reported results or financial position of UBS AG.

› **Refer to the "Consolidated financial statements" section of the UBS AG Annual Report 2023 for more information about UBS AG's business divisions**

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS AG
For the nine months ended 30 September 2024[1]							
Net interest income	4,183	2,868	(38)	(2,667)	(17)	(1,243)	3,088
Non-interest income	11,982	2,259	2,069	9,944	427	1,237	27,918
Total revenues	16,166	5,127	2,031	7,277	411	(6)	31,006
Credit loss expense / (release)	10	203	0	35	53	1	303
Operating expenses	13,579	3,257	1,691	6,523	2,542	737	28,329
Operating profit / (loss) before tax	**2,577**	**1,667**	**340**	**718**	**(2,184)**	**(744)**	**2,374**
Tax expense / (benefit)							587
Net profit / (loss)							**1,787**
As of 30 September 2024							
Total assets	**578,624**	**477,040**	**23,655**	**448,284**	**83,715**	**15,576**	**1,626,893**

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Functions	UBS AG
For the nine months ended 30 September 2023[1, 2]							
Net interest income	4,192	2,298	(26)	(1,818)	23	(991)	3,678
Non-interest income	9,975	1,782	1,539	7,848	64	775	21,983
Total revenues	14,167	4,080	1,513	6,030	87	(216)	25,661
Credit loss expense / (release)	29	27	(1)	25	(1)	1	80
Operating expenses	10,872	2,118	1,243	5,480	861	819	21,393
Operating profit / (loss) before tax	**3,267**	**1,935**	**271**	**526**	**(774)**	**(1,036)**	**4,188**
Tax expense / (benefit)							1,115
Net profit / (loss)							**3,072**
As of 31 December 2023[2]							
Total assets	**404,747**	**283,980**	**19,662**	**402,415**	**13,845**	**31,368**	**1,156,016**

1 Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023 for more information about UBS AG's reporting segments. 2 Comparative-period information has been restated for changes in business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations. Refer to "Note 3 Segment reporting" in the "Consolidated financial statements" section of this report.

Note 4 Net interest income

	For the quarter ended			Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
Interest income from loans and deposits[1]	7,620	6,070	5,279	19,128	14,228
Interest income from securities financing transactions measured at amortized cost[2]	898	1,008	894	2,894	2,492
Interest income from other financial instruments measured at amortized cost	346	320	291	989	826
Interest income from debt instruments measured at fair value through other comprehensive income	26	26	27	80	75
Interest income from derivative instruments designated as cash flow hedges	(556)	(532)	(517)	(1,625)	(1,350)
Total interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	8,335	6,892	5,974	21,467	16,272
Interest expense on loans and deposits[3]	6,634	5,453	4,090	16,923	10,451
Interest expense on securities financing transactions measured at amortized cost[4]	569	499	454	1,476	1,293
Interest expense on debt issued	1,575	1,099	788	3,461	2,000
Interest expense on lease liabilities	41	29	24	93	74
Total interest expense from financial instruments measured at amortized cost	8,820	7,080	5,357	21,952	13,818
Total net interest income from financial instruments measured at amortized cost and fair value through other comprehensive income	(485)	(188)	617	(486)	2,454
Net interest income from financial instruments measured at fair value through profit or loss and other	2,045	910	368	3,573	1,224
Total net interest income	1,560	722	984	3,088	3,678

1 Consists of interest income from cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments, as well as negative interest on amounts due to banks, customer deposits, and cash collateral payables on derivative instruments. 2 Includes interest income on receivables from securities financing transactions and negative interest, including fees, on payables from securities financing transactions. 3 Consists of interest expense on amounts due to banks, cash collateral payables on derivative instruments, customer deposits, and funding from UBS Group AG, as well as negative interest on cash and balances at central banks, amounts due from banks, and cash collateral receivables on derivative instruments. 4 Includes interest expense on payables from securities financing transactions and negative interest, including fees, on receivables from securities financing transactions.

Note 5 Net fee and commission income

	For the quarter ended			Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
Underwriting fees	174	235	143	632	424
M&A and corporate finance fees	243	262	139	739	474
Brokerage fees	1,122	1,095	784	3,237	2,464
Investment fund fees	1,552	1,358	1,193	4,111	3,550
Portfolio management and related services	3,111	2,678	2,323	8,245	6,787
Other	785	562	515	1,819	1,482
Total fee and commission income[1]	6,986	6,190	5,097	18,783	15,180
of which: recurring	*4,693*	*4,076*	*3,573*	*12,437*	*10,483*
of which: transaction-based	*2,249*	*2,089*	*1,512*	*6,253*	*4,655*
of which: performance-based	*44*	*25*	*11*	*93*	*42*
Fee and commission expense	652	589	431	1,699	1,297
Net fee and commission income	6,334	5,601	4,666	17,084	13,883

1 Reflects third-party fee and commission income for the third quarter of 2024 of USD 4,148m for Global Wealth Management (second quarter of 2024: USD 3,697m; third quarter of 2023: USD 3,197m), USD 761m for Personal & Corporate Banking (second quarter of 2024: USD 589m; third quarter of 2023: USD 471m), USD 926m for Asset Management (second quarter of 2024: USD 774m; third quarter of 2023: USD 670m), USD 1,041m for the Investment Bank (second quarter of 2024: USD 1,110m; third quarter of 2023: USD 760m), USD 13m for Group Items (second quarter of 2024: negative USD 22m; third quarter of 2023: negative USD 5m) and USD 97m for Non-core and Legacy (second quarter of 2024: USD 42m; third quarter of 2023: USD 5m). Comparative-period information has been restated for changes in business division perimeters, Group Treasury allocations and Non-core and Legacy cost allocations. Refer to Note 3 for more information.

Note 6 Other income

	For the quarter ended			Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
Associates, joint ventures and subsidiaries					
Net gains / (losses) from acquisitions and disposals of subsidiaries[1]	(2)	(2)	(2)	(4)	4
Net gains / (losses) from disposals of investments in associates and joint ventures	116[2]	0	0	116[2]	0
Share of net profits of associates and joint ventures	67	24	55	107	79
Total	182	22	53	219	84
Income from properties[3]	13	7	4	24	13
Net gains / (losses) from properties held for sale	(16)	0	8	(17)	8
Income from shared services provided to UBS Group AG or its subsidiaries	169	215	145	552	428
Other	163[4]	63	21	247[4]	92
Total other income	510	306	231	1,025	624

1 Includes foreign exchange gains / (losses) reclassified from other comprehensive income related to the disposal or closure of foreign operations. 2 Includes a gain of USD 119m related to the sale of our investment in an associate. 3 Includes rent received from third parties. 4 Includes an USD 84m gain in Asset Management from the sale of our Brazilian real estate fund management business (nine-month period ended 30 September 2024: USD 113m).

Note 7 Personnel expenses

	For the quarter ended			Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
Salaries and variable compensation[1]	4,999	4,205	3,431	12,824	10,151
of which: variable compensation – financial advisors[2]	*1,335*	*1,291*	*1,150*	*3,893*	*3,372*
Contractors	33	24	24	78	74
Social security	315	251	216	774	612
Post-employment benefit plans	242	159	133	587	446
Other personnel expenses	200	158	147	482	413
Total personnel expenses	5,788	4,797	3,951	14,746	11,697

1 Includes role-based allowances. 2 Consists of cash and deferred compensation awards and is based on compensable revenues and firm tenure using a formulaic approach. Also includes expenses related to compensation commitments with financial advisors entered into at the time of recruitment that are subject to vesting requirements.

Note 8 General and administrative expenses

	For the quarter ended			Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
Outsourcing costs	255	191	117	567	362
Technology costs	257	206	142	625	403
Consulting, legal and audit fees	315	240	162	756	430
Real estate and logistics costs	267	190	210	587	462
Market data services	177	126	97	409	297
Marketing and communication	90	70	46	226	124
Travel and entertainment	60	72	44	186	145
Litigation, regulatory and similar matters[1]	(47)	1,161	8	1,121	784
Other	2,640	2,329	1,760	7,106	5,004
of which: shared services costs charged by UBS Group AG or its subsidiaries	*2,330*	*2,097*	*1,563*	*6,360*	*4,408*
Total general and administrative expenses	4,014	4,584	2,585	11,584	8,011

1 Reflects the net increase in provisions for Litigation, regulatory and similar matters recognized in the income statement, as well as recoveries from third parties or other UBS Group entities. Refer to Note 16b for more information.

Note 9 Expected credit loss measurement

a) Credit loss expense / release

Total net credit loss expenses in the third quarter of 2024 were USD 167m, reflecting USD 15m net releases related to performing positions and USD 182m net expenses on credit-impaired positions.

Stage 1 and 2 net releases of USD 15m included scenario-update-related net releases of USD 8m, mainly from real estate lending, and portfolio changes.

Credit loss expenses of USD 182m for credit-impaired positions almost entirely related to Personal & Corporate Banking and Non-core and Legacy exposures with a small number of corporate counterparties.

Credit loss expense / (release)

	Performing positions	Credit-impaired positions	
USD m	Stages 1 and 2	Stage 3	Total
For the quarter ended 30.9.24			
Global Wealth Management	(11)	14	3
Personal & Corporate Banking	(10)	94	84
Asset Management	0	0	0
Investment Bank	9	(4)	4
Non-core and Legacy	(2)	77	76
Group Items	0	0	0
Total	(15)	182	167
For the quarter ended 30.6.24			
Global Wealth Management	(14)	12	(2)
Personal & Corporate Banking	(15)	125	110
Asset Management	0	0	0
Investment Bank	1	(2)	(1)
Non-core and Legacy	(1)	(22)	(23)
Group Items	0	0	0
Total	(29)	113	84
For the quarter ended 30.9.23			
Global Wealth Management	(7)	15	8
Personal & Corporate Banking	16	(15)	1
Asset Management	0	0	0
Investment Bank	10	7	17
Non-core and Legacy	0	(1)	(1)
Group Items	1	0	1
Total	20	6	27

b) Changes to ECL models, scenarios, scenario weights and post-model adjustments

Scenarios and scenario weights

The expected credit loss (ECL) scenarios, along with their related macroeconomic factors and market data, were reviewed in light of the economic and political conditions prevailing in the third quarter of 2024 through a series of governance meetings, with input and feedback from UBS AG Risk and Finance experts across the business divisions and regions. ECLs for former Credit Suisse positions were calculated based on Credit Suisse's models, including the same scenarios and scenario weight inputs as for UBS.

UBS AG kept the scenarios and scenario weights in line with those applied in the UBS AG second quarter 2024 report. The baseline scenario was updated with the latest macroeconomic forecasts as of 30 September 2024. The assumptions on a calendar-year basis are included in the table below.

The mild debt crisis scenario and the stagflationary geopolitical crisis scenario were updated based on the latest market data, but the assumptions remained broadly unchanged.

The scenario-update-related ECL releases in the third quarter of 2024 mainly stemmed from real estate lending, driven by the upward revision of Swiss house price and rental income levels, as well as interest rate assumptions in the stagflation scenario.

Post-model adjustments

Total stage 1 and 2 allowances and provisions were USD 1,202m as of 30 September 2024 and included post-model adjustments of USD 281m (30 June 2024: USD 300m). Post-model adjustments are intended to cover uncertainty levels, including the geopolitical situation, and to align outputs from Credit Suisse models with those from UBS AG models for dedicated segments.

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

Comparison of shock factors

	Baseline		
Key parameters	2023	2024	2025
Real GDP growth (annual percentage change)			
US	2.9	2.6	1.6
Eurozone	0.5	0.6	1.2
Switzerland	0.7	1.4	1.5
Unemployment rate (%, annual average)			
US	3.6	4.1	4.3
Eurozone	6.6	6.5	6.9
Switzerland	2.0	2.4	2.6
Fixed income: 10-year government bonds (%, Q4)			
USD	3.9	3.8	3.8
EUR	2.0	2.1	2.1
CHF	0.7	0.4	0.5
Real estate (annual percentage change, Q4)			
US	5.3	2.4	2.9
Eurozone	(1.1)	0.6	3.1
Switzerland	0.1	3.0	4.0

Economic scenarios and weights applied

	Assigned weights in %		
ECL scenario	30.9.24	30.6.24	30.9.23
Baseline	60.0	60.0	60.0
Mild debt crisis	15.0	15.0	15.0
Stagflationary geopolitical crisis	25.0	25.0	25.0

c) ECL-relevant balance sheet and off-balance sheet positions including ECL allowances and provisions

The following tables provide information about financial instruments and certain non-financial instruments that are subject to ECL requirements. For amortized-cost instruments, the carrying amount represents the maximum exposure to credit risk, taking into account the allowance for credit losses. Financial assets measured at fair value through other comprehensive income (FVOCI) are also subject to ECL; however, unlike amortized-cost instruments, the allowance for credit losses for FVOCI instruments does not reduce the carrying amount of these financial assets. Instead, the carrying amount of financial assets measured at FVOCI represents the maximum exposure to credit risk.

No purchased credit-impaired financial assets were recognized in the third quarter of 2024. Originated credit-impaired financial assets were not material and are not presented in the table below.

In addition to recognized financial assets, certain off-balance sheet financial instruments and other credit lines are also subject to ECL. The maximum exposure to credit risk for off-balance sheet financial instruments is calculated based on the maximum contractual amounts.

USD m	30.9.24							
	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	243,261	243,130	131	0	(212)	0	(212)	0
Amounts due from banks	20,162	19,949	201	13	(76)	(5)	(2)	(68)
Receivables from securities financing transactions measured at amortized cost	92,104	92,105	0	0	(1)	(1)	0	0
Cash collateral receivables on derivative instruments	47,209	47,209	0	0	0	0	0	0
Loans and advances to customers	625,249	594,453	26,049	4,748	(2,874)	(331)	(321)	(2,222)
of which: Private clients with mortgages	*268,774*	*256,960*	*10,407*	*1,408*	*(232)*	*(54)*	*(82)*	*(96)*
of which: Real estate financing	*91,028*	*85,545*	*5,201*	*281*	*(110)*	*(25)*	*(31)*	*(54)*
of which: Large corporate clients	*29,724*	*24,682*	*3,988*	*1,055*	*(798)*	*(79)*	*(101)*	*(619)*
of which: SME clients	*23,880*	*19,485*	*2,960*	*1,435*	*(787)*	*(56)*	*(49)*	*(681)*
of which: Lombard	*150,202*	*149,734*	*353*	*115*	*(121)*	*(7)*	*(1)*	*(114)*
of which: Credit cards	*2,145*	*1,658*	*446*	*42*	*(44)*	*(7)*	*(11)*	*(26)*
of which: Commodity trade finance	*3,761*	*3,596*	*153*	*12*	*(113)*	*(13)*	*(1)*	*(98)*
of which: Ship / aircraft financing	*8,300*	*7,782*	*518*	*0*	*(54)*	*(36)*	*(8)*	*(10)*
of which: Consumer financing	*2,977*	*2,741*	*142*	*93*	*(132)*	*(21)*	*(26)*	*(85)*
Other financial assets measured at amortized cost	61,566	60,853	531	182	(146)	(33)	(8)	(106)
of which: Loans to financial advisors	*2,677*	*2,494*	*82*	*101*	*(46)*	*(4)*	*(1)*	*(41)*
Total financial assets measured at amortized cost	1,089,553	1,057,699	26,912	4,942	(3,309)	(371)	(543)	(2,395)
Financial assets measured at fair value through other comprehensive income	2,179	2,179	0	0	0	0	0	0
Total on-balance sheet financial assets in scope of ECL requirements[2]	1,091,732	1,059,878	26,912	4,942	(3,309)	(371)	(543)	(2,395)

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	41,450	40,019	1,279	151	(62)	(24)	(18)	(20)
of which: Large corporate clients	*8,120*	*7,470*	*620*	*30*	*(26)*	*(8)*	*(9)*	*(9)*
of which: SME clients	*2,616*	*2,214*	*301*	*101*	*(12)*	*(4)*	*(4)*	*(4)*
of which: Financial intermediaries and hedge funds	*22,810*	*22,737*	*73*	*0*	*(12)*	*(8)*	*(4)*	*0*
of which: Lombard	*4,197*	*3,985*	*206*	*6*	*(3)*	*0*	*0*	*(3)*
of which: Commodity trade finance	*1,773*	*1,771*	*1*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	80,506	76,601	3,736	169	(187)	(113)	(45)	(29)
of which: Large corporate clients	*48,794*	*45,464*	*3,208*	*123*	*(119)*	*(77)*	*(34)*	*(7)*
Forward starting reverse repurchase and securities borrowing agreements	16,063	16,063	0	0	0	0	0	0
Unconditionally revocable loan commitments	154,613	151,814	2,543	255	(86)	(68)	(17)	0
of which: Real estate financing	*11,547*	*11,249*	*297*	*1*	*(7)*	*(6)*	*0*	*0*
of which: Large corporate clients	*16,378*	*15,853*	*523*	*3*	*(24)*	*(16)*	*(6)*	*(2)*
of which: SME clients	*11,099*	*10,381*	*509*	*209*	*(36)*	*(29)*	*(6)*	*0*
of which: Lombard	*62,624*	*62,562*	*61*	*1*	*0*	*0*	*0*	*0*
of which: Credit cards	*10,400*	*9,910*	*487*	*3*	*(9)*	*(7)*	*(2)*	*0*
Irrevocable committed prolongation of existing loans	3,701	3,691	5	5	(3)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines[2]	296,333	288,188	7,564	581	(337)	(208)	(80)	(49)
Total allowances and provisions[2]					(3,646)	(579)	(623)	(2,445)

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG.

Note 9 Expected credit loss measurement (continued)

USD m	30.6.24							
	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	248,335	248,241	94	0	(230)	(1)	(228)	0
Amounts due from banks	20,457	20,125	319	13	(73)	(5)	0	(67)
Receivables from securities financing transactions measured at amortized cost	82,027	82,028	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	43,637	43,637	0	0	0	0	0	0
Loans and advances to customers	608,910	578,841	25,506	4,563	(2,696)	(354)	(299)	(2,044)
of which: Private clients with mortgages	*255,281*	*244,008*	*10,104*	*1,169*	*(181)*	*(56)*	*(77)*	*(48)*
of which: Real estate financing	*88,141*	*83,214*	*4,580*	*347*	*(104)*	*(28)*	*(31)*	*(46)*
of which: Large corporate clients	*28,619*	*23,612*	*3,867*	*1,140*	*(741)*	*(93)*	*(95)*	*(553)*
of which: SME clients	*23,698*	*19,766*	*2,591*	*1,341*	*(871)*	*(60)*	*(40)*	*(771)*
of which: Lombard	*148,546*	*147,529*	*880*	*137*	*(101)*	*(7)*	*(2)*	*(92)*
of which: Credit cards	*1,927*	*1,479*	*408*	*40*	*(41)*	*(6)*	*(11)*	*(25)*
of which: Commodity trade finance	*5,795*	*5,558*	*222*	*16*	*(149)*	*(18)*	*(2)*	*(129)*
of which: Ship / aircraft financing	*8,549*	*8,096*	*427*	*25*	*(42)*	*(38)*	*(4)*	*0*
of which: Consumer financing	*2,886*	*2,689*	*120*	*78*	*(112)*	*(20)*	*(21)*	*(71)*
Other financial assets measured at amortized cost	60,826	60,098	537	191	(148)	(34)	(8)	(106)
of which: Loans to financial advisors	*2,601*	*2,408*	*83*	*110*	*(47)*	*(4)*	*(1)*	*(41)*
Total financial assets measured at amortized cost	**1,064,192**	**1,032,970**	**26,456**	**4,766**	**(3,148)**	**(396)**	**(535)**	**(2,217)**
Financial assets measured at fair value through other comprehensive income	**2,167**	**2,167**	**0**	**0**	**0**	**0**	**0**	**0**
Total on-balance sheet financial assets in scope of ECL requirements[2]	**1,066,359**	**1,035,137**	**26,456**	**4,766**	**(3,148)**	**(396)**	**(535)**	**(2,217)**

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	40,791	39,207	1,382	203	(69)	(26)	(15)	(28)
of which: Large corporate clients	*8,323*	*7,421*	*820*	*82*	*(26)*	*(9)*	*(7)*	*(9)*
of which: SME clients	*2,539*	*2,153*	*287*	*99*	*(12)*	*(4)*	*(4)*	*(4)*
of which: Financial intermediaries and hedge funds	*21,270*	*21,080*	*190*	*0*	*(11)*	*(8)*	*(3)*	*0*
of which: Lombard	*3,895*	*3,872*	*10*	*13*	*(4)*	*0*	*0*	*(4)*
of which: Commodity trade finance	*1,642*	*1,629*	*13*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	81,866	77,446	4,236	184	(178)	(104)	(44)	(30)
of which: Large corporate clients	*46,696*	*42,890*	*3,699*	*107*	*(128)*	*(85)*	*(37)*	*(6)*
Forward starting reverse repurchase and securities borrowing agreements	9,724	9,724	0	0	0	0	0	0
Unconditionally revocable loan commitments	150,450	148,053	2,154	244	(81)	(69)	(13)	0
of which: Real estate financing	*11,706*	*11,154*	*552*	*0*	*(7)*	*(7)*	*0*	*0*
of which: Large corporate clients	*16,000*	*15,677*	*314*	*9*	*(22)*	*(16)*	*(4)*	*(2)*
of which: SME clients	*11,001*	*10,575*	*346*	*80*	*(34)*	*(28)*	*(5)*	*0*
of which: Lombard	*60,961*	*60,934*	*26*	*1*	*0*	*0*	*0*	*0*
of which: Credit cards	*10,056*	*9,576*	*477*	*4*	*(8)*	*(6)*	*(2)*	*0*
Irrevocable committed prolongation of existing loans	3,328	3,319	7	2	(2)	(2)	0	0
Total off-balance sheet financial instruments and other credit lines[2]	**286,160**	**277,748**	**7,779**	**633**	**(330)**	**(201)**	**(71)**	**(58)**
Total allowances and provisions[2]					**(3,478)**	**(597)**	**(606)**	**(2,275)**

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG.

Note 9 Expected credit loss measurement (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	171,806	171,788	18	0	(26)	0	(26)	0
Amounts due from banks[2]	28,206	28,191	14	0	(7)	(6)	(1)	0
Receivables from securities financing transactions measured at amortized cost	74,128	74,128	0	0	(2)	(2)	0	0
Cash collateral receivables on derivative instruments	32,300	32,300	0	0	0	0	0	0
Loans and advances to customers	405,633	385,493	18,131	2,009	(935)	(173)	(185)	(577)
of which: Private clients with mortgages	*174,400*	*163,617*	*9,955*	*828*	*(156)*	*(39)*	*(89)*	*(28)*
of which: Real estate financing	*54,305*	*50,252*	*4,038*	*15*	*(46)*	*(20)*	*(25)*	*(1)*
of which: Large corporate clients	*14,431*	*12,594*	*1,331*	*506*	*(241)*	*(34)*	*(32)*	*(174)*
of which: SME clients	*12,694*	*10,662*	*1,524*	*508*	*(262)*	*(34)*	*(24)*	*(204)*
of which: Lombard	*117,924*	*117,874*	*0*	*50*	*(22)*	*(5)*	*0*	*(17)*
of which: Credit cards	*2,041*	*1,564*	*438*	*39*	*(42)*	*(6)*	*(11)*	*(24)*
of which: Commodity trade finance	*2,889*	*2,873*	*12*	*4*	*(119)*	*(7)*	*0*	*(111)*
Other financial assets measured at amortized cost	54,334	53,882	312	141	(87)	(16)	(5)	(66)
of which: Loans to financial advisors	*2,615*	*2,422*	*79*	*114*	*(49)*	*(4)*	*(1)*	*(44)*
Total financial assets measured at amortized cost	**766,407**	**745,782**	**18,475**	**2,150**	**(1,057)**	**(197)**	**(217)**	**(643)**
Financial assets measured at fair value through other comprehensive income	**2,233**	**2,233**	**0**	**0**	**0**	**0**	**0**	**0**
Total on-balance sheet financial assets in scope of ECL requirements	**768,640**	**748,015**	**18,475**	**2,150**	**(1,057)**	**(197)**	**(217)**	**(643)**

	Total exposure				ECL provisions			
Off-balance sheet (in scope of ECL)	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
Guarantees	33,211	32,332	761	118	(40)	(14)	(7)	(19)
of which: Large corporate clients	*3,624*	*3,051*	*486*	*87*	*(10)*	*(3)*	*(2)*	*(6)*
of which: SME clients	*1,506*	*1,299*	*177*	*31*	*(7)*	*(1)*	*(1)*	*(5)*
of which: Financial intermediaries and hedge funds	*22,549*	*22,504*	*46*	*0*	*(12)*	*(8)*	*(3)*	*0*
of which: Lombard	*3,009*	*3,009*	*0*	*0*	*(1)*	*0*	*0*	*(1)*
of which: Commodity trade finance	*1,811*	*1,803*	*8*	*0*	*(1)*	*(1)*	*0*	*0*
Irrevocable loan commitments	44,018	42,085	1,878	56	(95)	(55)	(38)	(2)
of which: Large corporate clients	*26,096*	*24,444*	*1,622*	*30*	*(76)*	*(45)*	*(28)*	*(2)*
Forward starting reverse repurchase and securities borrowing agreements	10,373	10,373	0	0	0	0	0	0
Committed unconditionally revocable credit lines	47,421	45,452	1,913	56	(49)	(39)	(10)	0
of which: Real estate financing	*9,439*	*8,854*	*585*	*0*	*(4)*	*(3)*	*(1)*	*0*
of which: Large corporate clients	*5,110*	*4,951*	*151*	*8*	*(6)*	*(4)*	*(3)*	*0*
of which: SME clients	*5,408*	*5,188*	*191*	*29*	*(21)*	*(17)*	*(3)*	*0*
of which: Lombard	*8,964*	*8,964*	*0*	*1*	*0*	*0*	*0*	*0*
of which: Credit cards	*10,458*	*9,932*	*522*	*4*	*(10)*	*(8)*	*(2)*	*0*
Irrevocable committed prolongation of existing loans	4,183	4,169	11	4	(4)	(3)	0	0
Total off-balance sheet financial instruments and other credit lines	**139,206**	**134,410**	**4,562**	**234**	**(188)**	**(111)**	**(56)**	**(21)**
Total allowances and provisions					**(1,244)**	**(308)**	**(272)**	**(664)**

1 The carrying amount of financial assets measured at amortized cost represents the total gross exposure net of the respective ECL allowances. 2 Includes USD 14.8bn against Credit Suisse AG.

Note 9 Expected credit loss measurement (continued)

The table below provides information about the ECL gross exposure and the ECL coverage ratio for UBS AG's core loan portfolios (i.e. *Loans and advances to customers* and *Loans to financial advisors*) and relevant off-balance sheet exposures. *Cash and balances at central banks*, *Amounts due from banks*, *Receivables from securities financing transactions*, *Cash collateral receivables on derivative instruments* and *Financial assets measured at fair value through other comprehensive income* are not included in the table below, due to their lower sensitivity to ECL.

ECL coverage ratios are calculated by dividing ECL allowances and provisions by the gross carrying amount of the related exposures.

The overall coverage ratio for performing positions decreased by 1 basis point to 10 basis points. Compared with 30 June 2024, coverage ratios for performing positions related to real estate lending (on-balance sheet) decreased by 1 basis point to 5 basis points, and coverage ratios for performing positions related to corporate lending (on-balance sheet) increased by 2 basis points to 56 basis points.

Coverage ratios for core loan portfolio — 30.9.24

	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	269,006	257,013	10,489	1,504	9	2	79	5	636
Real estate financing	91,138	85,570	5,233	336	12	3	60	6	1,613
Total real estate lending	360,144	342,583	15,722	1,839	9	2	72	5	814
Large corporate clients	30,522	24,760	4,088	1,673	262	32	246	62	3,697
SME clients	24,666	19,541	3,009	2,116	319	29	163	47	3,218
Total corporate lending	55,189	44,301	7,097	3,790	287	31	211	56	3,429
Lombard	150,323	149,741	354	229	8	0	21	1	4,967
Credit cards	2,189	1,664	457	68	203	40	251	85	3,879
Commodity trade finance	3,874	3,609	155	110	291	37	89	39	8,917
Ship / aircraft financing	8,354	7,818	526	11	65	46	146	52	9,831
Consumer financing	3,109	2,762	168	179	425	75	1,538	159	4,781
Other loans and advances to customers	44,942	42,306	1,891	745	107	8	55	10	5,886
Loans to financial advisors	2,723	2,497	83	142	169	15	135	18	2,892
Total other lending	215,514	210,397	3,634	1,483	46	6	162	8	5,485
Total[1]	630,847	597,282	26,453	7,112	46	6	122	11	3,182

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	7,687	7,428	221	38	5	5	32	5	39
Real estate financing	12,680	12,341	338	1	6	6	1	6	0
Total real estate lending	20,366	19,769	559	39	6	5	14	5	39
Large corporate clients	73,307	68,801	4,350	155	23	15	115	21	1,164
SME clients	15,639	14,318	996	325	48	28	165	37	554
Total corporate lending	88,946	83,119	5,346	481	27	17	124	23	751
Lombard	70,232	69,957	268	7	1	0	2	0	12,815
Credit cards	10,400	9,910	487	3	8	7	38	8	0
Commodity trade finance	3,128	3,124	4	0	9	8	289	9	0
Ship / aircraft financing	2,239	2,233	6	0	31	28	1,006	31	0
Consumer financing	150	150	0	0	0	0	0	0	0
Financial intermediaries and hedge funds	39,035	38,597	438	0	4	3	87	4	0
Other off-balance sheet commitments	45,772	45,265	456	52	9	6	146	8	865
Total other lending	170,957	169,237	1,659	61	5	3	79	4	2,123
Total[2]	280,269	272,125	7,564	581	12	8	106	10	849
Total on- and off-balance sheet[3]	911,116	869,406	34,017	7,693	36	6	118	10	3,006

1 Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other financial assets measured at amortized cost. 2 Excludes Forward starting reverse repurchase and securities borrowing agreements. 3 Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 9 Expected credit loss measurement (continued)

Coverage ratios for core loan portfolio — 30.6.24

	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	255,462	244,063	10,181	1,217	7	2	76	5	397
Real estate financing	88,246	83,242	4,611	393	12	3	66	7	1,167
Total real estate lending	343,708	327,305	14,792	1,610	8	3	73	6	585
Large corporate clients	29,360	23,705	3,962	1,693	253	39	240	68	3,268
SME clients	24,569	19,827	2,631	2,112	354	31	151	45	3,649
Total corporate lending	53,929	43,532	6,593	3,804	299	35	205	58	3,480
Lombard	148,647	147,536	882	229	7	0	18	1	4,024
Credit cards	1,968	1,485	419	64	208	39	252	86	3,826
Commodity trade finance	5,945	5,576	224	144	251	33	97	35	8,910
Ship / aircraft financing	8,591	8,134	432	25	49	47	103	50	0
Consumer financing	2,998	2,709	141	149	374	74	1,506	144	4,771
Other loans and advances to customers	45,821	42,918	2,322	581	77	7	68	10	5,328
Loans to financial advisors	2,647	2,412	84	151	176	18	146	22	2,736
Total other lending	216,617	210,770	4,504	1,343	39	6	127	8	4,967
Total[1]	**614,254**	**581,607**	**25,889**	**6,758**	**45**	**6**	**116**	**11**	**3,086**

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	8,090	7,833	226	31	5	4	32	5	11
Real estate financing	12,715	12,143	572	0	5	6	0	5	0
Total real estate lending	20,805	19,975	799	31	5	5	0	5	11
Large corporate clients	71,091	66,060	4,833	198	25	17	100	22	904
SME clients	15,520	14,590	719	210	51	27	207	35	1,206
Total corporate lending	86,611	80,650	5,553	408	30	19	114	25	1,060
Lombard	68,071	68,017	40	14	1	0	16	0	2,706
Credit cards	10,056	9,576	477	4	8	7	35	8	0
Commodity trade finance	3,701	3,681	20	0	9	8	53	9	0
Ship / aircraft financing	1,836	1,817	19	0	11	12	0	11	0
Consumer financing	152	152	0	0	0	0	0	0	0
Financial intermediaries and hedge funds	47,842	47,381	461	0	3	2	76	3	0
Other off-balance sheet commitments	37,362	36,774	411	177	8	5	67	5	611
Total other lending	169,020	167,398	1,427	195	4	2	57	3	751
Total[2]	**276,436**	**268,023**	**7,779**	**633**	**12**	**7**	**92**	**10**	**914**
Total on- and off-balance sheet[3]	**890,690**	**849,630**	**33,668**	**7,391**	**35**	**7**	**110**	**11**	**2,900**

1 Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other financial assets measured at amortized cost. 2 Excludes Forward starting reverse repurchase and securities borrowing agreements. 3 Includes on-balance sheet exposure, gross and off-balance sheet exposure (notional) and the related ECL coverage ratio (bps).

Coverage ratios for core loan portfolio — 31.12.23

	Gross carrying amount (USD m)				ECL coverage (bps)				
On-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	174,555	163,656	10,044	856	9	2	88	7	326
Real estate financing	54,351	50,272	4,063	16	9	4	61	8	594
Total real estate lending	228,906	213,928	14,107	872	9	3	81	8	331
Large corporate clients	14,671	12,628	1,363	680	164	27	237	48	2,558
SME clients	12,956	10,696	1,548	712	202	32	155	47	2,861
Total corporate lending	27,627	23,324	2,911	1,392	182	29	193	48	2,714
Lombard	117,946	117,879	0	67	2	0	0	0	2,487
Credit cards	2,083	1,571	449	63	200	40	253	87	3,801
Commodity trade finance	3,008	2,881	12	115	394	25	62	25	9,676
Other loans and advances to customers	26,997	26,083	837	77	18	10	44	11	2,379
Loans to financial advisors	2,665	2,426	80	159	185	17	122	20	2,793
Total other lending	152,699	150,840	1,378	481	18	3	117	4	4,462
Total[1]	**409,232**	**388,092**	**18,396**	**2,744**	**24**	**5**	**101**	**9**	**2,263**

	Gross exposure (USD m)				ECL coverage (bps)				
Off-balance sheet	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 1&2	Stage 3
Private clients with mortgages	6,801	6,560	226	15	8	7	29	8	40
Real estate financing	10,662	10,064	599	0	6	5	22	6	0
Total real estate lending	17,463	16,624	824	15	6	6	24	6	40
Large corporate clients	34,829	32,446	2,259	125	27	16	147	25	628
SME clients	7,872	7,337	456	80	47	29	230	41	626
Total corporate lending	42,702	39,782	2,715	205	30	18	161	28	627
Lombard	13,609	13,609	0	1	1	1	0	1	0
Credit cards	10,458	9,932	522	4	10	8	35	10	0
Commodity trade finance	2,354	2,346	8	0	4	4	36	4	0
Financial intermediaries and hedge funds	25,378	25,148	230	0	5	4	157	5	0
Other off-balance sheet commitments	16,869	16,596	264	9	12	5	170	8	0
Total other lending	68,668	67,630	1,024	14	7	4	97	6	5,921
Total[2]	**128,833**	**124,037**	**4,562**	**234**	**15**	**9**	**122**	**13**	**908**
Total on- and off-balance sheet[3]	**538,065**	**512,129**	**22,958**	**2,978**	**22**	**6**	**105**	**10**	**2,157**

1 Includes Loans and advances to customers and Loans to financial advisors, which are presented on the balance sheet line Other financial assets measured at amortized cost. 2 Excludes Forward starting reverse repurchase and securities borrowing agreements. 3 Includes on-balance-sheet exposure, gross and off-balance-sheet exposure (notional) and the related ECL coverage ratio (bps).

Note 10 Fair value measurement

a) Fair value hierarchy

The fair value hierarchy classification of financial and non-financial assets and liabilities measured at fair value is summarized in the table below.

During the first nine months of 2024, and with regard to assets and liabilities now accounted for by UBS AG as a result of the merger of UBS AG and Credit Suisse AG for the period between the date of the merger (i.e. 31 May 2024) and 30 September 2024, assets and liabilities that were transferred from Level 2 to Level 1, or from Level 1 to Level 2, and were held for the entire reporting period were not material.

Determination of fair values from quoted market prices or valuation techniques[1]

	30.9.24				30.6.24				31.12.23			
USD m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value on a recurring basis												
Financial assets at fair value held for trading	136,786	30,256	5,148	172,190	124,627	29,689	8,042	162,358	115,345	17,936	1,817	135,098
of which: Equity instruments	*124,897*	*1,049*	*172*	*126,117*	*112,441*	*830*	*185*	*113,456*	*99,510*	*721*	*140*	*100,372*
of which: Government bills / bonds	*4,005*	*4,642*	*18*	*8,665*	*5,603*	*5,319*	*75*	*10,997*	*6,843*	*2,195*	*14*	*9,052*
of which: Investment fund units	*6,649*	*1,003*	*176*	*7,827*	*5,677*	*1,222*	*240*	*7,139*	*8,008*	*1,082*	*9*	*9,098*
of which: Corporate and municipal bonds	*1,232*	*19,213*	*863*	*21,307*	*896*	*16,875*	*900*	*18,671*	*982*	*11,956*	*648*	*13,586*
of which: Loans	*0*	*4,118*	*3,712*	*7,830*	*0*	*5,246*	*6,420*	*11,666*	*0*	*1,870*	*904*	*2,775*
of which: Asset-backed securities	*4*	*225*	*163*	*393*	*10*	*192*	*169*	*370*	*3*	*111*	*101*	*215*
Derivative financial instruments	1,484	155,670	2,566	159,720	836	137,254	2,325	140,415	593	129,871	1,264	131,728
of which: Foreign exchange	*829*	*60,641*	*177*	*61,646*	*331*	*50,576*	*121*	*51,029*	*317*	*65,070*	*0*	*65,387*
of which: Interest rate	*0*	*47,143*	*640*	*47,783*	*0*	*49,199*	*403*	*49,602*	*0*	*35,028*	*284*	*35,311*
of which: Equity / index	*0*	*40,818*	*996*	*41,815*	*0*	*32,239*	*1,154*	*33,393*	*0*	*26,649*	*667*	*27,317*
of which: Credit	*0*	*2,694*	*608*	*3,302*	*0*	*2,553*	*478*	*3,031*	*0*	*1,452*	*301*	*1,752*
of which: Commodities	*6*	*4,027*	*18*	*4,051*	*3*	*2,563*	*16*	*2,582*	*0*	*1,627*	*12*	*1,639*
Brokerage receivables	0	24,656	0	24,656	0	25,273	0	25,273	0	20,883	0	20,883
Financial assets at fair value not held for trading	45,903	75,172	8,066	129,141	34,765	80,293	7,961	123,020	29,529	30,124	4,101	63,754
of which: Financial assets for unit-linked investment contracts	*18,274*	*6*	*0*	*18,280*	*16,957*	*6*	*0*	*16,963*	*15,814*	*0*	*0*	*15,814*
of which: Corporate and municipal bonds	*85*	*15,701*	*152*	*15,937*	*61*	*14,338*	*210*	*14,609*	*62*	*16,716*	*215*	*16,994*
of which: Government bills / bonds	*27,043*	*8,036*	*0*	*35,079*	*17,262*	*7,817*	*0*	*25,079*	*13,262*	*3,332*	*0*	*16,594*
of which: Loans	*0*	*4,464*	*2,545*	*7,010*	*0*	*3,699*	*2,553*	*6,252*	*0*	*4,172*	*1,254*	*5,426*
of which: Securities financing transactions	*0*	*45,665*	*484*	*46,149*	*0*	*53,069*	*268*	*53,337*	*0*	*5,541*	*4*	*5,545*
of which: Asset-backed securities	*0*	*1,058*	*553*	*1,611*	*0*	*1,108*	*500*	*1,608*	*0*	*18*	*0*	*18*
of which: Auction rate securities	*0*	*0*	*190*	*190*	*0*	*0*	*191*	*191*	*0*	*0*	*1,208*	*1,208*
of which: Investment fund units	*409*	*147*	*645*	*1,201*	*395*	*160*	*670*	*1,225*	*367*	*233*	*205*	*804*
of which: Equity instruments	*92*	*0*	*3,022*	*3,114*	*91*	*5*	*2,913*	*3,009*	*24*	*0*	*1,088*	*1,112*
Financial assets measured at fair value through other comprehensive income on a recurring basis												
Financial assets measured at fair value through other comprehensive income	65	2,114	0	2,179	62	2,105	0	2,167	68	2,165	0	2,233
of which: Commercial paper and certificates of deposit	*0*	*1,935*	*0*	*1,935*	*0*	*1,891*	*0*	*1,891*	*0*	*1,948*	*0*	*1,948*
of which: Corporate and municipal bonds	*65*	*178*	*0*	*243*	*62*	*205*	*0*	*267*	*68*	*207*	*0*	*276*
Non-financial assets measured at fair value on a recurring basis												
Precious metals and other physical commodities	6,965	0	0	6,965	6,445	0	0	6,445	4,426	0	0	4,426
Non-financial assets measured at fair value on a non-recurring basis												
Other non-financial assets[2]	0	0	110	110	0	0	43	43	0	0	17	17
Total assets measured at fair value	191,203	287,867	15,890	494,960	166,735	274,615	18,371	459,721	149,962	200,979	7,198	358,139

Note 10 Fair value measurement (continued)

Determination of fair values from quoted market prices or valuation techniques (continued)[1]

	30.9.24				30.6.24				31.12.23			
USD m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value on a recurring basis												
Financial liabilities at fair value held for trading	26,201	10,041	199	36,441	24,476	8,906	111	33,493	25,451	6,110	151	31,712
of which: Equity instruments	*19,379*	*552*	*58*	*19,990*	*16,956*	*417*	*66*	*17,438*	*16,310*	*236*	*87*	*16,632*
of which: Corporate and municipal bonds	*29*	*8,054*	*135*	*8,218*	*33*	*7,118*	*35*	*7,186*	*28*	*4,893*	*58*	*4,979*
of which: Government bills / bonds	*4,390*	*1,069*	*0*	*5,458*	*6,171*	*1,260*	*5*	*7,437*	*8,320*	*806*	*0*	*9,126*
of which: Investment fund units	*2,403*	*285*	*4*	*2,691*	*1,315*	*38*	*4*	*1,357*	*794*	*117*	*4*	*915*
Derivative financial instruments	1,633	167,462	5,354	174,449	877	143,764	4,448	149,089	716	136,833	3,158	140,707
of which: Foreign exchange	*881*	*68,571*	*36*	*69,488*	*326*	*51,660*	*48*	*52,034*	*400*	*71,322*	*21*	*71,743*
of which: Interest rate	*0*	*43,065*	*298*	*43,363*	*0*	*47,021*	*243*	*47,264*	*0*	*32,656*	*107*	*32,763*
of which: Equity / index	*0*	*48,901*	*4,299*	*53,200*	*0*	*38,001*	*3,379*	*41,380*	*0*	*30,209*	*2,717*	*32,926*
of which: Credit	*0*	*3,426*	*422*	*3,848*	*0*	*3,456*	*371*	*3,827*	*0*	*1,341*	*273*	*1,614*
of which: Commodities	*5*	*3,303*	*38*	*3,345*	*2*	*1,951*	*14*	*1,967*	*0*	*1,271*	*20*	*1,291*
of which: Loan commitments measured at FVTPL	*0*	*73*	*188*	*260*	*0*	*1,547*	*288*	*1,835*	*0*	*3*	*17*	*21*
Financial liabilities designated at fair value on a recurring basis												
Brokerage payables designated at fair value	0	52,403	0	52,403	0	46,198	0	46,198	0	42,275	0	42,275
Debt issued designated at fair value	0	95,641	10,886	106,527	0	96,915	11,490	108,405	0	78,509	7,832	86,341
Other financial liabilities designated at fair value	0	36,873	4,182	41,055	0	31,957	4,877	36,834	0	25,069	2,297	27,366
of which: Financial liabilities related to unit-linked investment contracts	*0*	*18,389*	*0*	*18,389*	*0*	*17,080*	*0*	*17,080*	*0*	*15,922*	*0*	*15,922*
of which: Securities financing transactions	*0*	*10,893*	*0*	*10,893*	*0*	*7,801*	*0*	*7,801*	*0*	*6,927*	*0*	*6,927*
of which: Funding from UBS Group AG	*0*	*4,035*	*1,656*	*5,691*	*0*	*3,370*	*1,487*	*4,857*	*0*	*1,327*	*1,623*	*2,950*
of which: Over-the-counter debt instruments and others	*0*	*3,557*	*2,525*	*6,082*	*0*	*3,706*	*3,390*	*7,096*	*0*	*892*	*674*	*1,566*
Total liabilities measured at fair value	27,835	362,420	20,621	410,875	25,352	327,740	20,927	374,019	26,167	288,796	13,438	328,401

1 Bifurcated embedded derivatives are presented on the same balance sheet lines as their host contracts and are not included in this table. The fair value of these derivatives was not material for the periods presented.
2 Other non-financial assets primarily consist of properties and other non-current assets held for sale, which are measured at the lower of their net carrying amount or fair value less costs to sell.

b) Valuation adjustments

The table below summarizes the changes in deferred day-1 profit or loss reserves during the relevant period.

Deferred day-1 profit or loss is generally released into *Other net income from financial instruments measured at fair value through profit or loss* when the pricing of equivalent products or the underlying parameters become observable or when the transaction is closed out.

Deferred day-1 profit or loss reserves

	For the quarter ended			Year-to-date	
USD m	30.9.24	30.6.24	30.9.23	30.9.24	30.9.23
Reserve balance at the beginning of the period	388	379	396	397	422
Effect from merger of UBS AG and Credit Suisse AG[1]		1		1	
Profit / (loss) deferred on new transactions	85	59	34	187	196
(Profit) / loss recognized in the income statement	(54)	(50)	(39)	(164)	(227)
Foreign currency translation	(1)	(1)	(1)	(2)	(1)
Reserve balance at the end of the period	418	388	390	418	390

1 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG.

The table below summarizes other valuation adjustment reserves recognized on the balance sheet.

Other valuation adjustment reserves on the balance sheet

	As of		
USD m	30.9.24	30.6.24	31.12.23
Own credit adjustments on financial liabilities designated at fair value[1]	(1,367)	(1,062)	(312)
of which: debt issued designated at fair value	*(928)*	*(747)*	*(208)*
of which: other financial liabilities designated at fair value	*(439)*	*(315)*	*(105)*
Credit valuation adjustments[2]	(145)	(104)	(37)
Funding and debit valuation adjustments	(94)	(81)	(82)
Other valuation adjustments	(1,616)	(1,744)	(730)
of which: liquidity	*(1,074)*	*(1,229)*	*(308)*
of which: model uncertainty	*(542)*	*(516)*	*(423)*

1 Own credit adjustments on financial liabilities designated at fair value includes amounts for TLAC notes. 2 Amount does not include reserves against defaulted counterparties.

c) Level 3 instruments: valuation techniques and inputs

The table below presents material Level 3 assets and liabilities, together with the valuation techniques used to measure fair value, as well as the inputs used in a given valuation technique that are considered significant as of 30 September 2024 and unobservable, and a range of values for those unobservable inputs.

The range of values represents the highest- and lowest-level inputs used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input or an assessment of the reasonableness of UBS AG's estimates and assumptions, but rather the different underlying characteristics of the relevant assets and liabilities held by UBS AG.

The significant unobservable inputs disclosed in the table below are consistent with those included in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023.

Valuation techniques and inputs used in the fair value measurement of Level 3 assets and liabilities

	Fair value						Range of inputs						
	Assets		Liabilities				30.9.24			31.12.23			
USD bn	30.9.24	31.12.23	30.9.24	31.12.23	Valuation technique(s)	Significant unobservable input(s)[1]	low	high	weighted average[2]	low	high	weighted average[2]	unit[1]
Financial assets and liabilities at fair value held for trading and Financial assets at fair value not held for trading													
Corporate and municipal bonds	*1.0*	*0.9*	*0.1*	*0.1*	Relative value to market comparable	Bond price equivalent	17	126	98	9	114	93	points
					Discounted expected cash flows	Discount margin	829	829	829	491	491		basis points
Traded loans, loans designated at fair value and guarantees	*6.4*	*2.3*	*0.0*	*0.0*	Relative value to market comparable	Loan price equivalent	1	258	81	6	101	98	points
					Discounted expected cash flows	Credit spread	18	1,533	334	200	275	252	basis points
Investment fund units[3]	*0.8*	*0.2*	*0.0*	*0.0*	Relative value to market comparable	Net asset value							
Equity instruments[3]	*3.2*	*1.2*	*0.1*	*0.1*	Relative value to market comparable	Price							
Debt issued designated at fair value[4]			10.9	7.8									
Other financial liabilities designated at fair value			4.2	2.3	Discounted expected cash flows	Funding spread	106	201		51	201		basis points
Derivative financial instruments													
Interest rate	*0.6*	*0.3*	*0.3*	*0.1*	Option model	Volatility of interest rates	47	156		84	112		basis points
						Volatility of inflation	1	6					%
						IR-to-IR correlation	70	99					%
					Discounted expected cash flows	Funding spread	5	20					basis points
Credit	*0.6*	*0.3*	*0.4*	*0.3*	Discounted expected cash flows	Credit spreads	2	1,270		1	306		basis points
						Credit correlation	50	66					%
						Credit volatility	60	60					%
						Recovery rates[5]	0	100					%
Equity / index	*1.0*	*0.7*	*4.3*	*2.7*	Option model	Equity dividend yields	0	11		0	14		%
						Volatility of equity stocks, equity and other indices	4	140		4	104		%
						Equity-to-FX correlation	(40)	70		(40)	70		%
						Equity-to-equity correlation	0	100		13	100		%
Loan commitments measured at FVTPL			*0.2*	*0.0*	Relative value to market comparable	Loan price equivalent	15	100					points

1 The ranges of significant unobservable inputs are represented in points, percentages and basis points. Points are a percentage of par (e.g. 100 points would be 100% of par). 2 Weighted averages are provided for most non-derivative financial instruments and were calculated by weighting inputs based on the fair values of the respective instruments. Weighted averages are not provided for inputs related to Other financial liabilities designated at fair value and Derivative financial instruments, as this would not be meaningful. 3 The range of inputs is not disclosed, as there is a dispersion of values given the diverse nature of the investments. 4 Debt issued designated at fair value primarily consists of UBS structured notes, which include variable maturity notes with various equity and foreign exchange underlying risks, as well as rates-linked and credit-linked notes, all of which have embedded derivative parameters that are considered to be unobservable. The equivalent derivative instrument parameters for debt issued or embedded derivatives for over-the-counter debt instruments are presented in the respective derivative financial instruments lines in this table. 5 Recovery rates reflect the estimated recovery that will be realized given expected defaults; they may vary significantly depending upon the specific assets and terms of each transaction.

d) Level 3 instruments: sensitivity to changes in unobservable input assumptions

The table below summarizes those financial assets and liabilities classified as Level 3 for which a change in one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, and the estimated effect thereof.

The sensitivity data shown below presents an estimation of valuation uncertainty based on reasonably possible alternative values for Level 3 inputs at the balance sheet date and does not represent the estimated effect of stress scenarios. Typically, these financial assets and liabilities are sensitive to a combination of inputs from Levels 1–3. Although well-defined interdependencies may exist between Level 1 / 2 parameters and Level 3 parameters (e.g. between interest rates, which are generally Level 1 or Level 2, and prepayments, which are generally Level 3), these have not been incorporated in the table. Furthermore, direct interrelationships between the Level 3 parameters are not a significant element of the valuation uncertainty.

Sensitivity of fair value measurements to changes in unobservable input assumptions[1]

	30.9.24		30.6.24		31.12.23	
USD m	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Traded loans, loans measured at fair value and guarantees	295	(271)	453	(433)	15	(19)
Securities financing transactions	32	(28)	34	(31)	24	(24)
Auction rate securities	9	(6)	8	(6)	67	(21)
Asset-backed securities	40	(44)	44	(48)	25	(22)
Equity instruments	353	(318)	428	(403)	189	(178)
Investment fund units	138	(139)	140	(141)	21	(23)
Loan commitments measured at FVTPL	88	(83)	85	(110)	7	(10)
Interest rate derivatives, net	145	(47)	139	(81)	27	(18)
Credit derivatives, net	119	(122)	124	(128)	2	(5)
Foreign exchange derivatives, net	4	(4)	3	(4)	5	(4)
Equity / index derivatives, net	690	(695)	651	(546)	358	(285)
Other	281	(134)	83	(90)	41	(39)
Total	2,194	(1,891)	2,192	(2,021)	781	(648)

1 Sensitivity of issued and over-the-counter debt instruments is reported with the equivalent derivative or Other.

e) Level 3 instruments: movements during the period

The table below presents additional information about material Level 3 assets and liabilities measured at fair value on a recurring basis. Level 3 assets and liabilities may be hedged with instruments classified as Level 1 or Level 2 in the fair value hierarchy and, as a result, realized and unrealized gains and losses included in the table may not include the effect of related hedging activity. Furthermore, the realized and unrealized gains and losses presented in the table are not limited solely to those arising from Level 3 inputs, as valuations are generally derived from both observable and unobservable parameters.

Assets and liabilities transferred into or out of Level 3 are presented as if those assets or liabilities had been transferred on 1 January 2024.

Note 10 Fair value measurement (continued)

Movements of Level 3 instruments

USD bn	Balance at the beginning of the period	Effect from merger of UBS AG and Credit Suisse AG[1]	Net gains / losses included in comprehensive income[2]	*of which: related to instruments held at the end of the period*	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Foreign currency translation	Balance at the end of the period
For the nine months ended 30 September 2024[3]												
Financial assets at fair value held for trading	1.8	7.8	0.2	*0.1*	0.4	(3.3)	1.1	(2.6)	0.1	(0.4)	0.0	5.1
of which: Equity instruments	*0.1*	*0.1*	*(0.0)*	*(0.0)*	*0.0*	*(0.1)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.2*
of which: Corporate and municipal bonds	*0.6*	*0.4*	*(0.1)*	*(0.1)*	*0.3*	*(0.3)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.0*	*0.9*
of which: Loans	*0.9*	*7.0*	*0.3*	*0.2*	*0.0*	*(2.7)*	*1.1*	*(2.6)*	*0.0*	*(0.3)*	*(0.0)*	*3.7*
Derivative financial instruments – assets	1.3	0.7	(0.1)	*(0.2)*	0.0	(0.1)	0.9	(0.6)	0.7	(0.1)	(0.0)	2.6
of which: Interest rate	*0.3*	*0.0*	*0.1*	*0.0*	*0.0*	*(0.1)*	*0.3*	*(0.1)*	*0.2*	*(0.0)*	*(0.0)*	*0.6*
of which: Equity / index	*0.7*	*0.2*	*(0.0)*	*(0.0)*	*0.0*	*(0.0)*	*0.5*	*(0.3)*	*0.1*	*(0.1)*	*(0.0)*	*1.0*
of which: Credit	*0.3*	*0.1*	*(0.1)*	*(0.0)*	*0.0*	*(0.0)*	*0.1*	*(0.1)*	*0.3*	*(0.0)*	*(0.0)*	*0.6*
Financial assets at fair value not held for trading	4.1	4.1	0.1	*0.1*	0.4	(0.3)	1.5	(1.9)	0.4	(0.3)	0.0	8.1
of which: Loans	*1.3*	*0.8*	*0.1*	*0.1*	*0.1*	*0.0*	*0.9*	*(0.5)*	*0.0*	*(0.1)*	*(0.0)*	*2.5*
of which: Auction rate securities	*1.2*	*0.0*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.0*	*(1.1)*	*0.0*	*0.0*	*0.0*	*0.2*
of which: Equity instruments	*1.1*	*1.8*	*0.0*	*0.0*	*0.1*	*(0.1)*	*0.0*	*0.0*	*0.1*	*0.0*	*0.0*	*3.0*
of which: Investment fund units	*0.2*	*0.4*	*0.0*	*(0.0)*	*0.1*	*(0.1)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.6*
of which: Asset-backed securities	*0.0*	*0.5*	*0.0*	*0.0*	*0.0*	*(0.1)*	*0.0*	*0.0*	*0.2*	*(0.1)*	*0.0*	*0.6*
Derivative financial instruments – liabilities	3.2	0.9	0.8	*1.0*	0.0	(0.0)	1.8	(1.6)	0.6	(0.3)	(0.0)	5.4
of which: Interest rate	*0.1*	*0.1*	*0.1*	*0.3*	*0.0*	*(0.0)*	*0.0*	*(0.1)*	*0.1*	*(0.0)*	*(0.0)*	*0.3*
of which: Equity / index	*2.7*	*0.2*	*0.9*	*0.9*	*0.0*	*(0.0)*	*1.6*	*(1.3)*	*0.4*	*(0.3)*	*(0.0)*	*4.3*
of which: Credit	*0.3*	*0.2*	*(0.1)*	*(0.1)*	*0.0*	*(0.0)*	*0.1*	*(0.1)*	*0.0*	*(0.0)*	*(0.0)*	*0.4*
of which: Loan commitments measured at FVTPL	*0.0*	*0.4*	*(0.2)*	*(0.1)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.2*
Debt issued designated at fair value	7.8	4.5	0.6	*0.4*	0.0	(0.0)	3.2	(2.7)	1.2	(3.8)	0.0	10.9
Other financial liabilities designated at fair value	2.3	1.9	0.0	*0.0*	0.0	0.0	0.9	(0.9)	0.0	(0.1)	0.0	4.2
For the nine months ended 30 September 2023												
Financial assets at fair value held for trading	1.5		(0.0)	*(0.1)*	0.4	(0.7)	1.0	0.0	0.1	(0.3)	(0.0)	2.0
of which: Investment fund units	*0.1*		*(0.0)*	*(0.0)*	*0.0*	*(0.0)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.0*
of which: Corporate and municipal bonds	*0.5*		*(0.0)*	*(0.0)*	*0.4*	*(0.2)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*(0.0)*	*0.7*
of which: Loans	*0.6*		*0.0*	*(0.0)*	*0.0*	*(0.4)*	*1.0*	*0.0*	*0.0*	*(0.2)*	*(0.0)*	*1.1*
Derivative financial instruments – assets	1.5		(0.1)	*(0.0)*	0.0	(0.0)	0.5	(0.3)	0.1	(0.2)	0.0	1.5
of which: Interest rate	*0.5*		*0.1*	*0.1*	*0.0*	*0.0*	*0.1*	*(0.0)*	*0.0*	*(0.0)*	*(0.0)*	*0.6*
of which: Equity / index	*0.7*		*(0.1)*	*(0.0)*	*0.0*	*0.0*	*0.3*	*(0.2)*	*0.0*	*(0.2)*	*(0.0)*	*0.5*
of which: Credit	*0.3*		*(0.1)*	*(0.1)*	*0.0*	*0.0*	*0.0*	*(0.0)*	*0.1*	*(0.0)*	*0.0*	*0.4*
Financial assets at fair value not held for trading	3.7		0.3	*0.3*	0.6	(0.6)	0.0	(0.0)	0.1	(0.1)	0.0	4.0
of which: Loans	*0.7*		*0.3*	*0.3*	*0.2*	*(0.0)*	*0.0*	*(0.0)*	*0.1*	*(0.1)*	*(0.0)*	*1.1*
of which: Auction rate securities	*1.3*		*0.0*	*0.0*	*0.0*	*(0.1)*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*1.2*
of which: Equity instruments	*0.8*		*0.0*	*(0.0)*	*0.4*	*(0.2)*	*0.0*	*0.0*	*0.0*	*0.0*	*(0.0)*	*1.0*
Derivative financial instruments – liabilities	1.7		(0.1)	*(0.1)*	0.0	(0.0)	1.1	(0.4)	0.1	(0.5)	(0.0)	1.8
of which: Interest rate	*0.1*		*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*(0.1)*	*0.0*	*(0.0)*	*(0.0)*	*0.1*
of which: Equity / index	*1.2*		*(0.1)*	*(0.1)*	*0.0*	*0.0*	*0.6*	*(0.3)*	*0.0*	*(0.1)*	*(0.0)*	*1.3*
of which: Credit	*0.3*		*(0.0)*	*(0.0)*	*0.0*	*0.0*	*0.3*	*0.0*	*0.0*	*(0.3)*	*(0.0)*	*0.2*
Debt issued designated at fair value	9.2		0.1	*0.0*	0.0	0.0	4.5	(2.9)	0.4	(1.5)	(0.1)	9.8
Other financial liabilities designated at fair value	2.0		(0.0)	*(0.0)*	0.0	0.0	0.1	(0.1)	0.0	(0.0)	(0.0)	2.1

1 Refer to Note 2 for more information about the merger of UBS AG and Credit Suisse AG. 2 Net gains / losses included in comprehensive income are recognized in Net interest income and Other net income from financial instruments measured at fair value through profit or loss in the Income statement, and also in Gains / (losses) from own credit on financial liabilities designated at fair value, before tax in the Statement of comprehensive income. 3 Total Level 3 assets as of 30 September 2024 were USD 15.9bn (31 December 2023: USD 7.2bn). Total Level 3 liabilities as of 30 September 2024 were USD 20.6bn (31 December 2023: USD 13.4bn).

f) Financial instruments not measured at fair value

The table below reflects the estimated fair values of financial instruments not measured at fair value. Valuation principles applied when determining fair value estimates for financial instruments not measured at fair value are consistent with those described in "Note 20 Fair value measurement" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023.

Financial instruments not measured at fair value

	30.9.24		30.6.24		31.12.23	
USD bn	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Cash and balances at central banks	243.3	243.3	248.3	248.3	171.8	171.8
Amounts due from banks	20.2	20.2	20.5	20.5	28.2	28.2
Receivables from securities financing transactions measured at amortized cost	92.1	92.1	82.0	82.0	74.1	74.1
Cash collateral receivables on derivative instruments	47.2	47.2	43.6	43.6	32.3	32.3
Loans and advances to customers	625.2	620.0	608.9	598.7	405.6	396.5
Other financial assets measured at amortized cost	61.6	60.2	60.8	58.6	54.3	54.1
Liabilities						
Amounts due to banks	28.1	28.1	26.8	26.7	16.7	16.7
Payables from securities financing transactions measured at amortized cost	16.4	16.4	14.8	14.9	5.8	5.8
Cash collateral payables on derivative instruments	34.3	34.3	33.7	33.7	34.9	34.9
Customer deposits	779.6	780.8	760.7	761.1	555.7	556.6
Funding from UBS Group AG measured at amortized cost	112.3	116.6	111.7	115.9	67.3	67.7
Debt issued measured at amortized cost	109.5	110.6	112.5	112.7	69.8	69.8
Other financial liabilities measured at amortized cost[1]	17.6	17.6	17.8	17.8	9.8	9.8

1 Excludes lease liabilities.

Note 11 Derivative instruments

a) Derivative instruments

As of 30.9.24, USD bn	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities[1]	Other notional values[2]
Derivative financial instruments				
Interest rate	47.8	43.4	4,058	19,927
Credit derivatives	3.3	3.8	166	
Foreign exchange	61.6	69.5	7,860	270
Equity / index	41.8	53.2	1,545	99
Commodities	4.1	3.3	169	21
Other[3]	1.1	1.2	172	
Total derivative financial instruments, based on netting under IFRS Accounting Standards[4]	159.7	174.4	13,970	20,317
Further netting potential not recognized on the balance sheet[5]	(145.1)	(155.3)		
of which: netting of recognized financial liabilities / assets	*(122.2)*	*(122.2)*		
of which: netting with collateral received / pledged	*(22.9)*	*(33.1)*		
Total derivative financial instruments, after consideration of further netting potential	14.7	19.2		

As of 30.6.24, USD bn	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities[1]	Other notional values[2]
Derivative financial instruments				
Interest rate	49.6	47.3	3,478	20,200
Credit derivatives	3.0	3.8	170	
Foreign exchange	51.0	52.0	7,158	213
Equity / index	33.4	41.4	1,432	96
Commodities	2.6	2.0	153	18
Other[3]	0.8	2.6	151	
Total derivative financial instruments, based on netting under IFRS Accounting Standards[4]	140.4	149.1	12,543	20,526
Further netting potential not recognized on the balance sheet[5]	(125.0)	(132.1)		
of which: netting of recognized financial liabilities / assets	*(101.1)*	*(101.1)*		
of which: netting with collateral received / pledged	*(23.9)*	*(31.0)*		
Total derivative financial instruments, after consideration of further netting potential	15.4	17.0		

As of 31.12.23, USD bn	Derivative financial assets	Derivative financial liabilities	Notional values related to derivative financial assets and liabilities[1]	Other notional values[2]
Derivative financial instruments				
Interest rate	35.3	32.8	2,472	13,749
Credit derivatives	1.8	1.6	93	
Foreign exchange	65.4	71.7	6,367	180
Equity / index	27.3	32.9	1,191	84
Commodities	1.6	1.3	129	16
Other[3]	0.3	0.4	86	
Total derivative financial instruments, based on netting under IFRS Accounting Standards[4]	131.7	140.7	10,338	14,028
Further netting potential not recognized on the balance sheet[5]	(122.7)	(123.8)		
of which: netting of recognized financial liabilities / assets	*(99.3)*	*(99.3)*		
of which: netting with collateral received / pledged	*(23.4)*	*(24.5)*		
Total derivative financial instruments, after consideration of further netting potential	9.1	16.9		

1 In cases where derivative financial instruments are presented on a net basis on the balance sheet, the respective notional values of the netted derivative financial instruments are still presented on a gross basis. Notional amounts of client-cleared ETD and OTC transactions through central clearing counterparties are not disclosed, as they have a significantly different risk profile. 2 Other notional values relate to derivatives that are cleared through either a central counterparty or an exchange and settled on a daily basis. The fair value of these derivatives is presented on the balance sheet net of the corresponding cash margin under Cash collateral receivables on derivative instruments and Cash collateral payables on derivative instruments and was not material for all periods presented. 3 Includes Loan commitments measured at FVTPL, as well as unsettled purchases and sales of non-derivative financial instruments for which the changes in the fair value between trade date and settlement date are recognized as derivative financial instruments. 4 Financial assets and liabilities are presented net on the balance sheet if UBS has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. 5 Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023 for more information.

b) Cash collateral on derivative instruments

USD bn	Receivables 30.9.24	Payables 30.9.24	Receivables 30.6.24	Payables 30.6.24	Receivables 31.12.23	Payables 31.12.23
Cash collateral on derivative instruments, based on netting under IFRS Accounting Standards[1]	47.2	34.3	43.6	33.7	32.3	34.9
Further netting potential not recognized on the balance sheet[2]	(28.7)	(18.7)	(27.2)	(19.8)	(22.8)	(20.6)
of which: netting of recognized financial liabilities / assets	*(26.4)*	*(16.4)*	*(24.6)*	*(17.3)*	*(20.4)*	*(17.2)*
of which: netting with collateral received / pledged	*(2.3)*	*(2.3)*	*(2.5)*	*(2.5)*	*(2.5)*	*(3.4)*
Cash collateral on derivative instruments, after consideration of further netting potential	18.5	15.5	16.5	13.9	9.5	14.3

1 Financial assets and liabilities are presented net on the balance sheet if UBS has the unconditional and legally enforceable right to offset the recognized amounts, both in the normal course of business and in the event of default, bankruptcy or insolvency of UBS or its counterparties, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. 2 Reflects the netting potential in accordance with enforceable master netting and similar arrangements where not all criteria for a net presentation on the balance sheet have been met. Refer to "Note 21 Offsetting financial assets and financial liabilities" in the "Consolidated financial statements" section of the UBS AG Annual Report 2023 for more information.

Note 12 Other assets and liabilities

a) Other financial assets measured at amortized cost

USD m	30.9.24	30.6.24	31.12.23
Debt securities	42,175	41,487	43,245
Loans to financial advisors	2,677	2,601	2,615
Fee- and commission-related receivables	2,609	2,482	1,883
Finance lease receivables	6,425	6,068	1,427
Settlement and clearing accounts	461	534	311
Accrued interest income	2,319	2,648	2,004
Other[1]	4,901	5,006	2,849
Total other financial assets measured at amortized cost	61,566	60,826	54,334

1 Predominantly includes cash collateral provided to exchanges and clearing houses to secure securities trading activity through those counterparties.

b) Other non-financial assets

USD m	30.9.24	30.6.24	31.12.23
Precious metals and other physical commodities	6,965	6,445	4,426
Deposits and collateral provided in connection with litigation, regulatory and similar matters[1]	2,060	1,969	1,379
Prepaid expenses	1,382	1,420	1,062
Current tax assets	1,802	1,832	184
VAT, withholding tax and other tax receivables	1,168	965	561
Properties and other non-current assets held for sale	234	151	105
Assets of disposal groups held for sale[2]	1,841		
Other	2,254	2,334	660
Total other non-financial assets	17,707	15,117	8,377

1 Refer to Note 16 for more information. 2 Refer to Note 2 for more information about the agreement to sell Select Portfolio Servicing.

c) Other financial liabilities measured at amortized cost

USD m	30.9.24	30.6.24	31.12.23
Other accrued expenses	2,808	2,761	1,613
Accrued interest expenses	6,421	6,795	4,186
Settlement and clearing accounts	1,763	1,797	1,314
Lease liabilities	4,295	4,323	2,904
Other	6,636	6,449	2,695
Total other financial liabilities measured at amortized cost	21,923	22,125	12,713

d) Other financial liabilities designated at fair value

USD m	30.9.24	30.6.24	31.12.23
Financial liabilities related to unit-linked investment contracts	18,389	17,080	15,922
Securities financing transactions	10,893	7,801	6,927
Over-the-counter debt instruments and other	6,082	7,096	1,566
Funding from UBS Group AG[1]	5,691	4,857	2,950
Total other financial liabilities designated at fair value	41,055	36,834	27,366

1 Funding from UBS Group AG consists of subordinated debt of UBS AG and its subsidiaries toward UBS Group AG. Subordinated debt consists of unsecured debt obligations that are contractually subordinated in right of payment to all other present and future non-subordinated obligations of the respective issuing entity.

e) Other non-financial liabilities

USD m	30.9.24	30.6.24	31.12.23
Compensation-related liabilities	6,567	5,506	4,526
of which: net defined benefit liability	*733*	*695*	*487*
Current tax liabilities	1,119	1,219	932
Deferred tax liabilities	285	288	162
VAT, withholding tax and other tax payables	972	949	712
Deferred income	717	841	276
Liabilities of disposal groups held for sale[1]	1,291		
Other	303	482	74
Total other non-financial liabilities	11,253	9,285	6,682

1 Refer to Note 2 for more information about the agreement to sell Select Portfolio Servicing.

Note 13 Funding from UBS Group AG measured at amortized cost

USD m	30.9.24	30.6.24	31.12.23
Debt contributing to total loss-absorbing capacity (TLAC)	90,959	93,711	51,102
Debt eligible as high-trigger loss-absorbing additional tier 1 capital instruments	15,012	13,907	11,286
Debt eligible as low-trigger loss-absorbing additional tier 1 capital instruments	1,239	1,225	1,212
Other[1]	5,053	2,882	3,682
Total funding from UBS Group AG measured at amortized cost[2,3]	112,262	111,725	67,282

1 Includes debt no longer eligible as TLAC having a residual maturity of less than one year and high-trigger loss-absorbing additional tier 1 capital instruments that ceased to be eligible when UBS Group AG issued notice of redemption. 2 Consists of subordinated debt of UBS AG and its subsidiaries toward UBS Group AG. Subordinated debt consists of unsecured debt obligations that are contractually subordinated in right of payment to all other present and future non-subordinated obligations of the respective issuing entity. 3 UBS AG has also recognized funding from UBS Group AG that is designated at fair value. Refer to Note 12d for more information.

Note 14 Debt issued designated at fair value

USD m	30.9.24	30.6.24	31.12.23
Equity-linked[1]	56,691	55,911	46,269
Rates-linked	22,466	25,811	16,880
Credit-linked	5,990	6,510	4,506
Fixed-rate	15,811	15,271	14,295
Commodity-linked	3,638	3,507	3,704
Other	1,930	1,396	687
Total debt issued designated at fair value[2]	106,527	108,405	86,341

1 Includes investment fund unit-linked instruments issued. 2 As of 30 September 2024, 99% of Total debt issued designated at fair value was unsecured (as of 30 June 2024: 99%).

Note 15 Debt issued measured at amortized cost

USD m	30.9.24	30.6.24	31.12.23
Short-term debt[1]	33,851	34,944	37,285
Senior unsecured debt	35,348	39,685	18,450
Covered bonds	10,265	8,583	1,006
Subordinated debt	720	715	3,008
of which: eligible as non-Basel III-compliant tier 2 capital instruments	*289*	*536*	*538*
Debt issued through the Swiss central mortgage institutions	28,807	27,010	10,035
Other long-term debt	468	1,583	
Long-term debt[2]	75,609	77,576	32,499
Total debt issued measured at amortized cost[3,4]	109,460	112,520	69,784

1 Debt with an original contractual maturity of less than one year, includes mainly certificates of deposit and commercial paper. 2 Debt with an original contractual maturity greater than or equal to one year. The classification of debt issued into short-term and long-term does not consider any early redemption features. 3 Net of bifurcated embedded derivatives, the fair value of which was not material for the periods presented. 4 Except for Covered bonds (100% secured), Debt issued through the Swiss central mortgage institutions (100% secured) and Other long-term debt (88% secured), 100% of the balance was unsecured as of 30 September 2024.

Note 16 Provisions and contingent liabilities

a) Provisions

The table below presents an overview of total provisions.

USD m	30.9.24	30.6.24	31.12.23
Provisions other than provisions for expected credit losses	4,672	4,433	2,336
Provisions for expected credit losses[1]	337	330	188
Total provisions	5,009	4,763	2,524

1 Refer to Note 9c for more information about ECL provisions recognized for off-balance sheet financial instruments and credit lines.

The table below presents additional information for provisions other than provisions for expected credit losses.

USD m	Litigation, regulatory and similar matters[1]	Restructuring[2]	Real estate[3]	Other[4]	Total
Balance as of 31 December 2023	1,810	209	135	181	2,336
Balance as of 30 June 2024	3,174	760	212	287	4,433
Increase in provisions recognized in the income statement	167	197	4	23	391
Release of provisions recognized in the income statement	(37)	(30)	(2)	(12)	(81)
Reclassifications	86[5]	0	0	0	86
Provisions used in conformity with designated purpose	(70)	(186)	(3)	(12)	(271)
Foreign currency translation and other movements	60	34	12	8	114
Balance as of 30 September 2024	3,381	775	223	294	4,672

1 Consists of provisions for losses resulting from legal, liability and compliance risks. 2 Consists of USD 482m of provisions for onerous contracts related to real estate as of 30 September 2024 (30 June 2024: USD 461m; 31 December 2023: USD 146m), USD 272m of personnel-related restructuring provisions as of 30 September 2024 (30 June 2024: USD 299m; 31 December 2023: USD 64m) and onerous contracts related to technology. 3 Mainly includes provisions for reinstatement costs with respect to leased properties. 4 Mainly includes provisions related to employee benefits and operational risks. 5 Mainly includes a reclassification from derivative liabilities to IAS 37 provisions reflecting the funding obligation relating to investors who did not accept the redemption offer for the Credit Suisse supply chain finance funds.

Information about provisions and contingent liabilities in respect of litigation, regulatory and similar matters, as a class, is included in Note 16b. There are no material contingent liabilities associated with the other classes of provisions.

b) Litigation, regulatory and similar matters

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. "UBS", "we" and "our", for purposes of this Note, refer to UBS AG and / or one or more of its subsidiaries, as applicable.

Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where UBS may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which UBS believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. UBS makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that UBS has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against UBS, but are nevertheless expected to be, based on UBS's experience with similar asserted claims. If any of those conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to such matters could be significant. Developments relating to a matter that occur after the relevant reporting period, but prior to the issuance of financial statements, which affect management's assessment of the provision for such matter (because, for example, the developments provide evidence of conditions that existed at the end of the reporting period), are adjusting events after the reporting period under IAS 10 and must be recognized in the financial statements for the reporting period.

Specific litigation, regulatory and other matters are described below, including all such matters that management considers to be material and others that management believes to be of significance to UBS due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

Note 16 Provisions and contingent liabilities (continued)

In the case of certain matters below, we state that we have established a provision, and for the other matters, we make no such statement. When we make this statement and we expect disclosure of the amount of a provision to prejudice seriously our position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, we do not disclose that amount. In some cases we are subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which we do not state whether we have established a provision, either: (a) we have not established a provision; or (b) we have established a provision but expect disclosure of that fact to prejudice seriously our position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which we have established provisions, we are able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which we are able to estimate expected timing is immaterial relative to our current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in the "Provisions" table in Note 15a above. UBS provides below an estimate of the aggregate liability for our litigation, regulatory and similar matters as a class of contingent liabilities. Estimates of contingent liabilities are inherently imprecise and uncertain as these estimates require UBS to make speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Taking into account these uncertainties and the other factors described herein, UBS estimates the future losses that could arise from litigation, regulatory and similar matters disclosed below for which an estimate is possible, that are not covered by existing provisions are in the range of USD 0bn to USD 4.2bn.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. A guilty plea to, or conviction of, a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations, and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

Provisions for litigation, regulatory and similar matters, by business division and in Group Items[1]

USD m	Global Wealth Management	Personal & Corporate Banking	Asset Management	Investment Bank	Non-core and Legacy	Group Items	UBS AG
Balance as of 31 December 2023	1,220	156	12	286	4	132	1,810
Balance as of 30 June 2024	1,199	152	2	280	1,406	135	3,174
Increase in provisions recognized in the income statement	21	0	6	1	139	0	167
Release of provisions recognized in the income statement	(4)	0	0	(2)	(32)	0	(37)
Reclassifications[2]	0	0	0	0	86	0	86
Provisions used in conformity with designated purpose	(14)	0	(6)	(3)	(46)	(1)	(70)
Foreign currency translation and other movements	43	6	0	7	4	0	60
Balance as of 30 September 2024	1,247	157	2	283	1,557	135	3,381

1 Provisions, if any, for the matters described in items 2 and 10 of this Note are recorded in Global Wealth Management. Provisions, if any, for the matters described in items 5, 6, 7, 8, 9 and 11 of this Note are recorded in Non-core and Legacy. Provisions, if any, for the matters described in item 1 of this Note are allocated between Global Wealth Management, Personal & Corporate Banking and Non-core and Legacy. Provisions, if any, for the matters described in item 3 of this Note are allocated between the Investment Bank, Non-core and Legacy and Group Items. Provisions, if any, for the matters described in item 4 of this Note are allocated between Global Wealth Management and Personal & Corporate Banking. Provisions, if any, for the matters described in item 12 of this Note are allocated between the Investment Bank and Non-core and Legacy. 2 Mainly includes a reclassification from derivative liabilities to IAS 37 provisions reflecting the funding obligation relating to investors who did not accept the redemption offer for the Credit Suisse supply chain finance funds.

Note 16 Provisions and contingent liabilities (continued)

1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. Credit Suisse offices in various locations, including the UK, the Netherlands, France and Belgium, have been contacted by regulatory and law enforcement authorities seeking records and information concerning investigations into Credit Suisse's historical private banking services on a cross-border basis and in part through its local branches and banks. The UK and French aspects of these issues have been closed. UBS is continuing to cooperate with the authorities.

Since 2013, UBS (France) S.A., UBS AG and certain former employees have been under investigation in France in relation to UBS's cross-border business with French clients. In connection with this investigation, the investigating judges ordered UBS AG to provide bail ("*caution*") of EUR 1.1bn.

In 2019, the court of first instance returned a verdict finding UBS AG guilty of unlawful solicitation of clients on French territory and aggravated laundering of the proceeds of tax fraud, and UBS (France) S.A. guilty of aiding and abetting unlawful solicitation and of laundering the proceeds of tax fraud. The court imposed fines aggregating EUR 3.7bn on UBS AG and UBS (France) S.A. and awarded EUR 800m of civil damages to the French state. A trial in the Paris Court of Appeal took place in March 2021. In December 2021, the Court of Appeal found UBS AG guilty of unlawful solicitation and aggravated laundering of the proceeds of tax fraud. The court ordered a fine of EUR 3.75m, the confiscation of EUR 1bn, and awarded civil damages to the French state of EUR 800m. UBS appealed the decision to the French Supreme Court. The Supreme Court rendered its judgment on 15 November 2023. It upheld the Court of Appeal's decision regarding unlawful solicitation and aggravated laundering of the proceeds of tax fraud, but overturned the confiscation of EUR 1bn, the penalty of EUR 3.75m and the EUR 800m of civil damages awarded to the French state. The case has been remanded to the Court of Appeal for a retrial regarding these overturned elements. The French state has reimbursed the EUR 800m of civil damages to UBS AG.

In May 2014, Credit Suisse entered into settlement agreements with the SEC, Federal Reserve and New York Department of Financial Services and plead guilty to conspiring to aid and abet US taxpayers in filing false tax returns. Credit Suisse continued to report to and cooperate with US authorities in accordance with its obligations under the plea and agreements, including by conducting a review of cross-border services provided by Credit Suisse. In this connection, Credit Suisse provided information to US authorities regarding potentially undeclared US assets held by clients at Credit Suisse since the May 2014 plea. UBS continues to cooperate with the authorities in their ongoing reviews. In March 2023, the US Senate Finance Committee issued a report criticizing Credit Suisse AG's history regarding US tax compliance. The report called on the DOJ to investigate Credit Suisse AG's compliance with the 2014 plea.

In February 2021, a qui tam complaint was filed in the Eastern District of Virginia, alleging that Credit Suisse had violated the False Claims Act by failing to disclose all US accounts at the time of the 2014 plea, which allegedly allowed Credit Suisse to pay a criminal fine in 2014 that was purportedly lower than it should have been. The DOJ moved to dismiss the case, and the Court summarily dismissed the suit. On appeal, the US Court of Appeals for the Fourth Circuit affirmed the dismissal of the action.

Our balance sheet at 30 September 2024 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

2. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC (BMIS) investment fraud, UBS AG, UBS (Luxembourg) S.A. (now UBS Europe SE, Luxembourg branch) and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including the Swiss Financial Market Supervisory Authority (FINMA) and the Luxembourg Commission de Surveillance du Secteur Financier. Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds faced severe losses, and the Luxembourg funds are in liquidation. The documentation establishing both funds identifies UBS entities in various roles, including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members.

In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims against UBS entities, non-UBS entities and certain individuals, including current and former UBS employees, seeking amounts totaling approximately EUR 2.1bn, which includes amounts that the funds may be held liable to pay the trustee for the liquidation of BMIS (BMIS Trustee).

A large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff fraud. The majority of these cases have been filed in Luxembourg, where decisions that the claims in eight test cases were inadmissible have been affirmed by the Luxembourg Court of Appeal, and the Luxembourg Supreme Court has dismissed a further appeal in one of the test cases.

In the US, the BMIS Trustee filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2bn. In 2014, the US Supreme Court rejected the BMIS Trustee's motion for leave to appeal decisions dismissing all claims against UBS defendants except those for the recovery of approximately USD 125m of payments alleged to be fraudulent conveyances and preference payments. Similar claims have been filed against Credit Suisse entities seeking to recover redemption payments. In 2016, the bankruptcy court dismissed these claims against the UBS entities and most of the Credit Suisse entities. In 2019, the Court of Appeals reversed the dismissal of the BMIS Trustee's remaining claims. The case has been remanded to the Bankruptcy Court for further proceedings.

3. Foreign exchange, LIBOR and benchmark rates, and other trading practices

Foreign exchange-related regulatory matters: Beginning in 2013, numerous authorities commenced investigations concerning possible manipulation of foreign exchange markets and precious metals prices. As a result of these investigations, UBS entered into resolutions with Swiss, US and United Kingdom regulators and the European Commission. UBS was granted conditional immunity by the Antitrust Division of the DOJ and by authorities in other jurisdictions in connection with potential competition law violations relating to foreign exchange and precious metals businesses. In December 2021, the European Commission issued a decision imposing a fine of EUR 83.3m on Credit Suisse entities based on findings of anticompetitive practices in the foreign exchange market. Credit Suisse has appealed the decision to the European General Court. UBS received leniency and accordingly no fine was assessed.

Foreign exchange-related civil litigation: Putative class actions have been filed since 2013 in US federal courts and in other jurisdictions against UBS, Credit Suisse and other banks on behalf of putative classes of persons who engaged in foreign currency transactions with any of the defendant banks. UBS and Credit Suisse have resolved US federal court class actions relating to foreign currency transactions with the defendant banks and persons who transacted in foreign exchange futures contracts and options on such futures. Certain class members have excluded themselves from that settlement and filed individual actions in US and English courts against UBS, Credit Suisse and other banks, alleging violations of US and European competition laws and unjust enrichment. UBS, Credit Suisse and the other banks have resolved those individual matters. Credit Suisse and UBS, together with other financial institutions, were named in a consolidated putative class action in Israel, which made allegations similar to those made in the actions pursued in other jurisdictions. In April 2022, Credit Suisse entered into an agreement to settle all claims in this action. In February 2024, UBS entered into an agreement to settle all claims in this action. Both settlements remain subject to court approval.

A putative class action was filed in federal court against UBS and numerous other banks on behalf of persons and businesses in the US who directly purchased foreign currency from the defendants and alleged co-conspirators for their own end use. In May 2024, the Second Circuit upheld the district court's dismissal of the case.

LIBOR and other benchmark-related regulatory matters: Numerous government agencies conducted investigations regarding potential improper attempts by UBS, among others, to manipulate LIBOR and other benchmark rates at certain times. UBS and Credit Suisse reached settlements or otherwise concluded investigations relating to benchmark interest rates with the investigating authorities. UBS was granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ and the Swiss Competition Commission (WEKO), in connection with potential antitrust or competition law violations related to certain rates. However, UBS has not reached a final settlement with WEKO, as the Secretariat of WEKO has asserted that UBS does not qualify for full immunity.

Note 16 Provisions and contingent liabilities (continued)

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are a number of other actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. The complaints allege manipulation, through various means, of certain benchmark interest rates, including USD LIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, GBP LIBOR and seek unspecified compensatory and other damages under various legal theories.

USD LIBOR class and individual actions in the US: Beginning in 2013, putative class actions were filed in US federal district courts (and subsequently consolidated in the SDNY) by plaintiffs who engaged in over-the-counter instruments, exchange traded Eurodollar futures and options, bonds or loans that referenced USD LIBOR. The complaints allege violations of antitrust law and the Commodities Exchange Act, as well breach of contract and unjust enrichment. Following various rulings by the district court and the Second Circuit dismissing certain of the causes of action and allowing others to proceed, one class action with respect to transactions in over-the-counter instruments and several actions brought by individual plaintiffs are proceeding in the district court. UBS and Credit Suisse have entered into settlement agreements in respect of the class actions relating to exchange traded instruments, bonds and loans. These settlements have received final court approval and the actions have been dismissed as to UBS and Credit Suisse. In addition, an individual action was filed in the Northern District of California against UBS, Credit Suisse and numerous other banks alleging that the defendants conspired to fix the interest rate used as the basis for loans to consumers by jointly setting the USD ICE LIBOR rate and monopolized the market for LIBOR-based consumer loans and credit cards. The court dismissed the initial complaint and subsequently dismissed an amended complaint with prejudice. In January 2024, plaintiffs appealed the dismissal to the Ninth Circuit Court of Appeals.

Other benchmark class actions in the US: The Yen LIBOR/Euroyen TIBOR, EURIBOR and GBP LIBOR actions have been dismissed. Plaintiffs have appealed the dismissals.

In November 2022, defendants have moved to dismiss the complaint in the CHF LIBOR action. In 2023, the court approved a settlement by Credit Suisse of the claims against it in this matter.

Government bonds: In 2021, the European Commission issued a decision finding that UBS and six other banks breached European Union antitrust rules between 2007 and 2011 relating to European government bonds. The European Commission fined UBS EUR 172m. UBS has appealed the amount of the fine. Also in 2021, the European Commission issued a decision finding that Credit Suisse and four other banks had breached European Union antitrust rules relating to supra-sovereign, sovereign and agency bonds denominated in USD. The European Commission fined Credit Suisse EUR 11.9m. Credit Suisse appealed the decision. On 6 November 2024, the EU General Court issued its decision denying Credit Suisse's appeal.

Credit Suisse, together with other financial institutions, was named in two Canadian putative class actions, which allege that defendants conspired to fix the prices of supranational, sub-sovereign and agency bonds sold to and purchased from investors in the secondary market. One action was dismissed against Credit Suisse in February 2020. In October 2022, Credit Suisse entered into an agreement to settle all claims in the second action. The settlement remains subject to court approval.

Credit default swap auction litigation – In June 2021, Credit Suisse, along with other banks and entities, was named in a putative class action complaint filed in the US District Court for the District of New Mexico alleging manipulation of credit default swap (CDS) final auction prices. Defendants filed a motion to enforce a previous CDS class action settlement in the SDNY. In January 2024, the SDNY ruled that, to the extent claims in the New Mexico action arise from conduct prior to 30 June 2014, those claims are barred by the SDNY settlement. The plaintiffs have appealed the SDNY decision.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, our balance sheet at 30 September 2024 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

4. Swiss retrocessions

The Federal Supreme Court of Switzerland ruled in 2012, in a test case against UBS, that distribution fees paid to a firm for distributing third-party and intra-group investment funds and structured products must be disclosed and surrendered to clients who have entered into a discretionary mandate agreement with the firm, absent a valid waiver. FINMA issued a supervisory note to all Swiss banks in response to the Supreme Court decision. UBS has met the FINMA requirements and has notified all potentially affected clients.

The Supreme Court decision has resulted, and continues to result, in a number of client requests to disclose and potentially surrender retrocessions. Client requests are assessed on a case-by-case basis. Considerations taken into account when assessing these cases include, among other things, the existence of a discretionary mandate and whether or not the client documentation contained a valid waiver with respect to distribution fees.

Our balance sheet at 30 September 2024 reflected a provision with respect to matters described in this item 4 in an amount that UBS believes to be appropriate under the applicable accounting standard. The ultimate exposure will depend on client requests and the resolution thereof, factors that are difficult to predict and assess. Hence, as in the case of other matters for which we have established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that we have recognized.

5. Mortgage-related matters

Government and regulatory related matters: *DOJ RMBS settlement* – In January 2017, Credit Suisse Securities (USA) LLC (CSS LLC) and its current and former US subsidiaries and US affiliates reached a settlement with the US Department of Justice (DOJ) related to its legacy Residential Mortgage-Backed Securities (RMBS) business, a business conducted through 2007. The settlement resolved potential civil claims by the DOJ related to certain of those Credit Suisse entities' packaging, marketing, structuring, arrangement, underwriting, issuance and sale of RMBS. Pursuant to the terms of the settlement a civil monetary penalty was paid to the DOJ in January 2017. The settlement also required the Credit Suisse entities to provide certain levels of consumer relief measures, including affordable housing payments and loan forgiveness, and the DOJ and Credit Suisse agreed to the appointment of an independent monitor to oversee the completion of the consumer relief requirements of the settlement. UBS continues to evaluate its approach toward satisfying the remaining consumer relief obligations. The aggregate amount of the consumer relief obligation increased after 2021 by 5% per annum of the outstanding amount due until these obligations are settled. The monitor publishes reports periodically on these consumer relief matters.

Civil litigation: Repurchase litigations – Credit Suisse affiliates are defendants in various civil litigation matters related to their roles as issuer, sponsor, depositor, underwriter and/or servicer of RMBS transactions. These cases currently include repurchase actions by RMBS trusts and/or trustees, in which plaintiffs generally allege breached representations and warranties in respect of mortgage loans and failure to repurchase such mortgage loans as required under the applicable agreements. The amounts disclosed below do not reflect actual realized plaintiff losses to date. Unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions.

DLJ Mortgage Capital, Inc. (DLJ) is a defendant in New York state court in five actions: An action brought by Asset Backed Securities Corporation Home Equity Loan Trust, Series 2006-HE7 alleges damages of not less than USD 374m. In December 2023, the court granted in part DLJ's motion to dismiss, dismissing with prejudice all notice-based claims; the parties have appealed. An action by Home Equity Asset Trust, Series 2006-8, alleges damages of not less than USD 436m. An action by Home Equity Asset Trust 2007-1 alleges damages of not less than USD 420m. A non-jury trial in this action was held between January and February 2023, and a decision is pending. An action by Home Equity Asset Trust 2007-2 alleges damages of not less than USD 495m. An action by CSMC Asset-Backed Trust 2007-NC1 does not allege a damages amount.

6. ATA litigation

Since November 2014, a series of lawsuits have been filed against a number of banks, including Credit Suisse, in the US District Court for the Eastern District of New York (EDNY) and the SDNY alleging claims under the United States Anti-Terrorism Act (ATA) and the Justice Against Sponsors of Terrorism Act. The plaintiffs in each of these lawsuits are, or are relatives of, victims of various terrorist attacks in Iraq and allege a conspiracy and/or aiding and abetting based on allegations that various international financial institutions, including the defendants, agreed to alter, falsify or omit information from payment messages that involved Iranian parties for the express purpose of concealing the Iranian parties' financial activities and transactions from detection by US authorities. The lawsuits allege that this conduct has made it possible for Iran to transfer funds to Hezbollah and other terrorist organizations actively engaged in harming US military personnel and civilians. In January 2023, the United States Court of Appeals for the Second Circuit affirmed a September 2019 ruling by the EDNY granting defendants' motion to dismiss the first filed lawsuit. In October 2023, the United States Supreme Court denied plaintiffs' petition for a writ of certiorari. In February 2024, plaintiffs filed a motion to vacate the judgment in the first filed lawsuit. Of the other seven cases, four are stayed, including one that was dismissed as to Credit Suisse and most of the bank defendants prior to entry of the stay, and in three plaintiffs have filed amended complaints.

7. Customer account matters

Several clients have claimed that a former relationship manager in Switzerland had exceeded his investment authority in the management of their portfolios, resulting in excessive concentrations of certain exposures and investment losses. Credit Suisse AG has investigated the claims, as well as transactions among the clients. Credit Suisse AG filed a criminal complaint against the former relationship manager with the Geneva Prosecutor's Office upon which the prosecutor initiated a criminal investigation. Several clients of the former relationship manager also filed criminal complaints with the Geneva Prosecutor's Office. In February 2018, the former relationship manager was sentenced to five years in prison by the Geneva criminal court for fraud, forgery and criminal mismanagement and ordered to pay damages of approximately USD 130m. On appeal, the Criminal Court of Appeals of Geneva and, subsequently, the Swiss Federal Supreme Court upheld the main findings of the Geneva criminal court.

Civil lawsuits have been initiated against Credit Suisse AG and/or certain affiliates in various jurisdictions, based on the findings established in the criminal proceedings against the former relationship manager.

In Singapore, in a civil lawsuit against Credit Suisse Trust Limited, the Singapore International Commercial Court issued a judgment finding for the plaintiffs and, in September 2023, the court awarded damages of USD 742.73m, excluding post-judgment interest. This figure does not exclude potential overlap with the Bermuda proceedings against Credit Suisse Life (Bermuda) Ltd., described below, and the court ordered the parties to ensure that there shall be no double recovery in relation to this award and the Bermuda proceedings. On appeal from this judgment, in July 2024, the court ordered some changes to the calculation of damages and directed the parties to agree adjustments to the award. The court ordered a revised award of USD 461m, including interest and costs, in October 2024.

In Bermuda, in the civil lawsuit brought against Credit Suisse Life (Bermuda) Ltd., the Supreme Court of Bermuda issued a judgment finding for the plaintiff and awarded damages of USD 607.35m to the plaintiff. Credit Suisse Life (Bermuda) Ltd. appealed the decision and in June 2023, the Bermuda Court of Appeal confirmed the award issued by the Supreme Court of Bermuda and the finding that Credit Suisse Life (Bermuda) Ltd. had breached its contractual and fiduciary duties, but overturning the finding that Credit Suisse Life (Bermuda) Ltd. had made fraudulent misrepresentations. In March 2024, the Bermuda Court of Appeal granted a motion by Credit Suisse Life (Bermuda) Ltd for leave to appeal the judgment to the Judicial Committee of the Privy Council and the notice of such appeal was filed. The Court of Appeal also ordered that the current stay continue pending determination of the appeal on the condition that the damages awarded remain within the escrow account plus interest calculated at the Bermuda statutory rate of 3.5%. In December 2023, USD 75m was released from the escrow account and paid to plaintiffs.

In Switzerland, civil lawsuits have been commenced against Credit Suisse AG in the Court of First Instance of Geneva, with statements of claim served in March 2023 and March 2024.

8. Mozambique matter

Credit Suisse was subject to investigations by regulatory and enforcement authorities, as well as civil litigation, regarding certain Credit Suisse entities' arrangement of loan financing to Mozambique state enterprises, Proindicus S.A. and Empresa Moçambicana de Atum S.A. (EMATUM), a distribution to private investors of loan participation notes (LPN) related to the EMATUM financing in September 2013, and certain Credit Suisse entities' subsequent role in arranging the exchange of those LPNs for Eurobonds issued by the Republic of Mozambique. In 2019, three former Credit Suisse employees pleaded guilty in the EDNY to accepting improper personal benefits in connection with financing transactions carried out with two Mozambique state enterprises.

In October 2021, Credit Suisse reached settlements with the DOJ, the US Securities and Exchange Commission (SEC), the UK Financial Conduct Authority (FCA) and FINMA to resolve inquiries by these agencies, including findings that Credit Suisse failed to appropriately organize and conduct its business with due skill and care, and manage risks. Credit Suisse Group AG entered into a three-year Deferred Prosecution Agreement (DPA) with the DOJ in connection with the criminal information charging Credit Suisse Group AG with conspiracy to commit wire fraud and CSSEL entered into a Plea Agreement and pleaded guilty to one count of conspiracy to violate the US federal wire fraud statute. Under the terms of the DPA, UBS Group AG (as successor to Credit Suisse Group AG) continued compliance enhancement and remediation efforts agreed by Credit Suisse, and undertake additional measures as outlined in the DPA. If the DPA's conditions are complied with, the charges will be dismissed within six months of the end of the DPA's three-year term.

9. ETN-related litigation

XIV litigation: Since March 2018, three class action complaints were filed in the SDNY on behalf of a putative class of purchasers of VelocityShares Daily Inverse VIX Short Term Exchange Traded Notes linked to the S&P 500 VIX Short-Term Futures Index (XIV ETNs). The complaints have been consolidated and asserts claims against Credit Suisse for violations of various anti-fraud and anti-manipulation provisions of US securities laws arising from a decline in the value of XIV ETNs in February 2018. On appeal from an order of the SDNY dismissing all claims, the Second Circuit issued an order that reinstated a portion of the claims. In decisions in March 2023 and March 2024, the court denied class certification for two of the three classes proposed by plaintiffs and certified the third proposed class.

10. Bulgarian former clients matter

In December 2020, the Swiss Office of the Attorney General brought charges against Credit Suisse AG and other parties concerning the diligence and controls applied to a historical relationship with Bulgarian former clients who are alleged to have laundered funds through Credit Suisse AG accounts. In June 2022, following a trial, Credit Suisse AG was convicted in the Swiss Federal Criminal Court of certain historical organizational inadequacies in its anti-money laundering framework and ordered to pay a fine of CHF 2m. In addition, the court seized certain client assets in the amount of approximately CHF 12m and ordered Credit Suisse AG to pay a compensatory claim in the amount of approximately CHF 19m. Credit Suisse AG appealed the decision to the Swiss Federal Court of Appeals. Following the merger of UBS AG and Credit Suisse AG, UBS AG confirmed the appeal. The trial before the Federal Court of Appeals occurred in October 2024.

11. Supply chain finance funds

Credit Suisse has received requests for documents and information in connection with inquiries, investigations, enforcement and other actions relating to the supply chain finance funds (SCFFs) matter by FINMA, the FCA and other regulatory and governmental agencies. The Luxembourg Commission de Surveillance du Secteur Financier is reviewing the matter and has commissioned a report from a third party. Credit Suisse is cooperating with these authorities.

In February 2023, FINMA announced the conclusion of its enforcement proceedings against Credit Suisse in connection with the SCFFs matter. In its order, FINMA reported that Credit Suisse had seriously breached applicable Swiss supervisory laws in this context with regard to risk management and appropriate operational structures. While FINMA recognized that Credit Suisse had already taken extensive organizational measures to strengthen its governance and control processes, FINMA ordered certain additional remedial measures. These include a requirement that Credit Suisse documents the responsibilities of approximately 600 of its highest-ranking managers. This measure has been made applicable to UBS Group. FINMA has also separately opened four enforcement proceedings against former managers of Credit Suisse.

In May 2023, FINMA opened an enforcement proceeding against Credit Suisse in order to confirm compliance with supervisory requirements in response to inquiries from FINMA's enforcement division in the SCFFs matter.

The Attorney General of the Canton of Zurich has initiated a criminal procedure in connection with the SCFFs matter and several fund investors have joined the procedure as interested parties. Certain former and active Credit Suisse employees, among others, have been named as accused persons, but Credit Suisse itself was not made a party to the proceeding.

Certain civil actions have been filed by fund investors and other parties against Credit Suisse and/or certain officers and directors in various jurisdictions, which make allegations including mis-selling and breaches of duties of care, diligence and other fiduciary duties. In June 2024, the Credit Suisse SCFFs made a voluntary offer to the SCFFs investors to redeem all outstanding fund units. The offer expired on 31 July 2024, and fund units representing around 92% of the SCFFs' net asset value were tendered in the offer and accepted. Fund units accepted in the offer were redeemed at 90% of the net asset value determined on 25 February 2021, net of any payments made by the relevant fund to the fund investors since that time. Investors whose units were redeemed released any claims they may have had against the SCFFs, Credit Suisse or UBS. The offer was funded by UBS through the purchase of units of feeder sub-funds.

Note 16 Provisions and contingent liabilities (continued)

12. Archegos

Credit Suisse and UBS have received requests for documents and information in connection with inquiries, investigations and/or actions relating to their relationships with Archegos Capital Management (Archegos), including from FINMA (assisted by a third party appointed by FINMA), the DOJ, the SEC, the US Federal Reserve, the US Commodity Futures Trading Commission (CFTC), the US Senate Banking Committee, the Prudential Regulation Authority (PRA), the FCA, COMCO, the Hong Kong Competition Commission and other regulatory and governmental agencies. UBS is cooperating with the authorities in these matters. In July 2023, CSI and CSSEL entered into a settlement agreement with the PRA providing for the resolution of the PRA's investigation. Also in July 2023, FINMA issued a decree ordering remedial measures and the Federal Reserve Board issued an Order to Cease and Desist. Under the terms of the order, Credit Suisse paid a civil money penalty and agreed to undertake certain remedial measures relating to counterparty credit risk management, liquidity risk management and non-financial risk management, as well as enhancements to board oversight and governance. UBS Group, as the legal successor to Credit Suisse Group AG, is a party to the FINMA decree and Federal Reserve Board Cease and Desist Order.

Civil actions relating to Credit Suisse's relationship with Archegos have been filed against Credit Suisse and/or certain officers and directors, including claims for breaches of fiduciary duties.

Note 17 Events after the reporting period

In October 2024, UBS entered into an agreement to sell to American Express Swiss Holdings GmbH (American Express) its 50% interest in Swisscard AECS GmbH (Swisscard), a joint venture between UBS and American Express in Switzerland. In addition, UBS and Swisscard entered into an agreement to transition the Credit Suisse-branded card portfolios to UBS. Both transactions are subject to certain closing conditions and are not expected to have a material impact for UBS.

Comparison between UBS AG consolidated and UBS Group AG consolidated

The table below provides a comparison of selected financial and capital information of UBS AG consolidated and of UBS Group AG consolidated.

UBS AG and UBS Group AG both prepare consolidated financial statements in accordance with IFRS Accounting Standards. UBS Group AG has applied acquisition accounting as defined by IFRS 3, *Business Combinations*, to the acquisition of the Credit Suisse Group. The merger of UBS AG and Credit Suisse AG on 31 May 2024 has been accounted for as a business combination under common control, as defined in IFRS 3, using the historic carrying values of the assets and liabilities of Credit Suisse AG as at the date of the transaction (31 May 2024), determined under IFRS Accounting Standards. Therefore, differences exist between the accounting treatments applied at the UBS Group AG and UBS AG consolidated levels. There are also certain scope and presentation differences, as noted below.

› **Refer to Note 2 for more information about the accounting for the merger of UBS AG and Credit Suisse AG**

Assets, liabilities, revenues, operating expenses and tax expenses / (benefits) relating to UBS Group AG and its directly held subsidiaries, including UBS Business Solutions AG, are reflected in the consolidated financial statements of UBS Group AG but not in those of UBS AG. UBS AG's assets, liabilities, revenues and operating expenses related to transactions with UBS Group AG and its directly held subsidiaries, including UBS Business Solutions AG and other shared services subsidiaries, are not subject to elimination in the UBS AG consolidated financial statements, but are eliminated in the UBS Group AG consolidated financial statements.

In the third quarter of 2024, UBS AG consolidated recognized a net profit of USD 997m, while UBS Group AG consolidated recognized a net profit of USD 1,428m. The USD 431m difference was mainly due to certain purchase price allocation (PPA) effects recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group which resulted in net accretion income at the UBS Group AG level, net of tax effects, whereas UBS AG has not applied acquisition accounting and does not have the PPA effects or the corresponding net income. Other differences in net profit mainly arise as UBS Business Solutions AG and other shared services subsidiaries of UBS Group AG charge other legal entities within the UBS AG consolidation scope a markup on costs incurred for services provided.

The equity of UBS Group AG consolidated was USD 10.2bn lower than the equity of UBS AG consolidated as of 30 September 2024. This difference was mainly driven by PPA effects of USD 6.1bn recognized at the UBS Group AG level upon the acquisition of the Credit Suisse Group that did not impact UBS AG consolidated, primarily related to loans and loan commitments measured at amortized cost and contingent liabilities recognized under IFRS 3 for litigation, as well as consolidation scope differences of USD 4.1bn.

The going concern capital of UBS Group AG consolidated was USD 9.7bn lower than the going concern capital of UBS AG consolidated as of 30 September 2024, reflecting the common equity tier 1 (CET1) capital of UBS Group AG being lower by USD 10.2bn, partly offset by its going concern loss-absorbing additional tier 1 (AT1) capital being USD 0.6bn higher.

The USD 10.2bn lower CET1 capital of UBS Group AG consolidated was primarily due to UBS Group AG consolidated IFRS equity being USD 10.2bn lower, compensation-related regulatory capital accruals at the UBS Group AG level and a UBS Group AG capital reserve for potential share repurchases, partly offset by lower UBS Group AG accruals for dividends to shareholders.

Comparison between UBS AG consolidated and UBS Group AG consolidated

USD m, except where indicated	As of or for the quarter ended 30.9.24			As of or for the quarter ended 30.6.24		
	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)	UBS AG consolidated	UBS Group AG consolidated	Difference (absolute)
Income statement						
Total revenues	11,997	12,334	(336)	9,900	11,904	(2,003)
Credit loss expense / (release)	167	121	46	84	95	(11)
Operating expenses	10,640	10,283	357	10,012	10,340	(328)
Operating profit / (loss) before tax	1,191	1,929	(739)	(196)	1,469	(1,665)
Net profit / (loss)	997	1,428	(431)	(224)	1,175	(1,399)
Balance sheet						
Total assets	1,626,893	1,623,941	2,951	1,564,664	1,560,976	3,688
Total liabilities	1,529,071	1,536,352	(7,282)	1,470,417	1,476,758	(6,341)
Total equity	97,822	87,589	10,233	94,247	84,218	10,029
Capital information						
Common equity tier 1 capital	84,423	74,213	10,210	83,001	76,104	6,897
Going concern capital	100,673	91,024	9,650	98,133	91,804	6,329
Risk-weighted assets	515,520	519,363	(3,843)	509,953	511,376	(1,423)
Common equity tier 1 capital ratio (%)	16.4	14.3	2.1	16.3	14.9	1.4
Going concern capital ratio (%)	19.5	17.5	2.0	19.2	18.0	1.3
Total loss-absorbing capacity ratio (%)	38.2	37.5	0.7	38.6	38.7	0.0
Leverage ratio denominator	1,611,151	1,608,341	2,810	1,564,001	1,564,201	(200)
Common equity tier 1 leverage ratio (%)	5.2	4.6	0.6	5.3	4.9	0.4
Liquidity coverage ratio (%)[1]	196.3	199.2	(2.9)	194.1	212.0	(17.9)
Net stable funding ratio (%)	126.8	126.9	(0.1)	127.7	128.0	(0.3)

1 The disclosed ratios represent quarterly averages for the quarter presented and are calculated based on an average of 65 data points in the third quarter of 2024 and 61 data points in the second quarter of 2024, of which for UBS AG consolidated, 40 data points were before the merger of UBS AG and Credit Suisse AG (i.e. from 2 April 2024 until 30 May 2024), and 21 data points were after the merger (i.e. from 31 May 2024 until 30 June 2024). Refer to the "Liquidity and funding management" section of this report for more information.

Appendix

Alternative performance measures

Alternative performance measures

An alternative performance measure (an APM) is a financial measure of historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable recognized accounting standards or in other applicable regulations. A number of APMs are reported in the discussion of the financial and operating performance of the external reports (annual, quarterly and other reports). APMs are used to provide a more complete picture of operating performance and to reflect management's view of the fundamental drivers of the business results. A definition of each APM, the method used to calculate it and the information content are presented in alphabetical order in the table below. These APMs may qualify as non-GAAP measures as defined by US Securities and Exchange Commission (SEC) regulations.

APM label	Calculation	Information content
Cost / income ratio (%)	Calculated as operating expenses divided by total revenues.	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues.
Fee-generating assets (USD) – Global Wealth Management	Calculated as the sum of discretionary and nondiscretionary wealth management portfolios (mandate volume) and assets where generated revenues are predominantly of a recurring nature, i.e. mainly investment, mutual, hedge and private-market funds where we have a distribution agreement, including client commitments into closed-ended private-market funds from the date that recurring fees are charged. Assets related to our Global Financial Intermediaries business are excluded, as are assets of sanctioned clients.	This measure provides information about the volume of invested assets that create a revenue stream, whether as a result of the nature of the contractual relationship with clients or through the fee structure of the asset. An increase in the level of fee-generating assets results in an increase in the associated revenue stream. Assets of sanctioned clients are excluded from fee-generating assets.
Fee-pool-comparable revenues (USD) – the Investment Bank	Calculated as the total of revenues from: merger-and-acquisition-related transactions; Equity Capital Markets, excluding derivatives; Leveraged Capital Markets, excluding the impact of mark-to-market movements on loan portfolios; and Debt Capital Markets, excluding revenues related to debt underwriting of UBS instruments.	This measure provides information about the amount of revenues in the Investment Bank that are comparable with the relevant global fee pools.
Gross margin on invested assets (bps) – Asset Management	Calculated as total revenues (annualized as applicable) divided by average invested assets.	This measure provides information about the total revenues of the business in relation to invested assets.
Impaired loan portfolio as a percentage of total loan portfolio, gross (%) – Global Wealth Management, Personal & Corporate Banking	Calculated as impaired loan portfolio divided by total gross loan portfolio.	This measure provides information about the proportion of impaired loan portfolio in the total gross loan portfolio.
Integration-related expenses (USD)	Generally include costs of internal staff and contractors substantially dedicated to integration activities, retention awards, redundancy costs, incremental expenses from the shortening of useful lives of property, equipment and software, and impairment charges relating to these assets. Classification as integration-related expenses does not affect the timing of recognition and measurement of those expenses or the presentation thereof in the income statement. Integration-related expenses incurred by Credit Suisse also included expenses associated with restructuring programs that existed prior to the acquisition.	This measure provides information about expenses that are temporary, incremental and directly related to the integration of Credit Suisse into UBS.
Invested assets (USD and CHF) – Global Wealth Management, Personal & Corporate Banking, Asset Management	Calculated as the sum of managed fund assets, managed institutional assets, discretionary and advisory wealth management portfolios, fiduciary deposits, time deposits, savings accounts, and wealth management securities or brokerage accounts.	This measure provides information about the volume of client assets managed by or deposited with UBS for investment purposes.

APM label	Calculation	Information content
Net interest margin (bps) – Personal & Corporate Banking	Calculated as net interest income (annualized as applicable) divided by average loans.	This measure provides information about the profitability of the business by calculating the difference between the price charged for lending and the cost of funding, relative to loan value.
Net new assets (USD) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period, plus interest and dividends. Excluded from the calculation are movements due to market performance, foreign exchange translation, fees, and the effects on invested assets of strategic decisions by UBS to exit markets or services.	This measure provides information about the development of invested assets during a specific period as a result of net new asset flows, plus the effect of interest and dividends.
Net new assets growth rate (%) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period (annualized as applicable), plus interest and dividends, divided by total invested assets at the beginning of the period.	This measure provides information about the growth of invested assets during a specific period as a result of net new asset flows.
Net new fee-generating assets (USD) – Global Wealth Management	Calculated as the net amount of fee-generating asset inflows and outflows, including dividend and interest inflows into mandates and outflows from mandate fees paid by clients during a specific period. Excluded from the calculation are the effects on fee-generating assets of strategic decisions by UBS to exit markets or services.	This measure provides information about the development of fee-generating assets during a specific period as a result of net flows, excluding movements due to market performance and foreign exchange translation, as well as the effects on fee-generating assets of strategic decisions by UBS to exit markets or services.
Net new money (USD) – Global Wealth Management, Asset Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period. Excluded from the calculation are movements due to market performance, foreign exchange translation, dividends, interest and fees, as well as the effects on invested assets of strategic decisions by UBS to exit markets or services. Net new money is not measured for Personal & Corporate Banking.	This measure provides information about the development of invested assets during a specific period as a result of net new money flows.
Net new money growth rate (%) – Global Wealth Management	Calculated as the net amount of inflows and outflows of invested assets (as defined in UBS policy) recorded during a specific period (annualized as applicable) divided by total invested assets at the beginning of the period.	This measure provides information about the growth of invested assets during a specific period as a result of net new money flows.
Net profit growth (%)	Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period.	This measure provides information about profit growth since the comparison period.
Operating expenses (underlying) (USD)	Calculated by adjusting operating expenses as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses. › **Refer to the "Group performance" section of the UBS Group third quarter 2024 report for more information**	This measure provides information about the amount of operating expenses, while excluding items that management believes are not representative of the underlying performance of the businesses.
Operating profit / (loss) before tax (underlying) (USD)	Calculated by adjusting operating profit / (loss) before tax as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses. › **Refer to the "Group performance" section of the UBS Group third quarter 2024 report for more information**	This measure provides information about the amount of operating profit / (loss) before tax, while excluding items that management believes are not representative of the underlying performance of the businesses.
Pre-tax profit growth (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period.	This measure provides information about pre-tax profit growth since the comparison period.

APM label	Calculation	Information content
Pre-tax profit growth (underlying) (%) – Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank	Calculated as the change in net profit before tax attributable to shareholders from continuing operations between current and comparison periods divided by net profit before tax attributable to shareholders from continuing operations of the comparison period. Net profit before tax attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about pre-tax profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.
Recurring net fee income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking	Calculated as the total of fees for services provided on an ongoing basis, such as portfolio management fees, asset-based investment fund fees and custody fees, which are generated on client assets, and administrative fees for accounts.	This measure provides information about the amount of recurring net fee income.
Return on attributed equity[1] (%)	Calculated as annualized business division operating profit before tax divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity.
Return on common equity tier 1 capital[1] (%)	Calculated as annualized net profit attributable to shareholders divided by average common equity tier 1 capital.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital.
Return on equity[1] (%)	Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders.	This measure provides information about the profitability of the business in relation to equity.
Return on leverage ratio denominator, gross (%)	Calculated as annualized total revenues divided by average leverage ratio denominator.	This measure provides information about the revenues of the business in relation to the leverage ratio denominator.
Return on tangible equity[1] (%)	Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders less average goodwill and intangible assets.	This measure provides information about the profitability of the business in relation to tangible equity.
Tangible book value per share (USD)	Calculated as equity attributable to shareholders less goodwill and intangible assets divided by the number of shares outstanding.	This measure provides information about tangible net assets on a per-share basis.
Total book value per share (USD)	Calculated as equity attributable to shareholders divided by the number of shares outstanding.	This measure provides information about net assets on a per-share basis.
Total revenues (underlying) (USD)	Calculated by adjusting total revenues as reported in accordance with IFRS Accounting Standards for items that management believes are not representative of the underlying performance of the businesses. › **Refer to the "Group performance" section of the UBS Group third quarter 2024 report for more information**	This measure provides information about the amount of total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Transaction-based income (USD and CHF) – Global Wealth Management, Personal & Corporate Banking	Calculated as the total of the non-recurring portion of net fee and commission income, mainly composed of brokerage and transaction-based investment fund fees, and credit card fees, as well as fees for payment and foreign-exchange transactions, together with other net income from financial instruments measured at fair value through profit or loss.	This measure provides information about the amount of the non-recurring portion of net fee and commission income, together with other net income from financial instruments measured at fair value through profit or loss.
Underlying cost / income ratio (%)	Calculated as underlying operating expenses (as defined above) divided by underlying total revenues (as defined above).	This measure provides information about the efficiency of the business by comparing operating expenses with total revenues, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying net profit growth (%)	Calculated as the change in net profit attributable to shareholders from continuing operations between current and comparison periods divided by net profit attributable to shareholders from continuing operations of the comparison period. Net profit attributable to shareholders from continuing operations excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about profit growth since the comparison period, while excluding items that management believes are not representative of the underlying performance of the businesses.

APM label	Calculation	Information content
Underlying return on attributed equity[1] (%)	Calculated as annualized underlying business division operating profit before tax (as defined above) divided by average attributed equity.	This measure provides information about the profitability of the business divisions in relation to attributed equity, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on common equity tier 1 capital[1] (%)	Calculated as annualized net profit attributable to shareholders divided by average common equity tier 1 capital. Net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to common equity tier 1 capital, while excluding items that management believes are not representative of the underlying performance of the businesses.
Underlying return on tangible equity[1] (%)	Calculated as annualized net profit attributable to shareholders divided by average equity attributable to shareholders less average goodwill and intangible assets. Net profit attributable to shareholders excludes items that management believes are not representative of the underlying performance of the businesses and also excludes related tax impact.	This measure provides information about the profitability of the business in relation to tangible equity, while excluding items that management believes are not representative of the underlying performance of the businesses.

1 Profit or loss information for the third quarter of 2024 is based entirely on consolidated data following the merger of UBS AG and Credit Suisse AG and for the purpose of the calculation of return measures has been annualized by multiplying such by four. Profit and loss information for the second quarter of 2024 includes one month (June 2024) of post-merger consolidated data and two months of pre-merger UBS AG data only (April and May 2024) and for the purpose of the calculation of return measures has been annualized by multiplying such by four. Profit or loss information for each of the fourth quarter of 2023 and the third quarter of 2023 includes pre-merger UBS AG data only and for the purpose of the calculation of return measures has been annualized by multiplying such by four. Profit or loss information for the first nine months of 2024 includes four months (June to September 2024) of post-merger consolidated data and five months of pre-merger UBS AG data only (January to May 2024) and for the purpose of the calculation of return measures has been annualized by dividing such by three and then multiplying by four. Profit or loss information for the first nine months of 2023 includes pre-merger UBS AG data only and for the purpose of the calculation of return measures has been annualized by dividing such by three and then multiplying by four.

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

Abbreviations frequently used in our financial reports

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

Abbreviations frequently used in our financial reports (continued)

K

KRT	Key Risk Taker

L

LAS	liquidity-adjusted stress
LCR	liquidity coverage ratio
LGD	loss given default
LIBOR	London Interbank Offered Rate
LLC	limited liability company
LoD	lines of defense
LRD	leverage ratio denominator
LTIP	Long-Term Incentive Plan
LTV	loan-to-value

M

M&A	mergers and acquisitions
MRT	Material Risk Taker

N

NII	net interest income
NSFR	net stable funding ratio
NYSE	New York Stock Exchange

O

OCA	own credit adjustment
OCI	other comprehensive income
OECD	Organisation for Economic Co-operation and Development
OTC	over-the-counter

P

PCI	purchased credit impaired
PD	probability of default
PIT	point in time
P&L	profit or loss
PPA	purchase price allocation

Q

QCCP	qualifying central counterparty

R

RBC	risk-based capital
RbM	risk-based monitoring
REIT	real estate investment trust
RMBS	residential mortgage-backed securities
RniV	risks not in VaR
RoCET1	return on CET1 capital
RoU	right-of-use
rTSR	relative total shareholder return
RWA	risk-weighted assets

S

SA	standardized approach or société anonyme
SA-CCR	standardized approach for counterparty credit risk
SAR	Special Administrative Region of the People's Republic of China
SDG	Sustainable Development Goal
SEC	US Securities and Exchange Commission
SFT	securities financing transaction
SI	sustainable investing or sustainable investment
SIBOR	Singapore Interbank Offered Rate
SICR	significant increase in credit risk
SIX	SIX Swiss Exchange
SME	small and medium-sized entities
SMF	Senior Management Function
SNB	Swiss National Bank
SOR	Singapore Swap Offer Rate
SPPI	solely payments of principal and interest
SRB	systemically relevant bank
SRM	specific risk measure
SVaR	stressed value-at-risk

T

TBTF	too big to fail
TCFD	Task Force on Climate-related Financial Disclosures
TIBOR	Tokyo Interbank Offered Rate
TLAC	total loss-absorbing capacity
TTC	through the cycle

U

USD	US dollar

V

VaR	value-at-risk
VAT	value added tax

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

Information sources

Reporting publications

Annual publications

UBS AG Annual Report: Published in English, this report provides descriptions of: the UBS AG (consolidated) performance; the strategy and performance of the business divisions and Group Items; risk, treasury and capital management; corporate governance; and financial information, including the financial statements.

Compensation Report: This report discusses the compensation framework and provides information about compensation for the Board of Directors and the Group Executive Board members. It is available in English and German (*"Vergütungsbericht"*) and represents a component of the UBS Group Annual Report.

Sustainability Report: Published in English, the Sustainability Report provides disclosures on environmental, social and governance topics related to the UBS Group. It also provides certain disclosures related to diversity, equity and inclusion.

Quarterly publications

Quarterly financial report: This report provides an update on performance and strategy (where applicable) for the respective quarter. It is available in English.

The annual and quarterly publications are available in .pdf and online formats at *ubs.com/investors*, under "Financial information". Starting with the Annual Report 2022, printed copies, in any language, of the aforementioned annual publications are no longer provided.

Other information

Website

The "Investor Relations" website at *ubs.com/investors* provides the following information about UBS: results-related news releases; financial information, including results-related filings with the US Securities and Exchange Commission (the SEC); information for shareholders, including UBS share price charts, as well as data and dividend information, and for bondholders; the corporate calendar; and presentations by management for investors and financial analysts. Information is available online in English, with some information also available in German.

Results presentations

Quarterly results presentations are webcast live. Recordings of most presentations can be downloaded from *ubs.com/presentations*.

Messaging service

Email alerts to news about UBS can be subscribed for under "UBS News Alert" at *ubs.com/global/en/investor-relations/contact/investor-services.html*. Messages are sent in English, German, French or Italian, with an option to select theme preferences for such alerts.

Form 20-F and other submissions to the US Securities and Exchange Commission

UBS files periodic reports with and submits other information to the SEC. Principal among these filings is the annual report on Form 20-F, filed pursuant to the US Securities Exchange Act of 1934. The filing of Form 20-F is structured as a wraparound document. Most sections of the filing can be satisfied by referring to the UBS AG Annual Report. However, there is a small amount of additional information in Form 20-F that is not presented elsewhere and is particularly targeted at readers in the US. Readers are encouraged to refer to this additional disclosure. Any document that filed with the SEC is available on the SEC's website: *sec.gov*. Refer to *ubs.com/investors* for more information.

Cautionary statement regarding forward-looking statements | This report contains statements that constitute "forward-looking statements", including but not limited to management's outlook for UBS's financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS's judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. In particular, the global economy may be negatively affected by shifting political circumstances, including as a result of elections, increased tension between world powers, growing conflicts in the Middle East, as well as the continuing Russia–Ukraine war. In addition, the ongoing conflicts may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to the armed conflicts, including, with respect to the Russia–Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts will further widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. UBS's acquisition of the Credit Suisse Group has materially changed its outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to take between three and five years and presents significant risks, including the risks that UBS Group AG may be unable to achieve the cost reductions and other benefits contemplated by the transaction. This creates significantly greater uncertainty about forward-looking statements. Other factors that may affect UBS's performance and ability to achieve its plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility and the size of the combined Group; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including as a result of the acquisition of the Credit Suisse Group; (iii) increased inflation and interest rate volatility in major markets; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates, deterioration or slow recovery in residential and commercial real estate markets, the effects of economic conditions, including elevated inflationary pressures, market developments, increasing geopolitical tensions, and changes to national trade policies on the financial position or creditworthiness of UBS's clients and counterparties, as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any adverse changes in UBS's credit spreads and credit ratings of UBS, Credit Suisse, sovereign issuers, structured credit products or credit-related exposures, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC), in particular in light of the acquisition of the Credit Suisse Group; (vi) changes in central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the EU and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS's business activities; (vii) UBS's ability to successfully implement resolvability and related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS in response to legal and regulatory requirements and any additional requirements due to its acquisition of the Credit Suisse Group, or other developments; (viii) UBS's ability to maintain and improve its systems and controls for complying with sanctions in a timely manner and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS's competitive position, including whether differences in regulatory capital and other requirements among the major financial centers adversely affect UBS's ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to its businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of its RWA, including as a result of its acquisition of the Credit Suisse Group, as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS's business, in particular cross-border banking, of sanctions, tax or regulatory developments and of possible changes in UBS's policies and practices; (xiv) UBS's ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xvi) UBS's ability to implement new technologies and business methods, including digital services and technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvii) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xviii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks, data leakage and systems failures, the risk of which is increased with cyberattack threats from both nation states and non-nation-state actors targeting financial institutions; (xix) restrictions on the ability of UBS Group AG and UBS AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS's operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xx) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS's ability to maintain its stated capital return objective; (xxi) uncertainty over the scope of actions that may be required by UBS, governments and others for UBS to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and the possibility of conflict between different governmental standards and regulatory regimes; (xxii) the ability of UBS to access capital markets; (xxiii) the ability of UBS to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, conflict (e.g. the Russia–Ukraine war), pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during long-term disruptions such as the COVID-19 (coronavirus) pandemic; (xxiv) the level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, and in the execution of the planned strategy regarding cost reduction and divestment of any non-core assets, the existing assets and liabilities of Credit Suisse, the level of resulting impairments and write-downs, the effect of the consummation of the integration on the operational results, share price and credit rating of UBS – delays, difficulties, or failure in closing the transaction may cause market disruption and challenges for UBS to maintain business, contractual and operational relationships; and (xxv) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on its reputation and the additional consequences that this may have on its business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. UBS's business and financial performance could be affected by other factors identified in its past and future filings and reports, including those filed with the US Securities and Exchange Commission (the SEC). More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including the UBS Group AG and UBS AG Annual Reports on Form 20- F for the year ended 31 December 2023. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

Rounding | Numbers presented throughout this report may not add up precisely to the totals provided in the tables and text. Percentages and percent changes disclosed in text and tables are calculated on the basis of unrounded figures. Absolute changes between reporting periods disclosed in the text, which can be derived from numbers presented in related tables, are calculated on a rounded basis.

Tables | Within tables, blank fields generally indicate non-applicability or that presentation of any content would not be meaningful, or that information is not available as of the relevant date or for the relevant period. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. Values that are zero on a rounded basis can be either negative or positive on an actual basis.

Websites | In this report, any website addresses are provided solely for information and are not intended to be active links. UBS is not incorporating the contents of any such websites into this report.

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